



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The Third Quarter Ended 30 September 2017
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30 Sep 2017 RM'000	Preceding Year Corresponding Quarter 30 Sep 2016 RM'000	Current Year To date 30 Sep 2017 RM'000	Preceding Year Corresponding Period 30 Sep 2016 RM'000
Revenue		27,658	13,250	52,894	39,622
Direct costs		(25,054)	(10,823)	(47,149)	(33,809)
Gross profit		2,604	2,427	5,744	5,813
Other operating income		434	154	761	661
Administrative expenses		(2,583)	(2,392)	(6,774)	(6,120)
Other operating expenses		(29)	(16)	(61)	(62)
Finance costs		(18)	-	(31)	-
Profit/(loss) after exceptional item before taxation		408	173	(360)	292
Taxation	B6	-	-	-	(117)
Profit/(loss) for the financial period		408	173	(360)	175
Other comprehensive income		-	-	-	-
Total comprehensive income		408	173	(360)	175
Profit/(loss) attributable to :					
Equity holders of the Company		469	262	(307)	310
Minority shareholders		(61)	(89)	(53)	(135)
		408	173	(360)	175
Earnings per share (sen)					
- Basic	B15	0.23	0.13	(0.15)	0.15
- Diluted	B15	0.16	0.09	(0.10)	0.10

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 September 2017

(The figures have not been audited)

	As at Current Year Quarter 30 Sep 2017 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31 Dec 2016 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	280	259
	<u>280</u>	<u>259</u>
CURRENT ASSETS		
Trade receivables	25,104	35,313
Other receivables, deposits & prepayments	282	1,290
Tax recoverable	783	839
Cash and cash equivalents	12,353	5,307
	<u>38,522</u>	<u>42,749</u>
TOTAL ASSETS	<u>38,802</u>	<u>43,008</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	20,506	20,506
Treasury shares	(179)	(179)
Share premium	6,758	6,758
Warrant reserves	1,357	1,357
Exchange fluctuation account	(28)	(27)
Retained profits	(15,619)	(15,312)
Shareholders' funds	<u>12,795</u>	<u>13,103</u>
Minority interests	143	196
Total Equity	<u>12,938</u>	<u>13,299</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	7	7
	<u>7</u>	<u>7</u>
CURRENT LIABILITIES		
Trade payables	18,370	27,039
Other payables and accruals	4,847	2,663
Deferred income	-	-
Bank Borrowings (Secured)	2,640	-
Provision for taxation	-	-
	<u>25,857</u>	<u>29,702</u>
TOTAL EQUITY AND LIABILITIES	<u>38,802</u>	<u>43,008</u>
Net Assets per share (RM)	<u>0.06</u>	<u>0.06</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 2016 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 RM12,938,000 over the number of ordinary shares of 205,059,645 shares of RM0.10 each.



TFP SOLUTIONS BERHAD (773550-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Quarterly Report For The Third Quarter Ended 30 September 2017

(The figures have not been audited)

	←----- Non-distributable ----->				Distributable Retained Profits RM'000	Exchange Fluctuation Account RM'000	Shareholders' Fund RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000					
At 1 January 2016	20,506	-	6,758	1,357	(12,633)	(24)	15,964	277	16,241
Net (loss)/profit for the financial period	-	-	-	-	(2,679)	-	(2,679)	(81)	(2,760)
Share buy back during period	-	(179)	-	-	-	-	(179)	-	(179)
Exchange difference arising from translation of foreign currency	-	-	-	-	-	(3)	(3)	-	(3)
At 31 December 2016 (Audited)	20,506	(179)	6,758	1,357	(15,312)	(27)	13,103	196	13,299
At 1 January 2017	20,506	(179)	6,758	1,357	(15,312)	(27)	13,103	196	13,299
Net profit for the financial period	-	-	-	-	(307)	(1)	(308)	(53)	(361)
At 30 September 2017 (Unaudited)	20,506	(179)	6,758	1,357	(15,619)	(28)	12,795	143	12,938

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 2016 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 Third Quarter Ended 30 September 2017
(The figures have not been audited)

	Current Year To date ended 30 Sep 2017 RM'000	Preceding Year Corresponding Period ended 30 Sep 2016 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(360)	292
Adjustments for:		
Depreciation of plant and equipment	73	37
Reversal of impairment loss on trade receivables	(3)	(115)
Interest income	(122)	(110)
Operating profit/(loss) before working capital changes	<u>(412)</u>	<u>104</u>
Decrease in trade and other receivables	10,590	(7,383)
Decrease in trade and other payables	(5,855)	2,767
Increase in deferred income	-	-
Cash used in operations	<u>4,323</u>	<u>(4,512)</u>
Tax paid	56	(748)
Interest received	122	110
Net cash used in operating activities	<u>4,501</u>	<u>(5,150)</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94)	(114)
Net cash used in investing activities	<u>(94)</u>	<u>(114)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	2,640	550
Payment for share buy back	-	(93)
Net cash used in financing activities	<u>2,640</u>	<u>457</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,047	(4,807)
FOREIGN EXCHANGE TRANSACTION DIFFERENCES	(1)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,307	12,094
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	A16 <u>12,353</u>	<u>7,287</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 2016 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 Third Quarter Ended 30 September 2017

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 2016.

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 and the requirements of the Companies Act 1965 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 2016.

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 2017

Amendments to MFRS 12, Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative

Amendments to MFRS 112, Income Tax – Recognition of Deferred Tax Assets for

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Sharebased Payment Transactions

Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts



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

A2 Significant accounting policies (cont'd)

MFRS 9, Financial Instruments (2014)

MFRS 15, Revenue from Contracts with Customers

Clarifications to MFRS 15, Revenue from Contracts with Customers

Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 140, Investment Property – Transfers of Investment Property

IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

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

MFRS 16, Leases

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 2017 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 2017; and
- from the annual period beginning on 1 January 2018 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 2018.
- 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.

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 :



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Third Quarter Ended 30 September 2017

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

A2 Significant accounting policies (cont'd)

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurements on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Arrangements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services.

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9, MFRS 15, MFRS 16 and amendments to MFRS 10 and MFRS 128.



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

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.

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 2017	20,506	179	9,765
Add: Warrants converted to ordinary shares	-	-	-
Add: Share buy backs during the period	-	-	-
Balance at 30 September 2017	<u>20,506</u>	<u>179</u>	<u>9,765</u>

A8 Dividend paid

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

A9 Segmental information

Segmental information is not presented as the Group is primarily engaged in only one business segment which is to provide 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.



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

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current financial quarter.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A13 Contingent liabilities

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 2016.

A14 Capital commitments

As at 30 September 2017, the Group has no material capital commitments in respect of property, plant and equipment.

A15 Significant related party transactions

During the current financial quarter, the Directors are of the opinion that the Group has no 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 1 June 2017. The RRPTs in the current financial quarter and cumulative year to date is as follows:-

	Current Year Quarter 30 Sep 2017 RM'000	Cumulative Year To Date 30 Sep 2017 RM'000
(i) Office rental paid to Directors of the Company	18	55
(ii) Transaction with related company	-	-

A16 Cash and cash equivalents

	Current Period To Date 30 Sep 2017 RM'000	Preceding Corresponding Period To Date 30 Sep 2016 RM'000
Fixed deposits with licensed banks	9,311	5,128
Cash and bank balances	3,042	2,159
	<u>12,353</u>	<u>7,287</u>



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

B1 Review of performance

For the current quarter ended 30 September 2017, TFP Group recorded a revenue of RM27.66 million. This is attributed mainly from the IT infrastructure business. The Group recorded a profit before taxation of RM408 thousand for the current quarter.

B2 Variation of results against preceding quarter

	Current Quarter 30 Sep 2017 RM'000	Preceding Quarter 30 Jun 2017 RM'000
Revenue	27,658	15,578
Profit/(loss) before tax	408	(809)

Compared to preceding quarter ended 30 June 2017, the Group recorded an increase in revenue in the current quarter ended 30 September 2017, due mainly to increased sales. As a result, the current quarter recorded a profit before tax, as compared to the previous quarter.

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 2017.

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.



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

B5 Statement of Comprehensive Income	Current Quarter 30 Sep 2017 RM'000	Cumulative Quarter 30 Sep 2017 RM'000
a. interest income	46	122
b. other income including investment income	388	640
c. foreign exchange gain	-	-
d. interest expense	(22)	(54)
e. depreciation and amortisation	(25)	(73)
f. provision for and write off of receivables	-	-
g. provision for and write off of inventories	-	-
h. impairment of assets	-	-
i. foreign exchange loss	(13)	(30)
j. gain/(loss) on derivatives	-	-
k. exceptional items	-	-
B6 Taxation	Current Quarter 30 Sep 2017 RM'000	Cumulative Quarter 30 Sep 2017 RM'000
Current tax expense	-	-

There is no effective tax rate for the current quarter as the TFP Group has brought forward losses to be utilised against the current quarter profits.

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 public issue

There were no proceeds raised by the Company from any corporate proposal during the period.



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Quarterly Report For The Third Quarter Ended 30 September 2017

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

B11 Group's borrowings and debt securities

As at 30 September 2017, the Group's borrowings are as follows:-

	As at 30 Sep 2017 RM'000	As at 30 Jun 2017 RM'000
Bankers Acceptances		
Short-term	2,640	500
Long-term	-	-
	<u>2,640</u>	<u>500</u>

The bankers acceptances were drawdown as payment to trade suppliers. The TFP Group has no other borrowings or debt securities as at 30 September 2017.

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 RM18.2 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.

B15 Earnings per share

	Current Year Quarter 30 Sep 2017	Preceding Year Corresponding Quarter 30 Sep 2016	Current Year To date 30 Sep 2017	Preceding Year Corresponding Period 30 Sep 2016
Profit after taxation and minority interests (RM'000)	469	262	(307)	310
Weighted average number of shares in issue ('000)	<u>205,060</u>	<u>205,060</u>	<u>205,060</u>	<u>205,060</u>
Basic earnings per share (sen)	<u>0.23</u>	<u>0.13</u>	<u>(0.15)</u>	<u>0.15</u>



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

B15 Earnings per share (Cont'd)

	Current Year Quarter 30 Sep 2017	Preceding Year Corresponding Quarter 30 Sep 2016	Current Year To date 30 Sep 2017	Preceding Year Corresponding Period 30 Sep 2016
Number of shares in issue ('000)	205,060	205,060	205,060	205,060
Number of shares buyback ('000)	(1,279)	-	(1,279)	-
Warrants in issue ('000)	97,648	97,648	97,648	97,648
	<u>301,429</u>	<u>302,708</u>	<u>301,429</u>	<u>302,708</u>
Diluted earnings per share (sen)	<u>0.16</u>	<u>0.09</u>	<u>(0.10)</u>	<u>0.10</u>

B16 Realised and Unrealised Profits/(Losses) Disclosure

The retained profits/(accumulated losses) as at 30 September 2017 and 30 June 2017 are analysed as follows:-

	Current Quarter 30 Sep 2017 RM'000	Preceding Quarter 30 Jun 2017 RM'000
Total accumulated losses of TFP Group:		
- Realised	(15,103)	(15,502)
- Unrealised	(7)	(7)
	<u>(15,110)</u>	<u>(15,509)</u>
Less : Consolidation adjustments	(519)	(580)
Total group accumulated losses as per statement of financial position	<u>(15,629)</u>	<u>(16,089)</u>

B17 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 22 November 2017.

TFP Solutions Berhad
 22 November 2017