



TFP SOLUTIONS BERHAD (773550-A)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 Quarterly Report For The Second Quarter Ended 30 June 2020  
 (The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30-Jun-20 RM'000	Preceding Year Corresponding Quarter 30-Jun-19 RM'000	Current Year To date 30-Jun-20 RM'000	Preceding Year Corresponding Period 30-Jun-19 RM'000
Revenue		1,567	23,647	15,392	56,434
Direct costs		(1,406)	(22,719)	(14,500)	(53,725)
Gross profit		161	928	892	2,709
Other operating income		78	327	123	600
Administrative expenses		(1,488)	(2,975)	(2,927)	(5,497)
Other operating expenses		(19)	(67)	(22)	(74)
Finance costs		(3)	(10)	(7)	(10)
<b>Loss after exceptional item before taxation</b>		<b>(1,271)</b>	<b>(1,797)</b>	<b>(1,941)</b>	<b>(2,272)</b>
Taxation	B6	-	-	-	-
<b>Loss for the financial period</b>		<b>(1,271)</b>	<b>(1,797)</b>	<b>(1,941)</b>	<b>(2,272)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss</b>		<b>(1,271)</b>	<b>(1,797)</b>	<b>(1,941)</b>	<b>(2,272)</b>
<b>Loss attributable to :</b>					
Equity holders of the Company		(1,251)	(1,761)	(1,908)	(2,232)
Minority shareholders		(20)	(36)	(33)	(40)
		<b>(1,271)</b>	<b>(1,797)</b>	<b>(1,941)</b>	<b>(2,272)</b>
<b>(Loss) / Earnings per share (sen)</b>					
- Basic	B15	(0.61)	(0.85)	(0.92)	(1.08)
- Diluted	B15	(0.61)	(0.85)	(0.92)	(1.08)

**Note:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



**TFP SOLUTIONS BERHAD (773550-A)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2020**

(The figures have not been audited)

	As at Current Year Quarter 30-Jun-20 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31-Dec-19 RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	906	1,170
Right-of-Use Asset	187	320
	<u>1,093</u>	<u>1,490</u>
<b>CURRENT ASSETS</b>		
Inventories	292	177
Trade receivables	2,221	3,908
Other receivables, deposits & prepayments	1,557	3,269
Tax recoverable	181	149
Deposit with licensed banks	807	792
Cash and bank balances	1,671	2,470
	<u>6,729</u>	<u>10,765</u>
<b>TOTAL ASSETS</b>	<u>7,822</u>	<u>12,255</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	10,059	10,059
Treasury shares	(179)	(179)
Reserves	(4,647)	(2,689)
Shareholders' funds	<u>5,233</u>	<u>7,191</u>
Non-controlling interests	<u>(70)</u>	<u>(87)</u>
<b>Total Equity</b>	<u>5,163</u>	<u>7,104</u>
<b>NON-CURRENT LIABILITY</b>		
Lease Liabilities	-	110
	<u>-</u>	<u>110</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,628	3,984
Other payables and accruals	840	841
Lease Liabilities	191	216
	<u>2,659</u>	<u>5,041</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>7,822</u>	<u>12,255</u>
Net Assets per share (sen)	<u>2.48</u>	<u>3.42</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 2019 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 Net Assets of RM5,163,000 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 Second Quarter Ended 30 June 2020**

(The figures have not been audited)

	Non-distributable					Distributable		Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Shareholders' Fund RM'000	Non-controlling Interests RM'000	
At 1 January 2019	9,764	(179)	1,357	(23)	(510)	10,409	7	10,416
Comprehensive loss:								
Net loss for the financial year	-	-	-	-	(3,513)	(3,513)	(67)	(3,580)
Other comprehensive income:								
Foreign currency translation difference	-	-	-	23	(23)	-	-	-
Total comprehensive income/(loss)	-	-	-	23	(3,536)	(3,513)	(67)	(3,580)
Contributions by and distributions to owners of the company:								
Issuance of ordinary shares pursuant to warrants exercised	295	-	(295)	-	295	295	-	295
Warrants expired transfer to retained profits	-	-	(1,062)	-	1,062	-	-	-
Total transactions with owners of the company	295	-	(1,357)	-	1,357	295	-	295
Acquisition of non-controlling interest	-	-	-	-	-	-	(27)	(27)
At 31 December 2019 (Audited)	10,059	(179)	-	-	(2,689)	7,191	(87)	7,104
At 1 January 2020	10,059	(179)	-	-	(2,689)	7,191	(87)	7,104
Net loss for the financial period	-	-	-	-	(1,908)	(1,908)	(33)	(1,941)
Acquisition of shares from non-controlling interest	-	-	-	-	(50)	(50)	50	-
At 30 June 2020 (Unaudited)	10,059	(179)	-	-	(4,647)	5,233	(70)	5,163

**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 2019 and the accompanying explanatory notes attached to the interim financial statements.

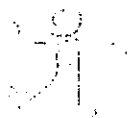


TFP SOLUTIONS BERHAD (773550-A)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
 Quarterly Report For The Second Quarter Ended 30 June 2020  
 (The figures have not been audited)

	Current Year To date ended 30-Jun-20 RM'000	Preceding Year Corresponding Period ended 30-Jun-19 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,941)	(2,272)
Adjustments for:		
Depreciation of plant and equipment	243	149
Goodwill written off	-	82
Impairment loss on trade receivables	-	53
Reversal of impairment loss on trade receivables	(82)	-
Interest expense	7	10
Interest income	(12)	(30)
Inventory written off	60	-
Loss on disposal of a subsidiary	18	-
Operating loss before working capital changes	(1,707)	(2,008)
Increase in inventories	(175)	(220)
Decrease/(Increase) in trade and other receivables	3,480	(10,516)
(Decrease)/Increase in trade and other payables	(2,224)	14,311
Cash (used in)/generated from operations	(626)	1,567
Tax received	-	242
Tax paid	(32)	-
Interest paid	(7)	(10)
Interest received	12	30
Net cash (used in)/generated from operating activities	(653)	1,829
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in placemet of pledge deposits	(14)	(281)
Purchase of plant and equipment	(28)	(336)
Cash flow on acquisition of a subsidiary	-	1
Net cash used in investing activities	(42)	(616)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Lease liabilities	(104)	(85)
Proceeds from issue of shares	-	295
Net cash (used in)/generated from financing activities	(104)	210
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(799)	1,423
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	2,470	5,763
<b>CASH AND CASH EQUIVALENTS AT END OF THE QUARTER</b>	A16 1,671	7,186

**Note:**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 Second Quarter Ended 30 June 2020**

**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 2020

Amendments to References to the Conceptual Framework in MFRS Standards  
Amendments to MFRS 3, Business Combinations - Definition of a Business  
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Policies, Changes in Accounting Estimates and Errors - Definition of material  
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 annual periods beginning on or after 1 January 2022

Amendments to MFRS 101, Presentation of Financial Statements, Classification of Liabilities as Current or Non-Current

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 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



TFP SOLUTIONS BERHAD (773550-A)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS  
Quarterly Report For The Second Quarter Ended 30 June 2020

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

A2 Significant accounting policies (Cont'd)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed (Cont'd)

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations: (Cont'd)

- from the annual period beginning on 1 January 2021 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 2021.
- from the annual period beginning on 1 January 2022 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 2022.

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 :

Amendments to MFRS 3, Business Combinations - Definition of a Business

The amendments revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

In addition, the revised definition of the term "outputs" is narrower, focusses on goods or services provided to customers, generating investment returns and other income but excludes returns in the form of cost savings.

The amendments introduce an optional simplified assessment known as "concentration test" that, if met, eliminates the need for further assessment. Under the concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

The amendments should be applied prospectively.

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.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The Second Quarter Ended 30 June 2020**

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

**A2 Significant accounting policies (Cont'd)**

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 (Cont'd)

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.

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

The amendments clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of "material" has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also :-

- clarify that an entity assess materiality in the context of the financial statements as a whole;
- explain the concept of obscuring information in the new definition. Information is obscured if it have the effect similar as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information; and
- clarify the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on the general purpose financial statements for much of the financial information they need.

The amendments shall be applied prospectively.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of amendments to MFRS 3, amendments to MFRS 10 and MFRS 128 and amendments to MFRS 101 and MFRS 108.

**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**

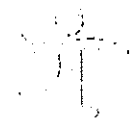
The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

**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.

**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.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The Second Quarter Ended 30 June 2020**

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

**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.

**Treasury shares**

During the quarter ended 30 June 2020, the total treasury shares stand at 1,279,000 units. There were no resale or purchase of treasury share during the reporting quarter.

**A8 Dividend paid**

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

**A9 Segmental information**

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

	Unaudited Individual quarter 30-Jun-20 RM'000	Unaudited Individual quarter 30-Jun-19 RM'000	Unaudited Cumulative quarter 30-Jun-20 RM'000	Unaudited Cumulative quarter 30-Jun-19 RM'000
<b>Revenue</b>				
Business Management Solutions	1,588	870	4,240	4,190
Converged Infrastructure Solutions	-	8,956	-	26,697
Mobile Airtime Reload	-	13,032	11,114	24,758
E-Sport	62	1,192	62	1,192
Others	41	-	109	-
	<u>1,691</u>	<u>24,050</u>	<u>15,525</u>	<u>56,837</u>
Adjustment and eliminations	(124)	(403)	(133)	(403)
	<u>1,567</u>	<u>23,647</u>	<u>15,392</u>	<u>56,434</u>
<b>Loss before taxation</b>				
Business Management Solutions	(211)	(78)	132	286
Converged Infrastructure Solutions	-	150	-	(52)
Mobile Airtime Reload	(715)	(1,034)	(1,421)	(1,356)
E-Sport	(57)	(292)	(117)	(292)
Others	(306)	(461)	(553)	(776)
	<u>(1,289)</u>	<u>(1,715)</u>	<u>(1,959)</u>	<u>(2,190)</u>
Adjustment and eliminations	18	(82)	18	(82)
	<u>(1,271)</u>	<u>(1,797)</u>	<u>(1,941)</u>	<u>(2,272)</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.



**TFP SOLUTIONS BERHAD (773550-A)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**Quarterly Report For The Second Quarter Ended 30 June 2020**

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

**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.

**A12 Changes in the composition of the Group**

- a) On 11 February 2020, the Company acquired an additional 49% interest in Agensi Pekerjaan O2U Solutions Sdn. Bhd. (formerly known as O2U Solutions Sdn. Bhd.) for RM1 which increased the equity ownership from 51% to 100%. Accordingly, Agensi Pekerjaan O2U Solutions Sdn. Bhd. (formerly known as O2U Solutions Sdn. Bhd.) become a wholly-owned subsidiary of the Company.
- b) On 13 February 2020, the Company incorporated a private company limited by shares, known as Onecent Sdn. Bhd. ("OCSB"). The share capital of OCSB is RM1,000 comprising 1,000 ordinary shares at RM1 each which has been issued and fully paid-up. The Company holds 800 shares in OCSB for RM800, representing 80% equity interest in OCSB.
- c) On 14 May 2020, the Company entered into a share sale agreement with Mr Nataraja A/L Dorakany for disposal of 100,000 ordinary shares entirely in TFP Soft Sdn Bhd, a wholly-owned subsidiary of the Company, for a total cash consideration of RM1.

**A13 Contingent liability**

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 2019. On 14 May 2020, TFP has disposed of its entire equity interest in TFP Soft.

**A14 Capital commitments**

As at 30 June 2020, 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.

	Current Year Quarter 30-Jun-20 RM'000	Cumulative Year To Date 30-Jun-20 RM'000
(i) Office rental paid to a director	57	115
(ii) Purchases from related company	17	11,131
(ii) Sales to related company	808	808

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
 Quarterly Report For The Second Quarter Ended 30 June 2020

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

**A16 Cash and cash equivalents**

	Current Period To Date 30-Jun-20 RM'000	Preceding Corresponding Period To Date 30-Jun-19 RM'000
Fixed deposits with licensed banks	807	7,918
Cash and bank balances	1,671	1,686
	<u>2,478</u>	<u>9,604</u>
Less: Pledged deposits	(807)	(2,418)
	<u>1,671</u>	<u>7,186</u>

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

**B1 Review of performance**

	Current Year Quarter 30-Jun-20 RM'000	Current Year To date 30-Jun-20 RM'000
Revenue	1,567	15,392
Loss before tax	<u>(1,271)</u>	<u>(1,941)</u>

For the current quarter ended 30 June 2020 and current year to date ended 30 June 2020, TFP group recorded a revenue of RM1.63 and RM15.45 million respectively. These are attributed primarily from the services maintenance and implementation of software from Business Management Solutions segment during the current quarter ended 30 June 2020 and Mobile Airtime Reloads for the current year to date ended 30 June 2020. The Group recorded a loss before taxation of RM1.27 million for the current quarter ended 30 June 2020 and RM1.94 million for the current year to date ended 30 June 2020 respectively.

**B2 Variation of results against preceding quarter**

	Current Quarter 30-Jun-20 RM'000	Preceding Quarter 30-Jun-19 RM'000
Revenue	1,567	23,647
Loss before tax	<u>(1,271)</u>	<u>(1,797)</u>

Compared to preceding quarter ended 30 June 2019, the Group recorded a decrease in revenue by 93.37% in the current quarter ended 30 June 2020. The reason for the revenue drop significantly in current quarter ended 30 June 2020 is majorly due to decrease in revenue from mobile airtime reloads as no order received during this quarter and further, the revenue from a wholly-owned subsidiary company, Tech3 Solutions Sdn Bhd (Tech3) is excluded as it was disposed of on 8 July 2019. As a result, the current quarter ended 30 June 2020 recorded a higher loss before tax, as compared to the preceding quarter ended 30 June 2019.



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**Quarterly Report For The Second Quarter Ended 30 June 2020**

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

**B3 Prospects**

The world economic condition is continually to be challenging with uncertainties surrounding the new norm as consequence from the Coronavirus (COVID-19) outbreak globally. This may affect the sales activities, and services render by TFP due to the travel restrictions and movement control order imposed by the Federal Government of Malaysia on 18th March 2020 till 31 August 2020.

TFP is fully aware of the continuing global economic challenges and its impact on the local economy. Barring any unforeseen circumstances, the Board of Directors are of the opinion that the performance of the existing business of the TFP Group will remain challenging for the financial year 2020.

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

**B4 Variation of actual profit from forecast profit**

Not applicable for the current financial quarter.

**B5 Statement of Comprehensive Income**

	Current Quarter 30-Jun-20 RM'000	Cumulative Quarter 30-Jun-20 RM'000
a. interest expense	(3)	(7)
b. interest income	12	12
c. depreciation and amortisation	(117)	(243)
d. reversal of impairment loss on trade receivables	37	82
e. inventory written off	(60)	(60)
f. Loss on disposal of a subsidiary	(18)	(18)

**B6 Taxation**

	Current Quarter 30-Jun-20 RM'000	Cumulative Quarter 30-Jun-20 RM'000
Current tax expense	-	-

No tax has been provided for the TFP Group due to losses incurred in the current quarter and year to date.

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

**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.

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

**B9 Status of corporate proposal**

On 3 February 2020, the Board of Directors of TFP proposed to undertake : -

- i) a private placement of up to 62,020,100 new ordinary shares of the Company, representing approximately 30% of the existing total number of issued share of the Company (excluding treasury shares); and
- ii) an issuance of up to 134,377,022 free warrants on the basis of 1 free warrant for every 2 existing ordinary shares of RM0.10 each in the Company held at an entitlement date.

The above proposals had been submitted to Bursa Malaysia Securities Berhad on 4 February 2020.

On 21 May 2020, the Board of Directors of TFP has decided to replace the proposed issue of free warrants with a proposed renounceable rights issue of up to 268,754,045 new TFP shares together with up to 268,754,045 free detachable warrants on the basis of 1 rights share to 1 warrant for every 1 existing TFP share held on an entitlement date. In view of the above, the Board of Directors of TFP has decided to withdraw the additional listing application in relation to the proposals and a new application for the proposed private placement and proposed rights issue has been submitted to Bursa Malaysia Securities Berhad on 28 May 2020.

Bursa Securities had, vide its letter dated 3 July 2020, approved the following :-

- i) admission to the Official List of Bursa Securities and the initial listing and quotation of up to 268,754,045 warrants to be issued pursuant to the Proposed Right Issue;
- ii) listing of:
  - a) up to 62,020,100 Placement Shares to be issued pursuant to the Proposed Private Placement;
  - b) up to 268,754,045 Rights Shares to be issued pursuant to the Proposed Rights Issue; and
  - c) up to 268,754,-45 new TFP Shares to be issued pursuant to exercise of Warrants.

On 7 August 2020 ("Price-fixing Date"), the Board of Directors has fixed the issue price of Rights Shares at RM0.03 each ("Issue Price").

On 13 August 2020, TFP had executed the following:

- i) the Deed Poll constituting the Warrants; and
- ii) an underwriting agreement with TA Securities ("Underwriter"), whereby the Underwriter will underwrite 70,000,000 Rights Shares together with 70,000,000 warrants pursuant to the Rights Issue.

On 17 August 2020 ("Price-fixing Date"), the Board of Directors has fixed the issue price for 20,673,000 Placement Shares at RM0.30 each ("Issue Price").

The Abridged Prospectus is issued on 28 August 2020.



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

**B10 Status of utilisation of proceeds from proposed disposal of subsidiary**

The status of utilisation of the proceeds of approximately RM6.91 million from the corporate exercise as at 30 June 2020 are as follow:

	Proposed utilisation RM'000	Revised timeframe from utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital for BMS segment	3,636	Within 18 months from completion	2,674	962
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>6,906</u>	<u>998</u>

On 24 August 2020, The Board of Directors has announced that the company had decided to extend the timeframe for the utilisation of the remaining unutilised proceeds allocated for working capital for BMS segment for an additional 6 months, from within 12 months from completion to within 18 months from completion.

**B11 Group's borrowings and debt securities**

The TFP Group has no borrowings or debt securities as at 30 June 2020.

The 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.

**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.

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

**B15 (Loss)/Earnings per share**

	Current Year Quarter 30-Jun-20	Preceding Year Corresponding Quarter 30-Jun-19	Current Year To date 30-Jun-20	Preceding Year Corresponding Period 30-Jun-19
(Loss)/Earnings attributable to equity holders of the company (RM'000)	(1,251)	(1,761)	(1,908)	(2,232)
Weighted average number of shares in issue ('000)	206,734	206,334	206,734	206,334
Basic (loss)/earnings per share (sen)	(0.61)	(0.85)	(0.92)	(1.08)
Number of shares in issue ('000)	208,013	207,613	208,013	207,613
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	-	-	-	-
	206,734	206,334	206,734	206,334
Diluted (loss)/earnings per share (sen)	(0.61)	(0.85)	(0.92)	(1.08)

Diluted earnings per share is not disclosed herein as there are no options granted as at the date of this announcement.

**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 28 August 2020.

TFP Solutions Berhad  
 28 August 2020