



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 Quarterly Report For The Fourth Quarter Ended 31 December 2019
 (The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31-Dec-19 RM'000	Preceding Year Corresponding Quarter 31-Dec-18 RM'000	Current Year To date 31-Dec-19 RM'000	Preceding Year Corresponding Period 31-Dec-18 RM'000
Revenue		14,479	14,610	87,716	50,506
Direct costs		(13,696)	(13,582)	(84,165)	(45,050)
Gross profit		783	1,028	3,551	5,456
Other operating income		(221)	-	2,118	438
Administrative expenses		(1,565)	(1,870)	(8,974)	(8,022)
Other operating expenses		84	(3)	(259)	(42)
Finance costs		(6)	-	(22)	-
Loss after exceptional item before taxation		(925)	(845)	(3,586)	(2,170)
Taxation	B6	7	103	7	103
Loss for the financial period/year		(918)	(742)	(3,579)	(2,067)
Other comprehensive income		-	-	-	-
Total comprehensive expense		(918)	(742)	(3,579)	(2,067)
Loss attributable to :					
Equity holders of the Company		(899)	(764)	(3,513)	(1,967)
Non-Controlling Interest		(19)	22	(66)	(100)
		(918)	(742)	(3,579)	(2,067)
Loss per share (sen)					
- Basic	B15	(0.43)	(0.37)	(1.70)	(0.97)
- Diluted	B15	(0.43)	(0.25)	(1.70)	(0.65)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

(The figures have not been audited)

	As at Current Year Quarter 31-Dec-19 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31-Dec-18 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	1,170	236
Right-of-Use Asset	320	-
	<u>1,490</u>	<u>236</u>
CURRENT ASSETS		
Inventories	177	-
Trade receivables	3,910	14,677
Other receivables, deposits & prepayments	3,121	849
Tax recoverable	149	651
Deposits with licensed banks	792	2,137
Cash and bank balances	2,469	5,763
	<u>10,618</u>	<u>24,077</u>
TOTAL ASSETS	<u>12,108</u>	<u>24,313</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,059	9,764
Treasury shares	(179)	(179)
Warrant reserves	-	1,357
Foreign currency translation reserve	-	(23)
Accumulated losses	(2,689)	(510)
Shareholders' funds	<u>7,191</u>	<u>10,409</u>
Non-controlling interest	<u>(87)</u>	<u>7</u>
Total Equity	<u>7,104</u>	<u>10,416</u>
NON-CURRENT LIABILITIES		
Lease liabilities	110	-
Deferred tax liabilities	-	5
	<u>110</u>	<u>5</u>
CURRENT LIABILITIES		
Trade payables	3,952	12,749
Other payables and accruals	726	1,143
Lease liabilities	216	-
	<u>4,894</u>	<u>13,892</u>
TOTAL EQUITY AND LIABILITIES	<u>12,108</u>	<u>24,313</u>
Net Assets per share (sen)	<u>3.42</u>	<u>5.01</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Net Assets per share for the current quarter is arrived at based on the Group's Total Equity of RM7,104,000 over the number of ordinary shares of 208,012,945 shares.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report For The Fourth Quarter Ended 31 December 2019

(The figures have not been audited)

	Non-distributable				Distributable		Total Equity RM'000		
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Accumulated Losses RM'000		Shareholders' Fund RM'000	Non-Controlling Interests RM'000
At 1 January 2018	20,506	(179)	6,758	1,357	(23)	(16,043)	12,376	107	12,483
Net loss for the financial year	-	-	-	-	-	(1,967)	(1,967)	(100)	(2,067)
Capital reduction	(17,500)	-	-	-	-	17,500	-	-	-
Transfer of share premium in accordance with Section 618(2) of the Companies Act, 2016	6,758	-	(6,758)	-	-	-	-	-	-
At 31 December 2018 (Audited)	9,764	(179)	-	1,357	(23)	(510)	10,409	7	10,416
At 1 January 2019	9,764	(179)	-	1,357	(23)	(510)	10,409	7	10,416
Net loss for the financial year	-	-	-	-	-	(3,513)	(3,513)	(66)	(3,579)
Acquisition of subsidiary company	-	-	-	-	-	-	-	(28)	(28)
Share issued during financial year	295	-	-	-	-	-	295	-	295
Warrant reserve	-	-	-	(1,357)	-	1,357	-	-	-
Exchange difference arising from translation of foreign currency	-	-	-	-	23	(23)	-	-	-
At 31 December 2019 (Unaudited)	10,059	(179)	-	-	-	(2,689)	7,191	(87)	7,104

Note:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Quarterly Report For The Fourth Quarter Ended 31 December 2019
(The figures have not been audited)

	Current Year To date ended 31-Dec-19 RM'000	Preceding Year Corresponding Period ended 31-Dec-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,586)	(2,170)
Adjustments for:		
Depreciation of plant and equipment	396	103
Plant and equipment written off	14	-
Bad debts written off	-	2
Impairment on trade receivables	234	-
Gain on disposal of subsidiary company	(1,416)	-
Inventory written off	4	-
Goodwill written off	82	-
Interest expense	22	-
Interest income	(79)	(138)
Operating loss before working capital changes	<u>(4,329)</u>	<u>(2,203)</u>
Increase in inventories	(181)	-
(Increase)/Decrease in trade and other receivables	(9,303)	1,873
Increase/(Decrease) in trade and other payables	4,059	(617)
Cash used in operations	<u>(9,754)</u>	<u>(947)</u>
Tax received/(paid)	265	(202)
Interest expense paid	(22)	-
Interest received	79	138
Net cash used in operating activities	<u>(9,432)</u>	<u>(1,011)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of pledge deposits	(306)	351
Purchase of plant and equipment	(1,278)	(71)
Proceeds from disposal of plant and equipment	6	-
Proceeds on disposal of subsidiary company	7,609	-
Cash flow on acquisition of subsidiary company	1	-
Net cash generated from investing activities	<u>6,032</u>	<u>280</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(189)	-
Proceeds from issue of shares	295	-
Net cash generated from financing activities	<u>106</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,294)	(731)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,763	6,494
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16 <u>2,469</u>	<u>5,763</u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("AMLR") and should be read in conjunction with the audited financial statements of the Company and its subsidiary companies ("TFP Group" or "TFP") for the financial year ended 31 December 2019.

The interim financial statements are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

A2 Significant accounting policies

The accounting policies and methods of computation adopted by TFP and its subsidiary companies ("TFP Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation

Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)

MFRS 16, Leases

Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long Term Interests in Associates and Joint Ventures

IC Interpretation 23, Uncertainty over Income Tax Treatments



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A2 Significant accounting policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 2, Share-Based Payment
Amendments to MFRS 3, Business Combinations
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14, Regulatory Deferral Accounts
Amendments to MFRS 101, Presentation of Financial Statements
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134, Interim Financial Reporting
Amendment to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
Amendment to MFRS 138, Intangible Assets
Amendment to IC Interpretation 12, Service Concession Arrangements
Amendment to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
Amendment to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132, Intangible Assets – Web Site Costs
Amendments to MFRS 9, Financial Instruments, MFRS 139 Financial Instruments : Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

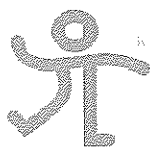
MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2019 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2019.
- from the annual period beginning on 1 January 2020 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2020; and
- from the annual period beginning on 1 January 2021 for those accounting standards, amendments or interpretations that are applicable to the Company and effective for annual periods beginning on or after 1 January 2021.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A2 Significant accounting policies (cont'd)

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below :

MFRS 16, Leases

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period, as permitted under the standard. The Group also elected to use the recognition exemptions for lease contract at the commencement date have a lease term of 12 months or less, or the underlying assets is of low value. The adoption of MFRS 16 have the following impact on the consolidated financial statements for period ended 31 December 2019.

Group	Unaudited	Impact of	Unaudited
	31-Dec-19	MFRS 16	31-Dec-19 with
	Normalised	Adoption	MFRS 16
	RM'000	RM'000	RM'000
Right-of-use asset	-	320	320
Lease liabilities	-	(326)	(326)
Depreciation	(200)	(196)	(396)
Finance Cost	-	(22)	(22)

Amendments to MFRS 123, Borrowing Costs

Amendments to MFRS 123 (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.



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A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A2 Significant accounting policies (cont'd)

IC Interpretation 23, Uncertainty over Income Tax Treatments

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. The effect of uncertainty shall be measured using the method which best predicts the resolution of the uncertainty. IC interpretation 23 will be effective for annual reporting periods beginning on or after 1 January 2019.

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that :-

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group and the Company.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16, amendments to MFRS 123, IC Interpretation 23 and amendments to MFRS 10 and MFRS 128.

A3 Audit report of preceding annual financial statements

The preceding year's annual audited financial statements were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review.

A7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current quarter under review, save as disclosed below:-

	Ordinary Share Capital RM'000	Share Buy Back RM'000	Warrants RM'000
Balance at 1 January 2019	9,764	179	9,765
Add: Warrants converted to ordinary shares	295	-	(295)
Add: Share buy backs during the year	-	-	-
Less: Warrant expired	-	-	(9,470)
Balance at 31 December 2019	<u>10,059</u>	<u>179</u>	<u>-</u>

A circular dated 7 January 2019 was sent to all warrant holders of the Company to inform of the expiry of the warrant due on 15 February 2019.

Announcement was made on 28 January 2019, 12 February 2019 and 21 February 2019, that the Company had converted 160,000 units, 93,300 units and 2,700,000 units of warrants at an exercise price of RM0.10 each respectively.

Following the conversion of warrants, the issued share capital of the Company is RM10,058,985 comprising 208,012,945 shares.

The warrant had expired on 16 February 2019. All unexercised warrants will lapse and become void and will cease to be exercisable.

A8 Dividend paid

There were no dividends paid during the current quarter under review.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A9 Segmental information

Segment information based on the group's activities is set out below.

	Unaudited Individual quarter 31-Dec-19 RM'000	Unaudited Individual quarter 31-Dec-18 RM'000	Unaudited Cumulative quarter 31-Dec-19 RM'000	Unaudited Cumulative quarter 31-Dec-18 RM'000
Revenue				
Business Management Solutions	661	7,690	5,290	17,127
Converged Infrastructure Solutions	-	7,114	26,698	33,573
Mobile Airtime Reload	13,800	-	55,610	-
E-Sport	9	-	1,397	-
Others	14	1,615	14	2,781
	<u>14,484</u>	<u>16,419</u>	<u>89,009</u>	<u>53,481</u>
Adjustment and eliminations	(5)	(1,809)	(1,293)	(2,975)
	<u>14,479</u>	<u>14,610</u>	<u>87,716</u>	<u>50,506</u>
Loss before taxation				
Business Management Solutions	(390)	(324)	(679)	(1,052)
Converged Infrastructure Solutions	-	(320)	(51)	(786)
Mobile Airtime Reload	(552)	-	(2,604)	-
E-Sport	(61)	-	(628)	-
Others	(190)	(201)	325	(274)
	<u>(1,193)</u>	<u>(845)</u>	<u>(3,637)</u>	<u>(2,112)</u>
Adjustment and eliminations	268	-	51	(58)
	<u>(925)</u>	<u>(845)</u>	<u>(3,586)</u>	<u>(2,170)</u>

No other segmental information such assets and liabilities are presented as the Group is principally engaged in one industry that is the Information Technology ("IT") Solutions and related services.

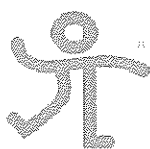
The Group's operations are currently conducted predominantly in Malaysia.

A10 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

A11 Material events subsequent to the end of the quarter

There were no other material subsequent event to the end of the current quarter under review to the date of this report.



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A12 Changes in the composition of the Group

- (a) The Board had announced on 24 October 2018 that MBP Solutions Sdn Bhd ("MBP"), a wholly-owned subsidiary of the Company had entered into a Shareholders Agreement with LMS Technology Distributions Sdn. Bhd. ("LMS") for the acquisition of 375,000 ordinary shares in Jejak Semangat Sdn. Bhd. ("JSSB"), representing 75% of the issued share capital of JSSB for a total consideration of RM1.00 (Ringgit Malaysia One) only from LMS ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, JSSB will become a 75% owned subsidiary of MBP and an indirect subsidiary of the Company. The proposed acquisition has been completed on 21 June 2019.

The fair value of assets acquired and liabilities assumed were as follows:

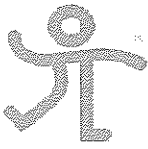
	RM'000
Cash	1
Other receivables	1
Other payables and accruals	(111)
Goodwill	82
NCI	27
Total purchase price	<u>*</u>
Total purchase price	(*)
Add: cash of subsidiary	<u>1</u>
Cash flow on acquisition net of cash acquired	<u>1</u>

* less than RM1,000

- (b) An announcement was made on 11 March 2019 on disposal of 100% equity interest in Tech3 Solutions Sdn Bhd ("Tech3"), a wholly-owned subsidiary company of TFP, comprising 5,000,000 ordinary shares ("Tech3 Shares" Or "Sale Shares") to Cloud Dynamix Sdn Bhd ("Purchaser") for a disposal consideration of RM7,904,000 ("Disposal Consideration") to be satisfied entirely via cash ("Disposal"). On 8 July 2019, it was announced that all conditions precedent set out in the share sale agreement dated 11 March 2019 have been fulfilled and Tech3 has ceased to be a wholly-owned subsidiary company of TFP.

The effect of the disposal of Tech3 on the financial position of the Group as at the date of disposal was follows:

	RM'000
Plant and equipment	124
Trade and other receivables	17,218
Deposits with licensed banks	1,650
Bank balances	295
Trade and other payables	<u>(12,799)</u>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A12 Changes in the composition of the Group (Cont'd)

	RM'000
Net assets/total net assets disposed	6,488
Gain on disposal	1,416
Proceeds from disposal	<u>7,904</u>
Less: Bank balances disposed	(295)
Net cash inflows from disposal	<u>7,609</u>

A13 Contingent liabilities

On 5 November 2019, Rapid Cloud has filed a suit against TFP Soft Sdn Bhd ("TFP Soft"), a wholly-owned subsidiary company of TFP, claiming for a sum of RM106,304, interest and costs ("Outstanding Sum"). The suit by Rapid Cloud for the Outstanding Sum is for the supply of web-based system development and web server services by Rapid Cloud to TFP Soft. TFP Soft has filed its Memorandum of Appearance and Statement of Defence on 20 November 2019 and 10 December 2019, respectively. TFP Soft's defence against the claim by Rapid Cloud is due to delay and issues with the system developed by Rapid Cloud which resulted TFP Soft being unable to use the services and therefore Rapid Cloud is therefore not entitled to the Outstanding Sum.

On 26 December 2019, Rapid Cloud has filed an application for summary judgement against TFP Soft. After the hearing on 19 February 2020, the Court has directed TFP Soft to file a further affidavit on 24 February 2020. The directors of TFP Soft are opinion that TFP Soft stands a good chance of successfully defending against the suit by Rapid Cloud.

As disclosed above, the Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date, other than that disclosed in the audited financial statements for the financial year ended 31 December 2018.

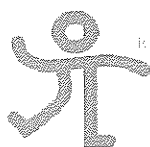
A14 Capital commitments

As at 31 December 2019, the Group has no material capital commitments in respect of property, plant and equipment.

A15 Significant related party transactions

The Directors are of the opinion that the Group has no other related party transactions which would have a significant impact on the financial position and business of the Group save as disclosed below.

Shareholders' mandate for the Recurrent Related Party Transactions ("RRPTs") entered into by the Company was obtained at the Annual General Meeting held on 25 April 2019. The RRPTs in the current financial quarter and cumulative year to date is as follows:-



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2019

A NOTES TO THE INTERIM FINANCIAL STATEMENTS (Cont'd)

A15 Significant related party transactions (Cont'd)

	Current Year Quarter 31-Dec-19 RM'000	Cumulative Year To Date 31-Dec-19 RM'000
(i) Office rental paid to a director	58	212
(ii) Transaction with related company	13,298	54,268

A16 Cash and cash equivalents

	Current Period To Date 31-Dec-19 RM'000	Preceding Corresponding Year To Date 31-Dec-18 RM'000
Deposits with licensed banks	792	2,137
Cash and bank balances	2,469	5,763
	<u>3,261</u>	<u>7,900</u>
Less: Pledged deposits	(792)	(2,137)
	<u>2,469</u>	<u>5,763</u>

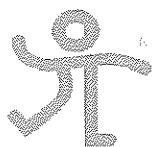
B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance

	Current Quarter		Current Year To-date	
	31-Dec-19 RM'000	31-Dec-18 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000
Revenue	14,479	14,610	87,716	50,506
Gross profit	783	1,028	3,551	5,456
Loss before tax	(925)	(845)	(3,586)	(2,170)

For the current quarter ended 31 December 2019, the Group recorded a lower revenue of RM14.48 million (Q4FY2018: RM14.61 million), which represents a decrease of 0.89%. The slight decrease is mainly due to the change of composition of the Group and the Group has ventured into the mobile phone prepaid airtime reload service since December 2018.

For the current year to-date ended 31 December 2019, the Group recorded a higher revenue of RM87.72 million (FY2018: RM50.51 million), which represents an increase of 73.67%. The increase in revenue is mainly due to revenue contribution from mobile phone prepaid airtime reload service and e-sport softpins.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B1 Review of performance (Cont'd)

The Group recorded a lower gross profit of RM0.78 million for the current quarter ended 31 December 2019 (Q4FY2018: RM1.03 million) and RM3.55 million for the current year to-date ended 31 December 2019 (FY2018: RM5.46 million), which represents a decrease of 24.27% and 34.98%, respectively. The decrease in gross profit is mainly due to increase in purchase of mobile phone prepaid airtime reload products.

The Group recorded a higher loss before tax of RM0.93 million for the current quarter ended 31 December 2019 (Q4FY2018: RM0.85 million) and RM3.59 million for the current year to-date ended 31 December 2019 (FY2018 RM2.17 million), which represents an increase of 9.41% and 65.44%, respectively. The increase in loss of tax are mainly due to increase in purchase of mobile phone airtime reload products, increase in salaries and consultancy fees and impairment loss on trade receivables.

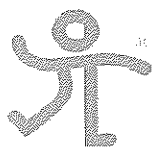
B2 Variation of results against preceding quarter

	Current Quarter 31-Dec-19 RM'000	Preceding Quarter 30-Sep-19 RM'000
Revenue	14,479	16,803
Gross profit	783	59
Loss before tax	<u>(925)</u>	<u>(389)</u>

Compared to preceding quarter ended 30 September 2019, the Group recorded a decrease in revenue by 13.83% in the current quarter of 31 December 2019. The lower revenue recorded in the current quarter of 31 December 2019 is due to decline in sales of mobile phone prepaid airtime reload services and e-sport softpins to customers compared with preceding quarter of 30 September 2019. However, the revenue from Business Management Solutions increased due to the maintenance services by existing customers.

The group's gross profit increased by RM0.72 million from RM0.06 million in the preceding quarter of 30 September 2019 to RM0.78 million in the current quarter of 31 December 2019 is due to decrease in purchase of mobile phone prepaid airtime reload products and lower cost of maintenance services for Business Management Solutions.

The Group recorded a loss before tax of RM0.93 million for the current quarter of 31 December 2019 as compared to the loss before tax of RM0.39 million in the preceding quarter of 30 September 2019. The increase in loss before tax is mainly due to decrease in other income for the current quarter of 31 December 2019, which the gain on disposal of Tech3 Solutions Sdn Bhd, a wholly-owned subsidiary company was recognised in the preceding quarter of 30 September 2019.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B3 Prospects

TFP is fully aware of the continuing global economic challenges and its impact on the local economy. Barring unforeseen circumstances, the Board of Directors are of the opinion that the performance of the existing business of the TFP Group will remain cautiously optimistic for the financial year 2019.

The management of TFP will persevere in its business initiatives to secure more projects and continuously looking for new business opportunities to expand its business portfolios.

B4 Variation of actual profit from forecast profit

Not applicable for the current financial quarter.

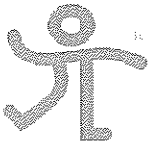
B5 Statement of Comprehensive Income

	Current Quarter 31-Dec-19 RM'000	Cumulative Quarter 31-Dec-19 RM'000
a. interest income	25	79
b. gain on disposal of subsidiary company	(260)	1,416
c. foreign exchange gain - realised	11	11
d. interest expense	(6)	(22)
e. depreciation and amortisation	(161)	(396)
f. plant and equipment written off	(14)	(14)
g. Inventory written off	(4)	(4)
h. impairment of trade receivables	84	(234)
i. goodwill written off	-	(82)
	<hr/>	<hr/>

B6 Taxation

	Current Quarter 31-Dec-19 RM'000	Cumulative Quarter 31-Dec-19 RM'000
Income tax expense		
- Current quarter/financial year	-	-
- Overprovision in previous year	(2)	(2)
	<hr/>	<hr/>
	(2)	(2)
Deferred tax		
- Current quarter/financial year	(5)	(5)
	<hr/>	<hr/>
	(7)	(7)
	<hr/>	<hr/>

The effective tax rate is lower for TFP Group as the loss making subsidiary companies within the Group and its accompanying tax benefit has not been optimised for TFP Group's overall tax commitment.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B7 Unquoted investments and properties

There was no disposal of any unquoted investments or properties in the current quarter under review.

B8 Quoted securities

There were no acquisitions or disposals of quoted securities during the current financial quarter and financial year to-date.

B9 Status of corporate proposals

There are no corporate proposals announced but not yet completed as at the date of this announcement.

B10 Status of utilisation of proceeds from disposal of subsidiary company

The status of utilisation of the proceeds of approximately RM5.51 million from the corporate exercise as at 31 December 2019 are as follow:

	Proposed utilisation RM'000	Time frame from utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital for BMS segment	3,636	Within 12 months from completion	1,275	2,361
Funding for new business plans	4,068	Within 12 months from completion	4,068	-
Estimated expenses	200	Upon completion	164	36
	<u>7,904</u>		<u>5,507</u>	<u>2,397</u>

B11 Group's borrowings and debt securities

TFP Group has no borrowings or debt securities as at 31 December 2019.

TFP Group does not have any foreign currency borrowings.

B12 Off balance sheet financial instruments

As at reporting date, TFP issued corporate guarantees in favour of vendor companies for the supply of goods and services to its subsidiary companies up to approximately RM5.50 million.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (Cont'd)

B13 Material litigation

Neither the Company nor its subsidiary companies is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Group.

B14 Dividends

No dividend has been declared by the Company in the current financial quarter under review.

B15 Loss per share

	Current Year Quarter 31-Dec-19	Preceding Year Corresponding Quarter 31-Dec-18	Current Year To date 31-Dec-19	Preceding Year Corresponding Period 31-Dec-18
Loss attributable to equity holders of the company (RM'000)	(899)	(764)	(3,513)	(1,967)
Weighted average number of shares in issue ('000)	206,734	203,781	206,734	203,781
Basic loss per share (sen)	(0.43)	(0.37)	(1.70)	(0.97)
Number of shares in issue ('000)	208,013	205,060	208,013	205,060
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	-	97,648	-	97,648
	206,734	301,429	206,734	301,429
Diluted loss per share (sen)	(0.43)	(0.25)	(1.70)	(0.65)

B16 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 February 2020.

TFP Solutions Berhad
 25 February 2020