



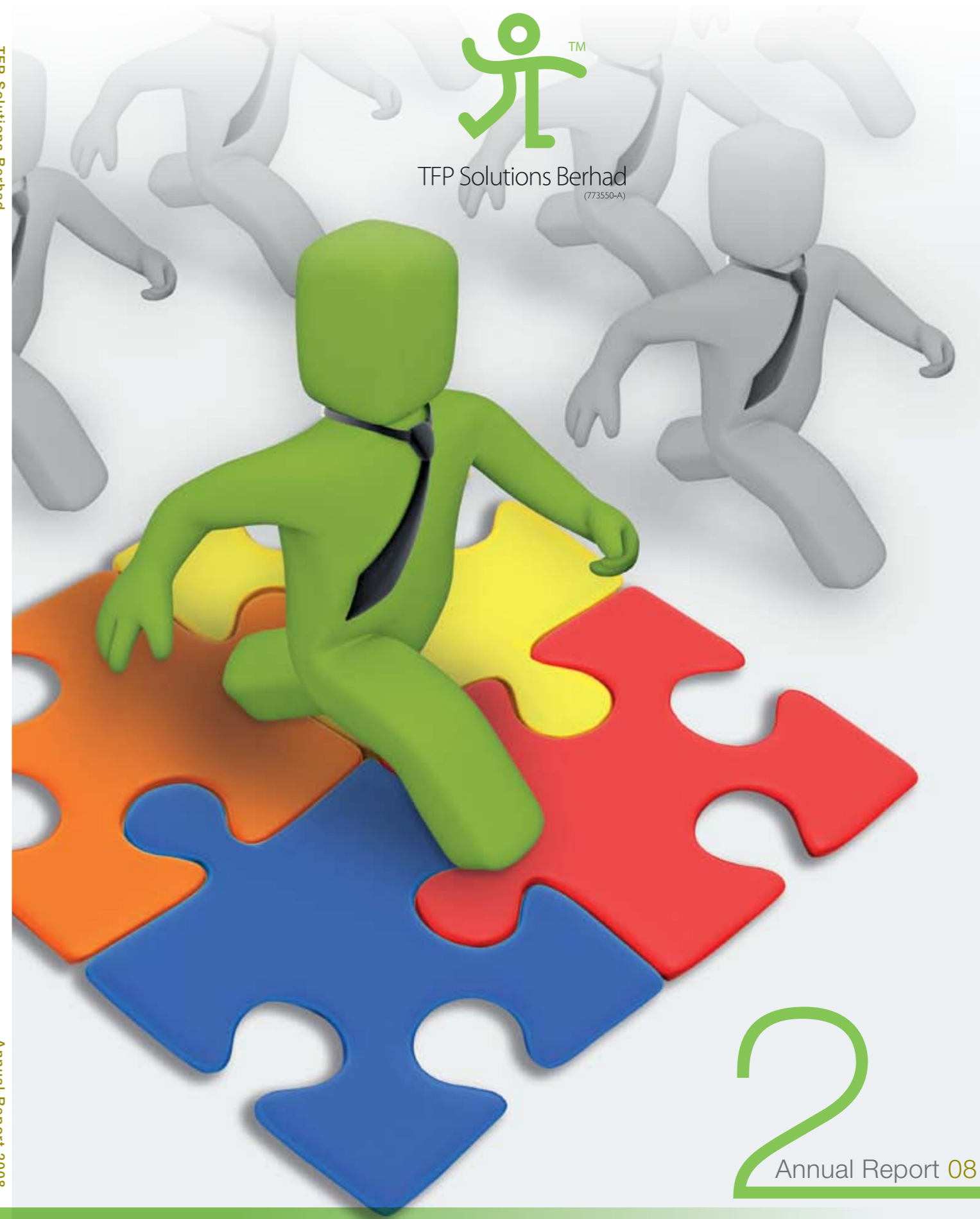
TFP Solutions Berhad  
(773550-A)

No 8-3, Jalan Puteri 4/2  
Bandar Puteri  
47100 Puchong  
Selangor Darul Ehsan  
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TFP Solutions Berhad

Annual Report 2008



TFP Solutions Berhad  
(773550-A)

2

Annual Report 08

# PRODUCTIVITY THROUGH INNOVATIONS



## Our Corporate Vision :

We aspire to be the preferred solutions provider to increase “Total Factor Productivity” (TFP) for Businesses in ASEAN.

## Productivity Through Innovations

TFP Group since its inception has progressively and single-mindedly set out to continually innovate and evolve itself to be at the forefront of business productivity in IT industry. Transforming itself from a software developer into a software services provider, TFP has today truly reached the next stage of its transformation as a software services company whose reach is truly global. With innovation comes growth, and with the new product and services our business driving this change, we stand poised to leverage and reap the rewards of our capabilities well ahead into the future.



TFP Solutions Berhad  
(773550-A)

**Annual Report 2008**

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# Corporate Information

## Board Of Directors

**Dato' Jamaludin bin Hassan,**  
*Chairman, Independent Non-Executive Director*

**Lim Lung Wen,**  
*Managing Director, Non Independent*

**Quah Teik Jin,**  
*Executive Director, Non Independent*

**Dr. Chew Seng Poh,**  
*Executive Director, Non Independent*

**Edward Khor Yew Heng,**  
*Independent Non-Executive Director*

**Joseph Ting,**  
*Independent Non-Executive Director*

**Ow Poh Kwang,** *(resigned on 31.3.09)*  
*Executive Director, Non Independent*

## Audit Committee

Chairman

**Dato' Jamaludin bin Hassan,**  
*Independent Non-Executive Director*

Members

**Edward Khor Yew Heng,**  
*Independent Non-Executive Director*

**Joseph Ting,**  
*Independent Non-Executive Director*

## Company Secretary

Chua Siew Chuan  
(MAICSA 0777689)

## Registered Office

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur  
Tel no.: +603 2084 9000  
Fax no.: +603 2094 9940

## Sponsor

Kenanga Investment Bank Berhad  
15th Floor, Suite 15.06,  
Kenanga International,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel no.: +603 2027 5555  
Fax no.: +603 2164 6690

## Corporate Office

No. 8-3, Jalan Puteri 4/2,  
Bandar Puteri,  
47100 Puchong,  
Selangor Darul Ehsan.  
Tel no.: +603 8060 0088  
Fax no.: +603 8061 3682

## Auditors

KPMG  
Level 10, KPMG Tower  
8, First Avenue  
Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan.  
Tel no.: +603 7721 3388  
Fax no.: +603 7721 3399

## Share Registrar

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur  
Tel no.: +603 2084 9000  
Fax no.: +603 2094 9940

## Principal Banker

Malayan Banking Berhad  
Puchong Jaya SSC,  
No. 7, Jalan Kenari 1,  
Bandar Puchong Jaya,  
Jalan Puchong,  
47100 Puchong  
Tel no.: +603 5882 0179/ 197/ 270  
Fax no.: +603 5882 0276

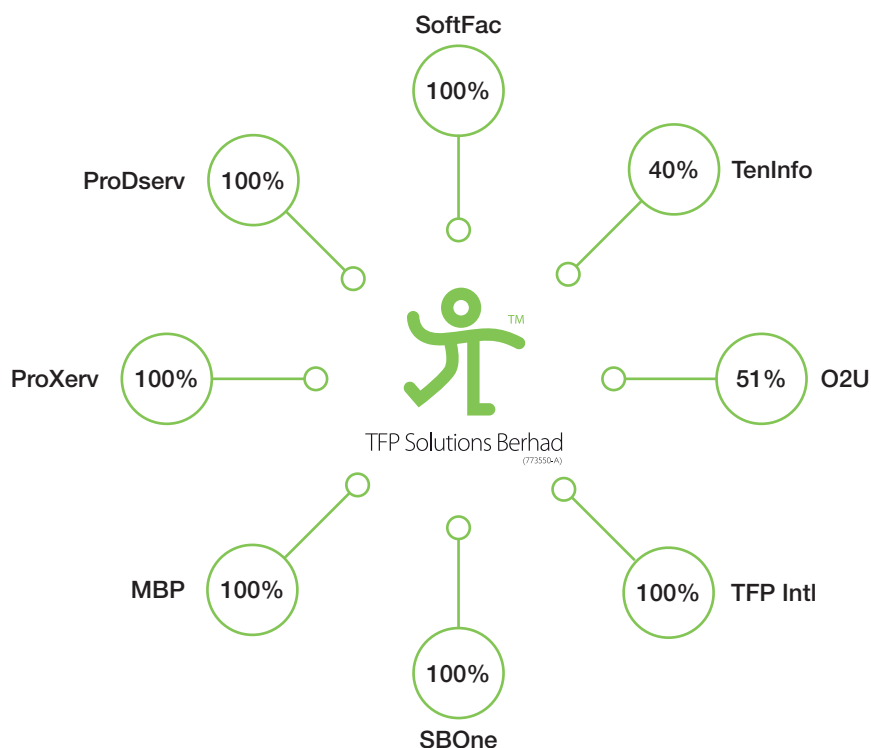
## Stock Exchange Listing

MESDAQ Market of Bursa Malaysia Securities Berhad  
("Bursa Securities")  
Stock Name : TFP  
Stock Code : 0145



# Corporate Structure

Name	Date and place of incorporation	Equity interest %	Issued and paid-up share capital	Principal activity
<i>Subsidiary Companies</i>				
MBP Solutions Sdn Bhd (MBP)	13 March 2004/ Malaysia	100.00	RM1,000,000	Providing ERP consulting and implementation of Microsoft Dynamics products
O2U Solutions Sdn Bhd (O2U)	18 December 2008/ Malaysia	51.00	RM500,000	Dormant
ProDserv Sdn Bhd (ProDserv)	3 August 2006/ Malaysia	100.00	RM100,000	Developing and providing EBS value added solutions
ProXerv Sdn Bhd (ProXerv)	20 September 2005/ Malaysia	100.00	RM100,000	Providing shared services IT outsourcing
SBOne Solutions Sdn Bhd (SBOne)	15 April 2005/ Malaysia	100.00	RM500,000	Providing ERP consulting and implementation of SAP products
SoftFac Technology Sdn Bhd (SoftFac)	28 June 2005/ Malaysia	100.00	RM500,000	Providing HCRM solutions
TFP International Pte Ltd (TFP Intl)	30 June 2008/ Singapore	100.00	SGD2	Dormant
<i>Associate Company</i>				
TenInfo Technology Sdn Bhd (TenInfo)	22 July 2002/ Malaysia	40.00	RM1,000,000	Providing enterprise systems solutions





# Chairman's Message



“ TFP remains optimistic that we are well prepared to overcome any negative effects as we continue to build on our strengths and focus on maintaining a strong balance sheet. ”

## Dear shareholders, customers, partners and employees,

On behalf of the Board of Directors of TFP Solutions Berhad (TFP), it gives me great pleasure to present to you our second annual report and the audited financial statements of the Company and the Group for the financial year ended 31 December 2008 ("FY 2008").

A year has gone by since our listing on 22 February 2008. Our journey in 2008 has been a turbulent one. The financial meltdown in the USA has quickly escalated into a full-blown economic crisis of global proportions. The financial meltdown that began in advanced countries have spread to the emerging and developing economies at a fast pace. This has dampened the business sentiments of business enterprises globally. Businesses across all sectors have started to defer the spending of their IT capital expenditures. This trend has trickled to large business enterprises down to the small and medium enterprises as well.

TFP Group was not spared from the impact of the global economic slowdown. Nevertheless, even amidst this unfavourable climate, TFP remains optimistic that we are well prepared to overcome any negative effects as we continue to build on our strengths and focus on maintaining a strong balance sheet.

## Financial Performance

In spite of the unprecedented global economic downturn that spared no one, TFP Group closed the year with a relatively average performance with revenue of RM 13.55 million compared with RM 11.61 million the previous year. Although the business environment has been competitive and challenging, the Group's resilience and efficient overall performance have led to a 1.6% net profit margin and a solid balance sheet with RM11.419 million cash and cash equivalent at the end of FY 2008.

## Business Growth Potential

2009 will be a year full of turbulence and challenges. In such an environment, Information Technology (IT) investment and spending will decline and our profits margins will be impacted. However we shall continue to derive our revenue from our existing customer base through our existing products and services footprint. TFP Group is still confident with our competitive strategies and business model that we have adopted, will provide us with a sustainable competitive advantage to drive our business growth.



In 2009, we shall be investing more efforts to generate more revenue for our products and services. In addition to that, we are taking some measures to reorganise our organisation and embark into some cost cutting measures to improve our Group overall efficiency and effectiveness. This is to ensure continued profitability and allow us to weather through the economic uncertainty in 2009.

### Corporate Social Responsibility

We, at TFP Group are committed to play our role as a caring corporate citizen. In line with this philosophy, our Group has taken a proactive step in making contributions towards the local community in Puchong. As such, we have made contributions towards the Puchong's community by donating a dialysis machine to SSL Haemodialysis Welfare Foundation's Dialysis & Stroke Rehab Centre. Our "ADOPT" charity scheme have also adopted dialysis patients who are in need of this treatment in the centre.

### Acknowledgement

A word of gratitude and thanks goes out to the board of directors, employees, shareholders and business partners, who have each contributed significantly into making this year a significant one. The board of directors and I would like to express our heartfelt thanks to Mr Ow Poh Kwang, who has left the Group for the contributions and efforts he has made during his tenure in this Company.

More importantly, a huge amount of gratitude and thanks must of course go out to our valued customers. We thank you for your faith and trust in the Group's capabilities, and we hope to continue our mutually beneficial partnerships far into the future.

**Dato' Jamaludin bin Hassan,**  
*Chairman*





# Board of Directors



## FROM LEFT TO RIGHT

- |                               |  |
|-------------------------------|--|
| 1. Quah Teik Jin              | <i>Executive Director, Non Independent</i> |
| 2. Lim Lung Wen               | <i>Managing Director, Non Independent</i>  |
| 3. Dato' Jamaludin bin Hassan | <i>Chairman</i>                            |
| 4. Joseph Ting                | <i>Independent Non-Executive Director</i>  |
| 5. Dr. Chew Seng Poh          | <i>Executive Director, Non Independent</i> |
| 6. Edward Khor Yew Heng       | <i>Independent Non-Executive Director</i>  |





## Board of Directors

### **Dato' Jamaludin bin Hassan,**

*59 years old, Malaysian*

*Chairman*

Dato' Jamaludin was appointed to the Board of the Company on 28 December 2007. He graduated from the University of Malaya with a Bachelor of Economics (Honours) degree and Post-graduate Diploma in Business Analysis, University of Lancaster, United Kingdom and attended a course on Policy for Public Enterprises in Developing Countries, Harvard Institute for International Development, Harvard University Boston, USA. He started his career in the Administrative and Diplomatic Service in 1974 and had served in various capacities in the public service including positions as Assistant Director, International Trade Division, Ministry of Trade and Industry, Assistant Trade Commissioner, Malaysian Trade Mission in Sydney Australia, Secretary Road Transport Licensing Board, Ministry of Public Enterprises, Principal Assistant Secretary, International Economic Section, The Treasury, Special Officer to Secretary General, Ministry of Finance and Special Assistant to The Chairman, Malaysian Airline System Bhd (MAS). Subsequently, he opted out to retire early from the Government Service and joined Malaysian Industrial Development Finance Berhad (MIDF) as General Manager, Corporate Affairs in 1994 and moving up to become the Chief Operating Officer of the Development Finance Division before retiring in 2007 and thereafter appointed as Advisor at the Group Managing Director's Office.

During his tenure with the Government of Malaysia and MIDF, Dato' Jamaludin had served on the Boards of Pahang State Economic Development Corporation, Kedah State Development Corporation, Amanah International Finance Sdn. Bhd., Amanah Factors Sdn. Bhd. and Malaysian Technology Development Corporation (MTDC). Whilst serving with the Treasury, he was also made Corporate Advisor of Sabah Gas Industry and Sabah Energy Corporation. He is the Chairman of the Audit Committee and member of the Nomination Committee of the Company and he does not hold any directorships in other public companies.

### **Lim Lung Wen,**

*49 years old, Malaysian*

*Managing Director*

Lim Lung Wen is currently our Managing Director and he was appointed to the Board of the Company on 28 December 2007. He graduated with a Bachelor of Science in Computer Science and a Master in Business Administration (MBA) from University of Arkansas, United States of America. He has over 24 years of experience in the ICT industry, mainly engaging with the manufacturing and services industry.

He began his career in 1986 as a System Analyst in Edaran Otomobil Nasional Berhad. Thereafter, he joined PT Setia Sapta in Indonesia as a System Analyst and rose to the position of sales manager where he was responsible for the overall sales and marketing operation of the company. In 1996, he returned to Malaysia and joined HPD Systems Sdn Bhd ("HPD") as General Manager. Later in 2002, Lim Lung Wen was appointed as Senior Vice President of Patimas Computers Berhad ("Patimas"), a company listed on the Main Board of Bursa Securities as part of Patimas' acquisition of HPD.

His years of ICT business experience and deep understanding of ICT provided him with a wide repertoire of skills to engage in the ICT industry. In his current role as Managing Director, he oversees responsibility for all aspects of the operations comprising sales, marketing, consulting, support, education, R&D and customer care. He is not a member of any Board Committee of the Company and he does not hold any directorships in other public companies.

### **Quah Teik Jin,**

*37 years old, Malaysian*

*Executive Director*

Quah Teik Jin was appointed to the Board of the Company on 28 December 2007 and he is currently our Vice President of Sales & Marketing. He graduated with a Diploma in Information Technology from National Computing Centre (NCC), United Kingdom. He is the founder of MBP Solutions Sdn Bhd, one of our subsidiary companies which business focus is on providing ERP consultancy and EBS to the manufacturing and services industry.

He began his career with ISC Technology Sdn Bhd as a System Engineer in 1994 and rose up the ranks as Business Executive. In 1998, he left for HPD Systems Sdn Bhd ("HPD") and took up the role of Sales Manager where he was responsible for sales in the northern and east coast region of Peninsula Malaysia, and East Malaysia.

With the repertoire of sales and marketing skills acquired during his tenure in HPD, he has since steered and positioned our Group as a prominent solutions and services player for the manufacturing and services sector in Malaysia and ASEAN. He is a member of the Remuneration Committee of the Company and he does not hold any directorships in other public companies.

## Board of Directors

### **Dr. Chew Seng Poh,**

*47 years old, Malaysian*

*Executive Director*

Dr. Chew Seng Poh was appointed to the Board of the Company on 28 December 2007 and he is currently our Chief Technology Officer. He holds a Doctoral Degree in Business Administration (DBA) and a Master in Business Administration (MBA) from Southern Cross University, Australia. He also holds a Higher Diploma in Computer Studies from International Computers Limited, Beaumont, England.

He began his career in PDX Computers Sdn Bhd ("PDX") as a System Development Executive in 1985. After two (2) years, he joined Nixdorf Computers Sdn Bhd as a business software analyst and was promoted to project manager in 1988. He then rejoined PDX as Group Technical Manager and in the subsequent ten (10) years went on to hold various directorship positions in PDX's subsidiaries locally and overseas. He left PDX in 1998 as Group Technical Director to establish EIX Solutions Sdn Bhd ("EIX"), where he was a Director and shareholder. In 2001, he joined Patimas Computers Berhad ("Patimas") as part of Patimas' acquisition of EIX. In Patimas, Dr. Chew Seng Poh was Chief Technology Officer and the Executive Vice President.

During his professional career, he has accumulated over 23 years of management and technical ICT experience. His previous work engagement involve consulting IT companies in their strategic business direction, building technology synergy, business development as well as creating high level strategic alliances, partnerships and technology transfer. He also plays an active role in ensuring the adoption of technology within the local IT organisations in Malaysia.

His technical expertise covers area in software design and development, e-business solutions, ICT outsourcing, telecommunication and data networks, IT infrastructure solutions and consulting services.

He is not a member of any Board Committee of the Company and he does not hold any directorships in other public companies.

### **Edward Khor Yew Heng,**

*38 years old, Malaysian*

*Independent Non-Executive Director*

Mr. Khor was appointed to the Board of the Company on 28 December 2007 and he is a chartered management accountant by training. He is an Associate member of the Chartered Institute of Management Accountants, UK (CIMA) since 1996 and a registered chartered accountant with the Malaysian Institute of Accountants (MIA).

He has over 14 years of experience in areas of corporate affairs, corporate finance, strategy planning and financial management and has spent most of his years in the ICT industry. He has held various positions in the areas of corporate planning, corporate finance, business development, accounting operations, strategic marketing, debt and credit recovery and legal affairs.

He started his career as an auditor and management consultant with international public accountants, Deloitte Touche Tohmatsu. He also spent seven (7) years with the TIME Engineering Berhad Group which is the Technology & Engineering division of Renong Berhad Group (now known as UEM World Group).

He is the Chairman of the Remuneration Committee and member of the Nomination and Audit Committees of the Company and he does not hold any directorships in other public companies.

### **Joseph Ting,**

*44 years old, Malaysian*

*Independent Non-Executive Director*

Mr. Ting was appointed to the Board of the Company on 28 December 2007 and he is a practicing lawyer. He was conferred his Bachelor of Social Science majoring in Law and Economics with Honours (Second Class Upper) from the University of Keele, England in 1989 and completed his Certificate of Legal Practice in 1990. He chambered in Messrs Chooi & Co and was called to the Bar in 1991.

He is currently practicing as a partner in Messrs Joseph Ting & Co, Advocates & Solicitors. His area of practice is mainly in civil litigation and the preparation of commercial documentations.

Mr. Ting is currently the director of Perdulen (M) Bhd and Pusat Haemodialysis Manjung, a charitable company that he helped to set up.

He is the Chairman of the Nomination Committee and member of the Audit and Remuneration Committees of the Company.

*Note:*

*All Directors have no conflict of interest with the Company and have no family relationships with any other Director and/or major shareholder of the Company.*

*All Directors have not been convicted for any offences within the past (10) years other than traffic offences (if any).*



# The Management Team of TFP Solutions Berhad



## FROM LEFT TO RIGHT

Quah Teik Jin

*Executive Director*

Ooi Chee Hong

*Vice President, Research & Development*

Andrew Xavier

*Vice President, Technical Services*

Choo Chuin Hui

*Financial Controller*

Lim Lung Wen

*Managing Director*

Dr Chew Seng Poh

*Executive Director*

Foong Siang Ming

*Vice President, Business Development*

Tan Man Siang

*Vice President, Sales & Marketing*

Tern Yen Soon

*Vice President, Consulting Practice*



# Management's Discussion

## Financial Performance

In this year under review, TFP Group achieved average financial performance with revenue of RM 13.55 million compared to RM 11.61 million representing an increase of 15% over the previous year. Consequently, we recorded a Profit before Tax of RM 0.367 million compared to RM 3.174 million attained in 2007, while our Profit after Tax amounted to RM 0.222 million, from the RM 3.148 million achieved in the previous year.

The Group's overall profit margin has been depressed due to highly competitive market conditions and higher inflationary costs. These factors have been further aggravated by the global financial crisis and lackluster economic performance in most business sectors. TFP Group, in taking more prudent steps, have also made additional provision for doubtful debts for the financial year ended 2008 amounting to RM 0.525 million in lieu of the economic slowdown. Our shareholders' equity stood at RM 19.27 million as at 31 December 2008, compared with RM 10.09 million in the preceding year.

We anticipate continued pressure on operating costs. The management team has charted a strategic plan for the Group to reduce cost, streamline resources, remove redundancies and maximise asset utilisation.

## Industry Prospects

The year ahead will provide tremendous challenges, against the prospects of a slowing economy, rising inflation, and global financial crisis. International Monetary Fund (IMF) predicted that the global economy will shrink 1.3% in 2009. As reported by Malaysian Institute of Economic Research (MIER) in April, Malaysian economic growth is expected to shrink by 2.2% in 2009.

Information Technology (IT) spending in the region is likely to slow down in 2009 as businesses conserve cash amid fear of declining profits. The global IT industry is expected to experience a slowdown in IT spending. According to Gartner Inc., a leading global IT research and advisory company forecasted a negative 3.8% in IT spending in 2009. However, Gartner forecasted a growth of 0.3% in software spending and a negative 1.7% in IT services spending.

Business research report from Business Monitor International (BMI) indicated that software sales in Malaysia for 2008 was at US\$246 million, but revenues are expected to dip to US\$240 million in 2009 in line with the worsening global economy. However, by 2013 we see them rising healthily to US\$355 million. Software Compound Annual Growth Rate (SCAGR) for 2008-2013 should be in the region of 8%. However, Malaysian IT services spending, excluding telecommunications-related spending is forecast to reach around US\$1.3 billion in 2009, up from US\$1.2 billion in 2008.

The Malaysian Government's new RM 500 million small and medium-sized enterprise (SME) fund to help smaller businesses to leverage IT, should act as a catalyst to

promote IT spending in the SME industry. Around 90% of Bursa Malaysia Securities Berhad's companies fall in the SME category, and these companies are increasingly being seen as a key IT vertical demand sector in Malaysia. In view of that, TFP Group is well position to address these opportunities in Malaysia.

Based on the above fundamentals, the management team of TFP Group is cautiously optimistic that financial results will be satisfactory in the financial year ending 2009.

## Establishing Market Presence Into The ASEAN Countries

On 8 July 2008, TFP Group has set up TFP International Pte. Ltd. in Singapore. Our efforts to expand aggressively in ASEAN regions was put on hold due to the global economic crisis which has lead to business uncertainty in the ASEAN countries. However, TFP Group will be strengthening our business relationships and business collaborations with regional strategic partners to increase business presence in the ASEAN countries. We will put more effort to aggressively promote TFP products and services in the region once a more conducive economic climate is available for investment.

## Research & Development ("R&D")

In 2008, we launched two new software products, namely "JinJi" our new HCRM software and B2logix our workshop management module. In the year 2008, we spent an estimated total of RM 0.77 million on R&D which was financed from the proceeds of our listing exercise. Despite the global economic slowdown, TFP Group will continuously invest in R&D as this activity is the engine of new innovative products and services.

The unfavourable business climate has forced us to reassess and realign some of our R&D initiatives. This is to ensure the innovative products and services that we intend to roll out in the near future meet the needs and wants of the customers. The efforts from R&D activities will continue to provide TFP Group its competitive advantage against our competitors.

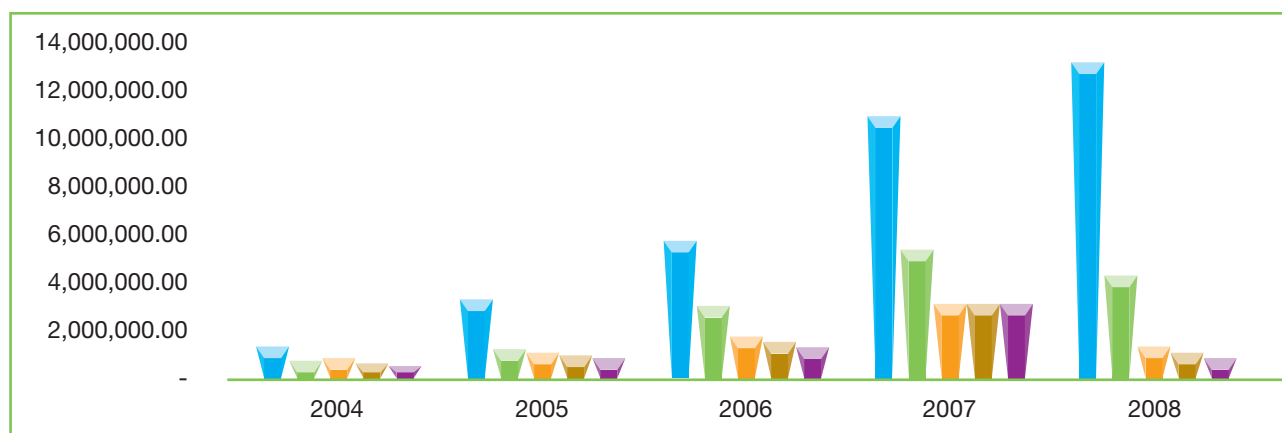
## Appreciation

The Management team would like to express our gratitude and thanks to the board of directors, shareholders and business partners who have each contributed significantly into making the year under review such a significant one. More importantly, a huge amount of gratitude and thanks must of course also go out to our valued customers. We thank you for your faith and trust in the Group's capabilities, and we hope to continue our mutually beneficial partnerships far into the future.

Lastly, we would like to thank our employees who have stayed and contributed significantly to the growth of TFP Group. The year 2008 was full of challenges and your hard-work and dedication had made the year 2008 an eventful and memorable journey for all of us.



# Financial Highlights

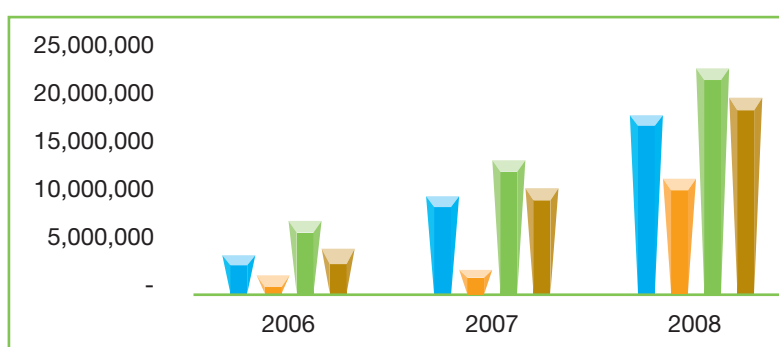


● Revenue ● Gross Profit ● EBITDA ● Profit Before Tax ● Net Profit

(RM'000)	* Proforma 2004	* Proforma 2005	* Proforma 2006	* Proforma 2007	Audited 2008
Revenue	716,858.00	3,528,635.00	5,870,797.00	11,605,512.00	13,553,835.02
Gross Profits	209,989.06	621,157.11	2,994,115.78	5,437,939.29	4,408,230.79
EBITDA #	211,133.00	332,975.00	1,799,080.00	3,195,007.43	715,578.21
Profit Before Tax	197,323.00	300,572.00	1,632,116.00	3,174,168.00	367,226.80
Net Profit	177,473.00	283,758.00	1,495,866.00	3,148,391.00	221,978.28

\* The proforma group income statement have been prepared for illustrative purposes after making certain adjustments to show what the financial results of our Group for financial periods ended 31 December 2005, 2006 and 2007 would have been if the Group structure as of the date of the Annual Report had been in place since the beginning of the period reported on.

# Earnings before interest, taxation, depreciation and amortisation but includes share of profits in associate company, is arrived by taking profit before taxation after associate profits, plus depreciation and amortisation.



● NTA ● Cash ● Assets ● Equity

(RM'000)	* Proforma 2006	** Audited 2007	** Audited 2008
NTA	4,019,372	9,267,834	17,741,235
Cash	1,159,580	2,949,000	11,419,000
Total Assets	5,730,494	13,035,871	23,044,458
Total Shareholders Equity	4,570,914	10,086,871	19,273,039

\* The proforma consolidated balance sheets have been prepared for illustrative purposes only and after making certain adjustments to show what the financial position of our Group as of 31 December 2006 would have been if our Group structure had been in place since the beginning of the reporting period.

\*\* Figure from Audited Financial Statements.





# Statement Of Corporate Governance

The Board of Directors of TFP Solutions Berhad (“the Company”) is committed to ensuring that high standards of corporate governance are maintained throughout the Company and its subsidiaries (“the Group”). Hence, the Board is continuously dedicated to evaluate the Group’s corporate governance practices and procedures to ensure that the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance (“Code”) are applied and adhered to in the interests of its stakeholders.

The Board is pleased to report that various affirmative steps have been implemented to apply the principles and comply with the best practices of the Code as advocated therein pursuant to the Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

## BOARD OF DIRECTORS

### 1. THE BOARD

The Board is made up of Directors who have an extensive range of skills, experience and knowledge and who are overall accountable for the corporate governance and strategic direction of the Group and are entrusted to exercise reasonable and due care in employing the Company’s resources in the best interests of its shareholders and to safeguard the Company’s assets. Three (3) Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee have been formed to assist the Board in the deliberation of issues within their respective functions and terms of reference. These Committees, as entrusted by the Board, will discuss relevant issues and report to the Board with their recommendations. However, this does not absolve the Board’s ultimate responsibility of decision making.

### 2. COMPOSITION AND BOARD BALANCE

The Board currently has six (6) members; of whom three (3) are Executive Directors and three (3) are Independent Non-Executive Directors. Each individual Director has a wide range of experiences and knowledge that contributes to the effective stewardship of the Group. Together, the Directors bring wide business, regulatory, industry and financial experience to complement the direction of the Group. The profiles of the Directors are presented on pages 7 to 8 of this Annual Report. The current composition of the Board complies with the LR. Although all Directors have an equal responsibility for the Group’s operations, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined independently and objectively. There is also a clear division of responsibilities between the Chairman and the Managing Director to ensure that there is a balance of power.

### 3. BOARD MEETINGS

The Board meets regularly to review the corporate strategies, business operations and performance of the Group. Additional meetings are held as and when necessary to ensure that the Group is efficiently managed. During the financial year under review, seven (7) Board meetings were held and the attendance of the Directors are as follows:

#### Directors Total Meetings Attended

Directors	Total Meetings Attended
1. Dato’ Jamaludin Bin Hassan	7/7
2. Lim Lung Wen	7/7
3. Quah Teik Jin	7/7
4. Dr. Chew Seng Poh	7/7
5. Edward Khor Yew Heng	7/7
6. Joseph Ting	7/7
7. Ow Poh Kwang (Resigned w.e.f. 31.03.2009)	7/7

In view of the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the LR.



# Statement Of Corporate Governance (cont'd)

## 4. SUPPLY OF INFORMATION

The agenda for each Board meeting and its relevant papers relating to the agenda items are forwarded to all Directors for their perusal prior to the Board meeting. Adequate notice is provided to allow the Directors to review the board papers so that matters arising can be properly deliberated at the Board meetings and appropriate decisions can be made by the Board. Senior management and appointed advisers of the Company may be required to attend the Board meetings when necessary. All Directors have access to the advice and services of the Company Secretary. The Board has also approved a procedure for Directors, whether in the capacity as the full Board or in their individual capacity, to obtain independent professional advice at the Company's expense in the discharge of their duties and responsibilities.

## 5. NOMINATION COMMITTEE

The Nomination Committee comprises exclusively of Independent Non-Executive Directors of the Company. They are:

- i. **Joseph Ting** (Chairman)
- ii. **Dato' Jamaludin bin Hassan**
- iii. **Edward Khor Yew Heng**

The Nomination Committee monitors, reviews and makes recommendations to the Board regarding the Board's performance as a whole as well as every individual Director. It also reviews and makes recommendations to the Board on the size and composition of the Board, the criteria for Board membership, the desirable qualifications, experience and standing of individuals appointed to the Board. The Committee also identifies potential candidates for appointment to the Board. During the financial year under review, one (1) meeting was held and attended by all members.

## 6. RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, the Directors who are appointed by the Board shall retire from office and be subject to re-election by shareholders at the annual general meeting after their appointment. Meanwhile, one-third (1/3) of the Board, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office each year and each Director shall retire from office once in every three (3) years. A retiring Director shall thereafter be eligible for re-election. Directors of or over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

## 7. DIRECTORS' TRAINING

All the members of the Board are fully aware the need to attend and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities. Directors are required to undergo relevant training programmes to further develop their skills and knowledge as well as to keep abreast with relevant changes in laws, regulations and the business environment. As such, TFP Directors have attended the MAP as prescribed by Bursa Securities in the year 2008.





# Statement Of Corporate Governance (cont'd)

## DIRECTORS' REMUNERATION

### 1. THE LEVEL AND MAKE-UP OF REMUNERATION

The Remuneration Committee was established on 11 January 2008 and responsible to recommend the remuneration packages for Executive Directors taking into consideration the individual performance, seniority, experience and scope of responsibility that is sufficient to attract and retain the Director needed to run the Company successfully. The present members of the Remuneration Committee are Edward Khor Yew Heng (Chairman), Joseph Ting and Quah Teik Jin.

The determination of remuneration packages of Executive Directors, including Non-Executive Chairman, should be a matter for the Board as a whole. The individuals concerned should abstain from discussing their own remuneration.

The aggregate Directors' remuneration paid or payable to all Directors of the Company categorised into appropriate components for the financial year ended 31 December 2008 are as follows:-

Directors' Fees and Remuneration	Fees RM'000	Salaries RM'000	Other Benefits RM'000
Executive Directors	105	780	267
Non-Executive Directors	75	-	-
<b>Total</b>	<b>180</b>	<b>780</b>	<b>267</b>

Bandwidth of Remuneration (RM)	2008	
	No. of Executive Directors	No. of Non- Executive Directors
50,000 - 100,000	-	-
100,001 - 150,000	-	-
150,001 - 200,000	2	-
200,001 - 250,000	-	-
250,001 - 300,000	1	-
300,001 - 350,000	-	-
350,001 - 400,000	1	-

The Non-Executive Directors did not receive any remuneration for the financial year ended 31 December 2008.

### Relationship with Shareholders

The Company maintains various methods of dissemination of information important to shareholders, stakeholders and the public at large through timely announcement of events, quarterly announcement of financial results and product information on the Company's website.

The Company's Annual General Meeting ("AGM") also provides an effective mean of face-to-face communication with the shareholders where they are encouraged to participate in the open question and answering session during the AGM. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report at least 21 days before the AGM in order for them to have sufficient time to read and understand the Company's financial and non-financial performance before the actual event takes place.



# Statement Of Corporate Governance (cont'd)

## Accountability and Audit

### (i) *Directors' Responsibility Statement in respect of Financial Statements*

It is the Board's responsibility to ensure that the financial statements are prepared in accordance with the Companies Act, 1965 and the applicable approved accounting standards set by Malaysian Accounting Standard Board so as to present a balanced and fair assessment of the Group's financial position and prospects. The Directors are also responsible for keeping proper accounting records, safeguarding the assets of the Company and taking reasonable steps to prevent and enable detection of fraud and other irregularities.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:-

- a) selecting suitable accounting policies and then applying them consistently;
- b) stating whether applicable accounting standards have been followed;
- c) making judgments and estimates that are reasonable and prudent; and
- d) preparing the financial statements on a going concern basis, having made reasonable enquiries and assessment on the resources of the Company on its ability to continue further business in foreseeable future.

### (ii) *Internal Control*

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. However, the Board recognises that such system is structured to manage rather than eliminate the possibility of encountering risk of failure to achieve corporate objectives.

The Statement on Internal Control is set out on page 16 of the Annual Report providing an overview of the state of internal controls within the Group.

### (iii) *Relationships with Auditors*

The Board has established a transparent relationship with the external auditors through the Audit Committee, which has been accorded the authority to communicate directly with the external auditors. The auditors in turn are able to highlight matters which require the attention of the Board effectively to the Audit Committee in term of compliance with the accounting standards and other related regulatory requirements.

## Compliance Statement

The Board has taken steps to ensure that the Group has implemented as far as possible the Best Practices as set out in the Code and the Board considers that all Best Practices have been substantially implemented in accordance with the Code.

The areas of non-compliance with the Code are as follows:-

- 1) The recommended disclosure of details of the remuneration of each Director. At this point, the Board of Directors of the Company is of the view that disclosure of the remuneration bands of the Directors of the Company is sufficient to meet the objectives of the Code.
- 2) The Board currently has no senior independent Non-Executive Director. Participation of the Board members on all issues is encouraged.

This statement is made in accordance with a resolution of the meeting of the Board of Directors on 26 May 2009.



# Statement of Internal Control

Pursuant to paragraph 2.14 (c), Guidance Notes 2 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements for the MESDAQ Market, the Board of Directors is required to make a statement in the annual report on the state of the internal controls of the Group. In this respect, the Board of TFP Solutions Berhad is pleased to present the following Statement on Internal Control prepared in accordance with the Listing Requirements and as guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

## BOARD RESPONSIBILITY

The Board of Directors ("Board") acknowledges its responsibility and reaffirms its commitment in recognising the importance of an effective system of internal control and risk management practices to enhance good corporate governance.

The Board is ultimately responsible for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, organisational, operational and compliance controls.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets. The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

## KEY ELEMENTS OF INTERNAL CONTROL

The Group has a number of internal controls in place. The controls include the following:

- A management structure with defined lines of responsibilities and appropriate levels of delegation and authority.
- Monthly senior management meetings are held to monitor key operational and strategic business development together with financial performance of the Group.
- Policies and procedures for key business and financial processes have been reviewed by the Directors to promote efficiency and accountability.
- Monitoring by management of the monthly results as against the budget and in the event of major variances, to take appropriate remedial action.

## INTERNAL CONTROL

The Board is satisfied that for the financial year under review, there were no material losses, deficiencies or errors arising from any inadequacy or failure of the Group's system of internal control that would require disclosure in the Group's Annual Report.

The management will continue to take measures to strengthen the control environment.

To improve its system of internal control, from financial year 2008, the Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control systems from financial year 2008.



# Statement of Internal Control (cont'd)

## ASSURANCE

In view of the Group's current business activities, the Board is of the view that the above monitoring and reporting processes which have been put in place, provide an adequate form of check and balance. Nevertheless, the Board recognises that the system must continuously evolve and improve to support the Group's business activities.

The Board recognises that the systems of internal control must continuously improve in line with the growth of the Group and evolving business environment. Therefore, the Board is committed to put in place adequate plans, where necessary, to continuously improve the Group's system of internal control.

## CONCLUSION

The Board is of the opinion that based on the current level of activities, the Group's systems of internal control is adequate and accords with guidance provided by the Internal Control Guidance adopted by Bursa Securities.



# Audit Committee Report

## 1. Introduction

The Audit Committee was established in 2007 and currently comprises the following committee members:

Chairman: Dato' Jamaludin bin Hassan  
(Independent Non-Executive Chairman)  
Members: Joseph Ting  
(Independent Non-Executive Director)  
Edward Khor Yew Heng  
(Independent Non-Executive Director)

## 2. Terms of Reference

### (a) Composition of Members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) non-executive directors. The majority of the Audit Committee members shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:-

- (a) a member of the Malaysian Institute of Accountant ("MIA"); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
  - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - (ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

#### *Retirement and resignation*

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non compliance to the composition criteria as stated in paragraph 1 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

### (b) Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an independent director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.



## Audit Committee Report (cont'd)

**(c) Secretary**

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

**(d) Meetings**

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, the Chief Executive Officer, the Finance Director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The Finance Director, the head of internal audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

**(e) Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board.

The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

**(f) Quorum**

The quorum for the Audit Committee meeting shall be the majority of members present whom must be independent directors.



# Audit Committee Report (cont'd)

## (g) Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:-

- (i) evaluate the quality of the audits performed by the internal and external auditors;
- (ii) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (iii) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (iv) determine the quality, adequacy and effectiveness of the Group's control environment.

## (h) Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

- (i) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (ii) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.
- (iii) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
- (iv) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (v) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

## (i) Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

- (i) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- (ii) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (iii) To review with the external auditor his evaluation of the system of internal controls and his audit report;
- (iv) To review the quarterly and year-end financial statements of the Board, focusing particularly on:-
  - any change in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- (v) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (vi) To review the external auditor's management letter and management's response;





## Audit Committee Report (cont'd)

- (vii) To do the following, in relation to the internal audit function:-
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointment or termination of senior staff members of the internal audit function; and
  - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (viii) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (ix) To report its findings on the financial and management performance, and other material matters to the Board;
- (x) To consider the major findings of internal investigations and management's response;
- (xi) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- (xii) To determine the remit of the internal audit function;
- (xiii) To consider other topics as defined by the Board; and
- (xiv) To consider and examine such other matters as the Audit Committee considers appropriate.

### 3. The Audit Committee was formed on 28 December 2007 and during the financial year ended 31 December 2008, the Audit Committee held a total of six (6) meetings. The attendance of the members of the Audit Committee are set out as below :-

Directors	Attendance
1. Dato' Jamaludin bin Hassan	6/6
2. Joseph Ting	6/6
3. Edward Khor Yew Heng	6/6

### 4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee had undertaken the following main activities during the financial year ended 31 December 2008:

- (i) reviewed the unaudited quarterly financial results of the Company and its Group prior to the submission to the Board for approval;
- (ii) reviewed the research report prior to the submission to the Board for approval;
- (iii) discussed with the external auditors in relation to audit issues, audit reports, assistance provided by the management, management letter (if any) and audit plan;
- (iv) reviewed the draft audited financial statements prior to the submission to the Board for approval;
- (iv) reviewed the Statement on Internal Control and Audit Committee Report for inclusion in the Annual Report 2008 prior to the submission to the Board for approval;
- (v) reviewed the Circular to Shareholders for Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to the submission to the Board for approval;
- (v) reviewed and recommended to the Board the re-appointment of the external auditors and their audit fees;
- (vi) reviewed the annual internal audit plan for the Group to ensure the principal risk areas were adequately covered in the audit plan;
- (vii) reviewed the internal audit reports of the Group prepared by the internal auditors and ensure that appropriate corrective actions are taken by management; and
- (viii) reported to the Board on any significant issues and concerns.



# Additional Compliance Information

## 1. UTILISATION OF PROCEEDS FROM PUBLIC ISSUE

TFP was listed on 22 February 2008 on the MESDAQ Market. The utilisation of gross proceeds of RM11,520,000 from the public issue by the Group as at 31 December 2008 were as follows:-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Time frame for utilisation
Working Capital	3,720	1,695	2,025	To be utilised by Feb 2011
Expansion	3,000	61	2,939	To be utilised by Feb 2011
R&D Expenditure	3,300	775	2,525	To be utilised by Feb 2011
Listing Expenses	1,500	1,505	(5)*	
	<u>11,520</u>	<u>4,036</u>	<u>7,484</u>	

\* In view that the actual listing expenses was higher than estimated, the deficit had been funded out of proceeds allocated for working capital.

## 2. SHARE BUY-BACK

There were no Share Buy-Back agreements during the financial year ended 31 December 2008.

## 3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2008.

## 4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2008.

## 5. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year ended 31 December 2008.

## 6. VARIATION OF RESULTS

The Company did not issue any profit estimate, forecast or projection during the financial year ended 31 December 2008. There were no variances of 10% or more between the results for the financial year and the unaudited results announced.

## 7. PROFIT GUARANTEE

The Company did not give any profit guarantee during the financial year ended 31 December 2008.

## 8. MATERIAL CONTRACTS INCLUDING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and its subsidiaries, involving the Directors and substantial shareholders' interests during the financial year ended 31 December 2008, save as disclosed in the prospectus dated 5 February 2008.

## 9. REVALUATION POLICY ON LANDED PROPERTIES

The Company does not have any revaluation policy on its landed properties.

## 10. NON-AUDIT FEES

There were no payment of non-audit fees to the external auditors by the Group during the financial year ended 31 December 2008.



## Additional Compliance Information (cont'd)

### 12. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Recurrent Transactions incurred are set out below:-

Transacting parties	Nature of transactions	Relationship of Related Party	Aggregate value made during the financial year ended 31 December 2008 (RM)
TFP Group and Adaptive	Provision of training and consulting services to employees of TFP Group	Our Directors, Lim Lung Wen and Quah Teik Jin are directors and shareholders of Adaptive	7,000
MBP and Lim Lung Wen	Monthly rental of office space at No 6-1, Jalan Puteri 4/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan with an approximate area of 174.19 square meter for a period of one (1) year from 1 January 2009 to 31 December 2009	Our Director, Lim Lung Wen is the owner of the shophouse	18,000
SBOne and Lim Lung Wen	Monthly rental of office space at No 6-2, Jalan Puteri 4/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan with an approximate area of 174.19 square meter for a period of one (1) year from 1 January 2009 to 31 December 2009	Our Director, Lim Lung Wen is the owner of the shophouse	12,000
TFP Group and Lim Lung Wen and Quah Teik Jin	Monthly rental of office space at No 8-3, Jalan Puteri 4/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan with an approximate area of 174.19 square meter for a period of 18 months from 1 July 2009 to 31 December 2010	Our Directors, Lim Lung Wen and Quah Teik Jin are the owner of the shophouse	4,800

### 13. OWNED PROPERTY

TFP acquired a four storey shop office located at No. 22, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan on 19 December 2007. This is a three year old freehold property. Currently the TFP operational office is located at the 2nd floor while the remaining space is rented out. The net book value of this property is RM2,055,000 and the approximate land area is 197.42 sq.m. The build up area is 789.68 sq.m.



# Directors' Report

## for the year ended 31 December 2008

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2008.

### Principal activities

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### Results

	Group RM'000	Company RM'000
Profit attributable to: Shareholders of the Company	222	1,128

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

### Dividends

Since the end of the previous financial period, the Company paid an interim tax exempt dividend of 0.75 sen per ordinary share amounting to RM1,050,579 in respect of the financial year ended 31 December 2008 on 29 July 2008.

The Directors do not recommend the payment of a final dividend for the year under review.

### Directors of the Company

Directors who served since the date of the last report are:

Lim Lung Wen  
Quah Teik Jin  
Dr. Chew Seng Poh  
Dato' Jamaludin Bin Hassan  
Joseph Ting  
Edward Khor Yew Heng  
Ow Poh Kwang (*resigned on 31.3.09*)



## Directors' Report (cont'd) for the year ended 31 December 2008

### Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
<i>Shareholdings in which Directors have direct interests</i>				
The Company				
Lim Lung Wen	28,451,252	16,369,628	37,820,854	7,000,026
Quah Teik Jin	16,276,541	10,894,671	20,171,123	7,000,089
Ow Poh Kwang	3,367,648	1,683,824	5,042,781	8,691
Dr Chew Seng Poh	-	300,000	-	300,000
Dato` Jamaluddin Bin Hassan	-	112,500	-	112,500
Joseph Ting	-	150,000	-	150,000
Edward Khor Yew Heng	-	112,500	-	112,500

	Number of ordinary shares of RM0.10 each			
	At 1.1.2008	Bought	Sold	At 31.12.2008
<i>Shareholdings in which Directors have indirect interests</i>				
The Company through Milan Premier Sdn. Bhd.				
Lim Lung Wen	-	63,034,758	-	63,034,758
Quah Teik Jin	-	63,034,758	-	63,034,758
Ow Poh Kwang	-	63,034,758	-	63,034,758

By virtue of their interests in the shares of Milan Premier Sdn. Bhd., Lim Lung Wen, Quah Teik Jin and Ow Poh Kwang are deemed interested in the shares of the subsidiaries during the financial year to the extent that TFP Solutions Berhad has an interest.

### Directors' benefits

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 22 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



# Directors' Report (cont'd)

## for the year ended 31 December 2008

### Issue of shares and debentures

On 14 January 2008, the shareholders of the Company approved the issuance of 24,000,000 new ordinary shares of RM0.10 each through public issue at an issue price of RM0.48 per ordinary share for the purposes as stated in the prospectus dated 5 February 2008.

Upon the Public Issue, the Company issued bonus shares of 46,692,400 new ordinary shares of RM0.10 each on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held via capitalisation of the share premium.

Subsequently, the entire issued and paid-up capital of the Company comprising 140,077,200 ordinary shares of RM0.10 each was listed and quoted on the MESDAQ Market of Bursa Malaysia on 22 February 2008.

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

### Other statutory information

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.



## Directors' Report (cont'd) for the year ended 31 December 2008

### Other statutory information (continued)

In the opinion of the Directors, except for the allowance for doubtful debts as disclosed in Note 14 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

### Significant event

On 22 February 2008, the Company was officially listed on the MESDAQ Market of Bursa Malaysia Securities Berhad.

### Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Lim Lung Wen**  
Managing Director

**Dr. Chew Seng Poh**  
Executive Director

Kuala Lumpur,

Date: 16 April 2009



# Balance Sheets

at 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Assets</b>					
Plant and equipment	3	485	321	143	-
Intangible assets	4	1,532	819	-	-
Investment property	5	2,055	2,097	2,055	2,097
Investment in subsidiaries	6	-	-	3,572	3,572
Investment in associate	7	1,071	1,435	1,266	1,266
Deferred tax asset	11	84	-	10	-
<b>Total non-current assets</b>		<b>5,227</b>	<b>4,672</b>	<b>7,046</b>	<b>6,935</b>
Receivables, deposits and prepayments	8	6,220	5,972	3,816	-
Current tax asset		177	-	95	-
Cash and cash equivalents	9	11,419	2,949	6,321	*
<b>Total current assets</b>		<b>17,816</b>	<b>8,921</b>	<b>10,232</b>	<b>*</b>
<b>Total assets</b>		<b>23,043</b>	<b>13,593</b>	<b>17,278</b>	<b>6,935</b>
<b>Equity</b>					
Share capital		14,007	6,938	14,007	6,938
Share premium		2,946	-	2,946	-
Retained profits/ (Accumulated losses)		2,319	3,148	49	(28)
<b>Total equity</b>	10	<b>19,272</b>	<b>10,086</b>	<b>17,002</b>	<b>6,910</b>
<b>Liabilities</b>					
Deferred tax liabilities	11	13	5	-	-
<b>Total non-current liabilities</b>		<b>13</b>	<b>5</b>	<b>-</b>	<b>-</b>
Deferred income	12	156	205	-	-
Payables and accruals	13	3,452	3,218	276	25
Taxation		150	79	-	-
<b>Total current liabilities</b>		<b>3,758</b>	<b>3,502</b>	<b>276</b>	<b>25</b>
<b>Total liabilities</b>		<b>3,771</b>	<b>3,507</b>	<b>276</b>	<b>25</b>
<b>Total equity and liabilities</b>		<b>23,043</b>	<b>13,593</b>	<b>17,278</b>	<b>6,935</b>

\* Denotes RM0.20

The notes on pages 33 to 57 are an integral part of these financial statements.



# Income Statements

for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	16.5.2007 to 31.12.2007 RM'000	2008 RM'000	16.5.2007 to 31.12.2007 RM'000
Revenue		13,554	941	2,710	-
Cost of sales		(9,146)	(491)	-	-
<b>Gross profit</b>		4,408	450	2,710	-
Other income		193	3	188	-
Negative goodwill on acquisition of subsidiaries		-	2,757	-	-
Negative goodwill on investment in an associate		-	155	-	-
Distribution expenses		(389)	(19)	(37)	-
Administrative expenses		(3,553)	(180)	(1,641)	(28)
Other expenses		(537)	(8)	(2)	-
<b>Results from operating activities</b>		122	3,158	1,218	(28)
Interest income		278	2	168	-
<b>Operating profit/(loss)</b>	14	400	3,160	1,386	(28)
Share of (loss)/profit after tax of associate		(33)	14	-	-
<b>Profit/(Loss) before tax</b>		367	3,174	1,386	(28)
Tax expense	16	(145)	(26)	(258)	-
<b>Profit/(Loss) for the year/period</b>		222	3,148	1,128	(28)
<b>Attributable to:</b>					
Shareholders of the Company		222	3,148	1,128	(28)
<b>Profit/(Loss) for the year/period</b>		222	3,148	1,128	(28)
<b>Basic earnings per ordinary share (sen):</b>	17	0.17	39		

The notes on pages 33 to 57 are an integral part of these financial statements.

# Statements of Changes In Equity

for the year ended 31 December 2008

Group	Note	Share capital RM'000	Non distributable Share premium RM'000	Distributable Retained profits RM'000	Total equity RM'000
<b>At date of incorporation</b>		*	-	-	*
Shares issued		6,938	-	-	6,938
Profit for the period		-	-	3,148	3,148
<b>At 31 December 2007/1 January 2008</b>		6,938	-	3,148	10,086
Shares issued		2,400	9,120	-	11,520
Bonus issue		4,669	(4,669)	-	-
Listing expenses		-	(1,505)	-	(1,505)
Profit for the year		-	-	222	222
Dividends to shareholders	18	-	-	(1,051)	(1,051)
<b>At 31 December 2008</b>		14,007	2,946	2,319	19,272

Company		Share capital RM'000	Non distributable Share premium RM'000	Distributable (Accumulated losses)/ Retained profits RM'000	Total equity RM'000
<b>At date of incorporation</b>		*	-	-	*
Shares issued		6,938	-	-	6,938
Loss for the period		-	-	(28)	(28)
<b>At 31 December 2007/1 January 2008</b>		6,938	-	(28)	6,910
Shares issued		2,400	9,120	-	11,520
Bonus issue		4,669	(4,669)	-	-
Listing expenses		-	(1,505)	-	(1,505)
Profit for the year		-	-	1,128	1,128
Dividends to shareholders	18	-	-	(1,051)	(1,051)
<b>At 31 December 2008</b>		14,007	2,946	49	17,002

\* Denotes RM0.20



# Cash Flow Statements

for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	16.5.2007 to 31.12.2007 RM'000	2008 RM'000	16.5.2007 to 31.12.2007 RM'000
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		367	3,174	1,386	(28)
Adjustments for:					
Amortisation of intangible assets		196	11	-	-
Depreciation of investment property		42	3	42	3
Depreciation of plant and equipment	3	116	7	4	-
Dividend income		-	-	(1,649)	-
Interest income		(278)	(2)	(168)	-
Loss on disposal of plant and equipment		7	-	-	-
Negative goodwill on investment in an associate		-	(155)	-	-
Negative goodwill on acquisition of subsidiaries	23	-	(2,757)	-	-
Share of loss/(profit) after tax of associate		33	(14)	-	-
Operating profit/(loss) before changes in working capital		483	267	(385)	(25)
Changes in working capital:					
Deferred income		(49)	(79)	-	-
Payables and accruals		234	1,764	251	25
Receivables, deposits and prepayments		(248)	(1,445)	(3,816)	-
Cash generated from/(used in) operations		420	507	(3,950)	-
Interest received		278	2	168	-
Taxes paid		(327)	-	(363)	-
<b>Net cash from/(used in) operating activities</b>		<b>371</b>	<b>509</b>	<b>(4,145)</b>	<b>-</b>
<b>Cash flows from investing activities</b>					
Acquisition of plant and equipment	3	(291)	(4)	(147)	-
Cash acquired arising from acquisition of subsidiaries	23	-	2,535	-	-
Proceeds from disposal of plant and equipment		4	-	-	-
Internally developed intangible assets		(909)	(91)	-	-
<b>Net cash (used in)/from investing activities</b>		<b>(1,196)</b>	<b>2,440</b>	<b>(147)</b>	<b>-</b>

The notes on pages 33 to 57 are an integral part of these financial statements.

# Cash Flow Statements (cont'd)

for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	16.5.2007 to 31.12.2007 RM'000	2008 RM'000	16.5.2007 to 31.12.2007 RM'000
<b>Cash flows from financing activities</b>					
Dividends paid to shareholders of the Company	18	(1,051)	-	(1,051)	-
Proceeds from issuance of shares		11,520	-	11,520	-
Listing expenses		(1,505)	-	(1,505)	-
Dividend received		331	-	1,649	-
<b>Net cash from financing activities</b>		<b>9,295</b>	<b>-</b>	<b>10,613</b>	<b>-</b>
Net increase in cash and cash equivalents		8,470	2,949	6,321	-
Cash and cash equivalents at beginning of year/period	(i)	2,949	*	*	*
<b>Cash and cash equivalents at end of year/period</b>	<b>(i)</b>	<b>11,419</b>	<b>2,949</b>	<b>6,321</b>	<b>*</b>
<i>i) Cash and cash equivalents</i>					

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances (Note 9)	7,738	1,872	6,321	*
Deposits placed with licensed banks (Note 9)	3,681	1,077	-	-
	<b>11,419</b>	<b>2,949</b>	<b>6,321</b>	<b>*</b>

\* Denotes RM0.20



# Notes to the Financial Statements

TFP Solutions Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

## Principal place of business

No 8-3, Jalan Puteri 4/2  
Bandar Puteri  
47100 Puchong  
Selangor Darul Ehsan

## Registered office

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in an associate. The financial statements of the Company as at and for the year ended 31 December 2008 do not include other entities.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

The financial statements were approved by the Board of Directors on 16 April 2009.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	Effective date
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010

The Group and the Company plan to apply FRS 7, FRS 8, FRS 139 and IC Interpretations 9 and 10 from the annual period beginning 1 January 2010.

FRS 4 is not applicable to the Group and to the Company. Hence, no further disclosure is warranted.



# Notes to the Financial Statements (cont'd)

## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company.

#### FRS 8, Operating Segments

FRS 8 will become effective for financial statements for the year ending 31 December 2010. FRS 8, which replaces FRS 114, *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group does not present segment information in respect of its business and geographical segments (see Note 19) as the Group is predominantly engaged in one business segment and mainly operates in Malaysia. Under FRS 8, the Group will present segment information in respect of its operating segments.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - valuation of intangible assets
- Note 11 - recognition of unabsorbed capital allowances and deductible temporary differences
- Note 21 – contingent liabilities
- Note 23 - business combinations



# Notes to the Financial Statements (cont'd)

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses.

#### (ii) *Associates*

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method. The consolidated financial statements include the Group's share of the profit or loss of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investment in associates is stated in the Company's balance sheet at cost less any impairment losses.

#### (iii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.





# Notes to the Financial Statements (cont'd)

## 2. Significant accounting policies (continued)

### (b) Foreign currency

#### (i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

#### (ii) *Operations denominated in functional currencies other than Ringgit Malaysia*

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments, are translated to RM at exchange rates at the balance sheet date. The income and expenses of operations in functional currencies other than RM are translated to RM at the average exchange rates which approximate the exchange rates at the dates of the transactions.

On disposal of operations, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

### (c) Plant and equipment

#### (i) *Recognition and measurement*

Items of plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of plant and equipment recognised as a result of a business combination is based on fair value at acquisition date.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.

#### (ii) *Subsequent costs*

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the income statements as incurred.



## Notes to the Financial Statements (cont'd)

### 2. Significant accounting policies (continued)

#### (c) Plant and equipment (continued)

##### (iii) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- Office equipment 5 years
- Computer equipment 5 years
- Furniture and fittings 5 years
- Renovations 5 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

#### (d) Intangible assets

##### (i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

##### (ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statements as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statements as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

##### (iii) Other intangible assets

Intangible assets that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.



# Notes to the Financial Statements (cont'd)

## 2. Significant accounting policies (continued)

### (d) Intangible assets (continued)

#### (iv) *Subsequent expenditure*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### (v) *Amortisation*

Intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives are as follows:

- Capitalised software development costs 5 years
- Intellectual property rights 5 years

### (e) Investment property

#### (i) *Investment property carried at cost*

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for plant and equipment as stated in accounting policy note 2(c).

Depreciation is charged to the income statements on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

#### (ii) *Determination of fair value*

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.



## Notes to the Financial Statements (cont'd)

### 2. Significant accounting policies (continued)

#### (f) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

#### (g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks.

#### (h) Impairment of assets

The carrying amounts of assets except for deferred tax assets and financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

#### (i) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

##### *Issue expenses*

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

#### (j) Deferred income

The amount of unearned income from services to be rendered in future financial year is disclosed as deferred income.



# Notes to the Financial Statements (cont'd)

## 2. Significant accounting policies (continued)

### (k) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

### (l) Employee benefits

#### *Short term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

### (m) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (n) Revenue recognition

#### (i) *Goods sold*

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### (ii) *System implementation services*

Revenue from services rendered is recognised in the income statements in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

#### (iii) *Other services*

Revenue from other services rendered is recognised in the income statements as and when the services are rendered.



## Notes to the Financial Statements (cont'd)

### 2. Significant accounting policies (continued)

#### (n) Revenue recognition (continued)

##### (iv) Rental income

Rental income from investment property is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### (v) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (o) Leased assets

The leased assets under operating leases are not recognised on the Group's and the Company's balance sheets.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### (p) Interest income

Interest income is recognised as it accrues, using the effective interest method.

#### (q) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# Notes to the Financial Statements (cont'd)

## 2. Significant accounting policies (continued)

### (r) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### (s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

## 3. Plant and equipment

Group	Office equipment RM'000	Computer equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Total RM'000
<b>Cost</b>					
At date of incorporation	-	-	-	-	-
Acquisitions through business combinations	35	196	69	24	324
Additions	-	4	-	-	4
At 31 December 2007/1 January 2008	35	200	69	24	328
Additions	73	88	88	42	291
Disposals	-	(12)	-	-	(12)
At 31 December 2008	108	276	157	66	607
<b>Depreciation</b>					
At date of incorporation	-	-	-	-	-
Depreciation for the period	1	4	2	-	7
At 31 December 2007/1 January 2008	1	4	2	-	7
Depreciation for the year	15	65	29	7	116
Disposals	-	(1)	-	-	(1)
At 31 December 2008	16	68	31	7	122
<b>Carrying amounts</b>					
At date of incorporation	-	-	-	-	-
At 31 December 2007/1 January 2008	34	196	67	24	321
At 31 December 2008	92	208	126	59	485



## Notes to the Financial Statements (cont'd)

### 3. Plant and equipment (continued)

Company	Office equipment RM'000	Computer equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Total RM'000
<b>Cost</b>					
At date of incorporation	-	-	-	-	-
At 31 December 2007/1 January 2008	-	-	-	-	-
Additions	44	17	69	17	147
At 31 December 2008	44	17	69	17	147
<b>Depreciation</b>					
At date of incorporation	-	-	-	-	-
At 31 December 2007/1 January 2008	-	-	-	-	-
Depreciation for the year	1	1	2	-	4
At 31 December 2008	1	1	2	-	4
<b>Carrying amounts</b>					
At date of incorporation	-	-	-	-	-
At 31 December 2007/1 January 2008	-	-	-	-	-
At 31 December 2008	43	16	67	17	143

### 4. Intangible assets

Group	Intellectual property rights RM'000	Development costs RM'000	Total RM'000
<b>Cost</b>			
At date of incorporation	-	-	-
Acquisitions through business combinations	192	547	739
Acquisitions - internally developed	-	91	91
At 31 December 2007/1 January 2008	192	638	830
Acquisitions - internally developed	-	909	909
At 31 December 2008	192	1,547	1,739



# Notes to the Financial Statements (cont'd)

## 4. Intangible assets (continued)

Group	Intellectual property rights RM'000	Development costs RM'000	Total RM'000
<b>Amortisation</b>			
At date of incorporation	-	-	-
Amortisation for the period	5	6	11
At 31 December 2007/1 January 2008	5	6	11
Amortisation for the year	62	134	196
At 31 December 2008	67	140	207
<b>Carrying amounts</b>			
At date of incorporation	-	-	-
At 31 December 2007/1 January 2008	187	632	819
31 December 2008	125	1,407	1,532

### 4.1 Development costs

Development costs principally comprise internally generated expenditure on development costs on major software development projects where it is reasonably anticipated that the costs will be recovered through future commercial activity.

### 4.2 Amortisation

The intangible assets are amortised over the estimated useful life of 5 years. The amortisation charge is recognised in cost of sales.

### 4.3 Impairment testing for software under development

For the purpose of impairment testing, the recoverable amount of software under development is based on its value in use calculation. These calculations use pre-tax cash flow projections based on financial budget approved by management. Cash flows beyond financial year 2009 are extrapolated using the estimated growth rates stated below.

Value in use was determined by discounting the future cash flows expected from the software upon its completion and was based on the following key assumptions:

- Future cash flows were projected based on expected operating cash flows for the next 5 years of the software.
- Sales are expected to grow at 100% on the second year of the projection and reduce gradually to 25% in the fifth year of the projection.
- Gross profit margin is expected to be constant.
- Cost of capital is assumed at 8%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry in which the Group operates and is based on both external sources and internal sources (historical data).



## Notes to the Financial Statements (cont'd)

### 5. Investment property

<b>Group and Company Cost</b>	<b>Freehold land and building RM'000</b>
At date of incorporation	-
Acquisition	<u>2,100</u>
At 31 December 2007/1 January 2008/31 December 2008	----- 2,100
<b>Accumulated depreciation</b>	
At date of incorporation	-
Depreciation for the period	<u>3</u>
At 31 December 2007/1 January 2008	3
Depreciation for the year	<u>42</u>
At 31 December 2008	----- 45
<b>Carrying amounts</b>	
At date of incorporation	----- -
At 31 December 2007/1 January 2008	----- 2,097
At 31 December 2008	<u>2,055</u>
<b>Fair values</b>	
At date of incorporation	----- -
At 31 December 2007/1 January 2008	----- 2,100
At 31 December 2008	----- 2,750

Investment property comprises of a commercial property that is mainly leased to third parties. Each of the leases contains an initial non-cancellable period between 1 to 2 years. No contingent rents are charged.

The following are recognised in the income statements in respect of investment property:

	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Rental income	124	-
Direct operating expenses: -income generating investment property	<u>(11)</u>	----- -



# Notes to the Financial Statements (cont'd)

## 6. Investment in subsidiaries

	Company	
	2008	2007
	RM'000	RM'000
Unquoted shares, at cost	3,572	3,572

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2008	2007
			%	%
MBP Solutions Sdn. Bhd.	Malaysia	Providing Enterprise Resource Planning (ERP) consulting and implementation of Microsoft Dynamics products	100	100
ProDserv Sdn. Bhd.	Malaysia	Developing and providing Enterprise Business Solutions (EBS) value added solutions	100	100
ProXerv Sdn. Bhd.	Malaysia	Providing shared services Information Technology (IT) outsourcing	100	100
SBOne Solutions Sdn. Bhd.	Malaysia	Providing Enterprise Resource Planning (ERP) consulting and implementation of SAP products	100	100
SoftFac Technology Sdn. Bhd.	Malaysia	Providing Human Capital Resource Management (HCRM) solutions	100	100
TFP International Pte. Ltd.*	Singapore	Dormant	100	-
O2U Solutions Sdn. Bhd.**	Malaysia	Dormant	51	-

On 17 July 2008, the Company acquired the entire equity interest in TFP International Pte. Ltd., a company incorporated in Singapore, for a purchase consideration of SGD2.

\* Audited by another firm of Public Accountants

\*\* Subsidiary not yet required to be audited and consolidated using management financial statements. The Company was incorporated on 18 December 2008 with an issued and paid-up share capital of RM100 comprising 100 ordinary shares of RM1.00 each.



## Notes to the Financial Statements (cont'd)

### 7. Investment in associate

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	1,266	1,266	1,266	1,266
Share of post-acquisition reserves	(195)	169	-	-
	1,071	1,435	1,266	1,266

#### Summary financial information on associate:

Company	Country of incorporation	Effective ownership interest		Revenues (100%) RM'000	(Losses)/ Profits (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
		2008 %	2007 %				
<b>2008</b>							
TenInfo Technology Sdn. Bhd.	Malaysia	40	40	11,627	(82)	5,284	3,289
<b>2007</b>							
TenInfo Technology Sdn. Bhd.	Malaysia	40	40	13,937	407	7,871	4,965

### 8. Receivables, deposits and prepayments

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Trade</b>					
Trade receivables		5,267	4,917	-	-
Less: Allowance for doubtful debts		(529)	(42)	-	-
		4,738	4,875	-	-
Amount due from associate	8.1	460	356	64	-
Amount due from subsidiaries	8.1	-	-	3,752	-
		5,198	5,231	3,816	-
<b>Non-trade</b>					
Other receivables		12	2	-	-
Deposits		20	15	-	-
Prepayments	8.2	990	724	-	-
		1,022	741	-	-
		6,220	5,972	3,816	-

# Notes to the Financial Statements (cont'd)

## 8. Receivables, deposits and prepayments (continued)

### 8.1 Amounts due from associate and subsidiaries

The amounts due from associate and subsidiaries are subject to the normal trade terms.

### 8.2 Prepayments

Included in prepayments is RM950,000 (2007 - RM354,000) of work-in-progress for ongoing projects at year end.

## 9. Cash and cash equivalents

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	7,738	1,872	6,321	*
Deposits placed with licensed banks	3,681	1,077	-	-
	11,419	2,949	6,321	*

\* Denotes RM0.20

## 10. Share capital and reserves

	Group and Company		Number of shares 2007 '000
	Amount 2008 RM'000	Number of shares 2008 '000	
Ordinary shares of RM0.10 each:			
Authorised	25,000	250,000	250,000
Issued and fully paid:			
At 1 January 2008/date of incorporation	6,938	69,384	*
Issued during the year/period	7,069	70,693	69,384
At 31 December 2008	14,007	140,077	69,384

\* Denotes 2 shares / RM0.20

During the year, the Company undertook the following:-

On 14 January 2008, the shareholders of the Company approved the Public Issue of 24,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.48 per ordinary share for application by eligible directors, employees and business associates of the Company and its subsidiaries and associate, for placement to selected investors and for application by the public.

Upon the Public Issue, the Company issued bonus shares of 46,692,400 new ordinary shares on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held via capitalisation of the share premium.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.



## Notes to the Financial Statements (cont'd)

### 10. Share capital and reserves (continued)

#### Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax exempt income to frank all of its retained profits at 31 December 2008 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. The introduction of the single tier company income tax system does not have any significant impact as the Company has no Section 108 tax credit as at 31 December 2007.

### 11. Deferred tax liabilities

#### Recognised deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Plant and equipment	-	-	20	16	20	16
Deductible temporary differences	(79)	(11)	-	-	(79)	(11)
Unabsorbed capital allowances	(12)	-	-	-	(12)	-
Deferred tax (assets)/ liabilities	(91)	(11)	20	16	(71)	5
Set off	7	11	(7)	(11)	-	-
Net deferred tax (assets)/ liabilities	(84)	-	13	5	(71)	5
<b>Company</b>						
Plant and equipment	-	-	2	-	2	-
Deductible temporary differences	(12)	-	-	-	(12)	-
Net deferred tax (assets)/ liabilities	(12)	-	2	-	(10)	-

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2008 RM'000	2007 RM'000
Unutilised tax losses	(455)	-
Deductible temporary differences	(72)	-
Unabsorbed capital allowances	(8)	-
	(535)	-

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits there from.

# Notes to the Financial Statements (cont'd)

## 11. Deferred tax liabilities (continued)

### Movement in temporary differences during the year/period

Group	At date of incorporation RM'000	Recognised in income statement (Note 16) RM'000	At 31.12.2007 RM'000	Recognised in income statement (Note 16) RM'000	At 31.12.2008 RM'000
Plant and equipment	-	16	16	4	20
Deductible temporary differences	-	(11)	(11)	(68)	(79)
Unabsorbed capital allowances	-	-	-	(12)	(12)
	-	5	5	(76)	(71)
<b>Company</b>					
Plant and equipment	-	-	-	2	2
Deductible temporary differences	-	-	-	(12)	(12)
	-	-	-	(10)	(10)

## 12. Deferred income

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Current</b>				
Maintenance and system support	156	205	-	-

The amount of unearned income from services to be rendered in future financial year is shown as deferred income.

## 13. Payables and accruals

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Trade</b>					
Trade payables		2,660	2,620	-	-
Amount due to associate	13.1	47	59	-	-
		2,707	2,679	-	-
<b>Non-trade</b>					
Other payables		366	443	66	-
Accrued expenses		182	96	180	25
Deposits received		197	-	30	-
		745	539	276	25
		3,452	3,218	276	25

### 13.1 Amount due to associate

The trade amount due to associate is subject to the normal trade terms.



## Notes to the Financial Statements (cont'd)

### 14. Operating profit/(loss)

	Group		Company	
	2008	16.5.2007 to 31.12.2007	2008	16.5.2007 to 31.12.2007
	RM'000	RM'000	RM'000	RM'000
<b>Operating profit/ (loss) is arrived at after charging:</b>				
Allowance for doubtful debts	525	42	-	-
Amortisation of intangible assets	196	11	-	-
Auditors' remuneration:				
- Statutory audit	70	69	20	25
Depreciation of investment property	42	3	42	3
Depreciation of plant and equipment	116	7	4	-
Loss on disposal of plant and equipment	7	-	-	-
Net foreign exchange loss	-	1	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	375	22	94	-
- Wages, salaries and others	3,829	197	1,161	-
Rental expenses	77	7	5	-
<b>and after crediting:</b>				
Negative goodwill on investment in associate	-	155	-	-
Negative goodwill on acquisition of subsidiaries	-	2,757	-	-
Net realised foreign exchange gain	10	-	-	-
Management fees	257	-	1,061	-
Dividend income	-	-	1,649	-
Rental income	124	-	124	-
Reversal of allowance for doubtful debts	38	-	-	-

### 15. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2008	16.5.2007 to 31.12.2007	2008	16.5.2007 to 31.12.2007
	RM'000	RM'000	RM'000	RM'000
Directors				
- Fees	180	-	180	-
- Remuneration	1,433	35	1,047	-
Other key management personnel				
- Short-term employee benefits	653	67	-	-
	2,266	102	1,227	-

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.



# Notes to the Financial Statements (cont'd)

## 16. Tax expense

### Recognised in the income statements

	Group		Company	
	2008 RM'000	16.5.2007 to 31.12.2007 RM'000	2008 RM'000	16.5.2007 to 31.12.2007 RM'000
<b>Current tax expense</b>				
- current year	255	30	268	-
- overprovision in prior period	(34)	-	-	-
	221	30	268	-
<b>Deferred tax expense</b>				
- Origination and reversal of temporary differences	(89)	(4)	(10)	-
- Under provision in prior year	13	-	-	-
	(76)	(4)	(10)	-
Total tax expense	145	26	258	-
<b>Reconciliation of tax expense</b>				
Profit/(Loss) before tax	367	3,174	1,386	(28)
Tax at Malaysian tax rates *	95	857	360	(8)
Non-deductible expenses	15	9	-	8
Tax exempt income	(157)	(43)	(102)	-
Tax effect on non-taxable income	-	(786)	-	-
Effect of deferred tax benefit not recognised	134	-	-	-
Effect of deferred tax liabilities not recognised during the tax exempt period	36	-	-	-
Others	43	(11)	-	-
(Over)/ Under provision in prior year				
- current tax expense	(34)	-	-	-
- deferred tax expense	13	-	-	-
Tax expense	145	26	258	-

\* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis year for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

\*\* The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

\*\*\* Certain subsidiaries were granted Multimedia Super Corridor ("MSC") status. Under the MSC status, the subsidiaries were accorded the Pioneer Status under Section 4A of the Promotion of Investments Act, 1986, which provides for tax incentive of 100% tax exemption on the statutory business income earned for a maximum year of ten years. The tax exemption once activated is valid for an initial year of five years and subject to review and assessment by MDC for an extension for another five years. The tax exempt income dates for the subsidiaries were activated on 13 December 2005 and 27 February 2007 respectively.



## Notes to the Financial Statements (cont'd)

### 17. Earnings per ordinary share

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 December 2008 was based on the profit attributable to ordinary shareholders of RM222,000 and a weighted average number of ordinary shares outstanding calculated as follows:

#### Weighted average number of ordinary shares

	Group 2008	2007
Issued ordinary shares at 1 January/date of incorporation	69,384,800	2
Effect of ordinary shares issued on 28 November 2007	-	6,972,482
Effect of ordinary shares issued on 19 December 2007	-	1,100,436
Effect of ordinary shares issued on 22 February 2008	60,621,154	-
	130,005,954	8,072,920

Basic earnings per ordinary share

	Group 2008 Sen	2007 Sen
Basic earnings per ordinary share	0.17	39.00*

\* The profit attributable to ordinary shareholders used in the calculation of basic earnings per ordinary share included a non recurring income (negative goodwill) of RM2,912,000 arising from the acquisition of subsidiaries and associate on 28 November 2007. The effect of the negative goodwill to the calculation of basic earnings per ordinary share is 36 sen.

#### Diluted earnings per share

The Group does not have dilutive potential ordinary shares as at 31 December 2008 and 31 December 2007.

### 18. Dividends

Dividends recognised in the current year by the Company are:

2008	Sen per share	Total amount RM'000	Date of payment
Interim 2008 ordinary, tax exempt	0.75	1,051	29 July 2008

# Notes to the Financial Statements (cont'd)

## 19. Segmental reporting

The Group mainly operates in Malaysia. The Group considers it as a single geographical segment. Accordingly information by geographical segment is not presented.

The financial information by business segment is not presented as the Group operates predominantly in one business segment.

## 20. Financial instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. Derivative financial instruments are not used to hedge exposure to fluctuations in foreign exchange rates and interest rates. The Board reviews and agrees policies for managing each of these risks and they summarised below.

### Credit risk

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At the balance sheet date, there were no significant concentrations of credit risk other than a trade receivable owing from one (2007 - Nil) major customer of RM2,500,000 (2007 - Nil).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### Interest rates risk

The Group and the Company have no borrowings that attract interest during the financial year. Therefore, interest rate risk is not significant.

### *Effective interest rates and repricing analysis*

In respect of interest-earning financial assets, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group	Average effective interest rate	Total	Within 1 year
2008	%	RM'000	RM'000
<b>Financial assets</b>			
Deposits placed with licensed banks	3.0	3,681	3,681
<b>2007</b>			
<b>Financial assets</b>			
Deposits placed with licensed banks	3.1	1,077	1,077



## Notes to the Financial Statements (cont'd)

### 20. Financial instruments (continued)

#### Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the functional currency of Group. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Thai Baht (BAHT).

The Group's exposure to foreign currency risk is minimal. As such, the Group did not enter into any forward foreign currency exchange contracts to limit its exposure on foreign currency payables and on cash flows generated from anticipated transactions denominated in foreign currency. However, the management keeps this policy under review.

#### Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and deferred income, approximate fair values due to the relatively short term nature of these financial instruments.

### 21. Contingent liabilities

	Group	
	2008	2007
	RM'000	RM'000
i) Unsecured corporate guarantee issued in favour of third parties	1,000	-
<p>The Company granted an unsecured corporate guarantee amounting to RM1,000,000 to a supplier of the Group for the supply of goods and services to the subsidiaries within the Group.</p>		
ii) On 6 September 2007, a subsidiary received a letter of demand from a customer for the refund of the contract sum for the implementation of an ERP system. At present, no legal proceedings have been initiated by either party. The Directors are of the opinion that the likelihood of a potential liability arising from the demand is remote.		

### 22. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.



# Notes to the Financial Statements (cont'd)

## 22. Related parties (continued)

### Related party transactions

Significant related party transactions other than key management personnel compensation of the Group and of the Company are as follows:

	2008 RM'000	2007 RM'000
<b>Group</b>		
<i>Transactions with an associate:</i>		
Sales of goods and services	882	58
Purchase of goods and services	(430)	(161)
Acquisition of plant and equipment	(12)	-
Management fees charged	257	-
Rental income	18	-
Rental expense	(30)	-
Gross dividend receivable	448	-
	-----	-----
<i>Transactions with certain Directors of the Company:</i>		
Rental expense	(35)	-
	-----	-----
	2008 RM'000	2007 RM'000
<b>Company</b>		
<i>Transactions with subsidiaries:</i>		
Management fees charged	1,061	-
Gross dividend receivable	1,201	-
Interest on advances	64	-
	-----	-----
<i>Transactions with an associate:</i>		
Acquisition of plant and equipment	(12)	-
Management fees charged	257	-
Gross dividend receivable	448	-
	-----	-----
<i>Transactions with certain Directors of the Company:</i>		
Rental expense	(5)	-
	-----	-----

The above transactions have been entered into within the normal course of business and have been established under negotiated terms.

There are no allowances for doubtful receivables made and no bad or doubtful receivables recognised for the year ended 31 December 2008 in respect of the above related party balances.

The outstanding net amounts due from/(to) subsidiaries and associate are disclosed in Note 8 and 13 respectively.



## Notes to the Financial Statements (cont'd)

### 23. Acquisitions of subsidiaries

#### Business combinations

##### 2007

On 28 November 2007, the Company acquired the entire equity interests in SBOne Solutions Sdn. Bhd., ProXerv Sdn. Bhd., ProDserv Sdn. Bhd., MBP Solutions Sdn. Bhd. and SoftFac Technology Sdn. Bhd. for a total purchase consideration of RM3,571,612 satisfied by the issuance of 35,716,160 new ordinary shares of RM0.10 each at an issue price of RM0.10 per share in the Company.

From 29 November 2007 to 31 December 2007, the subsidiaries contributed a profit of RM250,000 to the Group. If the acquisition had occurred on 1 January 2007, management estimates that consolidated revenue would have been RM11,851,000 and contributed profit for the year would have been RM3,007,000.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:-

	Note	Recognised fair values on acquisition RM'000
Plant and equipment	3	324
Intangible assets	4	739
Receivables, deposits and prepayments		4,527
Cash and cash equivalents		2,535
Deferred tax liabilities		(9)
Deferred income		(284)
Payable and accruals		(1,454)
Taxation		(49)
		<hr/>
Net identifiable assets and liabilities		6,329
Negative goodwill on acquisition of subsidiaries/Excess of fair value of net assets over acquisition costs		(2,757)
		<hr/>
Consideration paid satisfied in shares		3,572
Cash and cash equivalents acquired		(2,535)
		<hr/>
		1,037
		-----

Pre-acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The pre-acquisition carrying amounts of assets and liabilities acquired approximated their estimated fair values.



# Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 28 to 57 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Lim Lung Wen**  
Managing Director

**Dr. Chew Seng Poh**  
Executive Director

Kuala Lumpur,

Date: 16 April 2009

# Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, **Choo Chuin Hui**, the officer primarily responsible for the financial management of TFP Solutions Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 57 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 16 April 2009.

**Choo Chuin Hui**  
Financial Controller

Before me:

Commissioner of Oaths  
Ramalingam S. Pillay  
(NO: W432)

Kuala Lumpur



# Independent Auditors' Report

## to the members of TFP Solutions Berhad

(Company No. 773550-A)  
(Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of TFP Solutions Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 57.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries (of which we have acted as auditors) have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements. We have also considered the unaudited financial statements of O2U Solutions Sdn. Bhd.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.





# Independent Auditors' Report

## to the members of TFP Solutions Berhad

(Company No. 773550-A)  
(Incorporated in Malaysia)

### Report on Other Legal and Regulatory Requirements (continued)

- d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

#### **KPMG**

Firm Number: AF 0758  
Chartered Accountants

Petaling Jaya,

Date: 16 April 2009

#### **Foong Mun Kong**

Approval Number: 2613/12/10(J)  
Chartered Accountant



# Statistics of Shareholdings

as at 6 May 2009

Authorised Share Capital	:	RM25,000,000.00
Issued and Paid-Up Share Capital	:	RM14,007,720.00 comprising 140,077,200 Ordinary Shares of RM0.10 each
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One (1) vote per shareholder on a show of hands One (1) vote per Ordinary Share on a poll

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Issued Capital
1 – 99	3	0.17	150	0.00
100 – 1,000	27	1.52	9,150	0.01
1,001 – 10,000	1,336	75.31	3,825,991	2.73
10,001 – 100,000	305	17.19	12,171,300	8.69
100,001 – 7,003,859 (*)	100	5.64	49,058,636	35.02
7,003,860 and above (**)	3	0.17	75,011,973	53.55
<b>TOTAL</b>	<b>1,774</b>	<b>100.00</b>	<b>140,077,200</b>	<b>100.00</b>

Remarks: \* Less than 5% of Issued Shares  
\*\* 5% and above of Issued Shares

## SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Quah Teik Jin	13,500,089	9.64	*48,011,858	34.28
Lim Lung Wen	13,500,026	9.64	*48,011,858	34.28
Milan Premier Sdn. Bhd.	48,011,858	34.28	-	-

\* Deemed interested by virtue of his substantial shareholdings in Milan Premier Sdn. Bhd. who in turn holds shares in TFP Solutions Berhad.

## DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:

Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
Quah Teik Jin	13,500,089	9.64	*48,011,858	34.28
Lim Lung Wen	13,500,026	9.64	*48,011,858	34.28
Dr. Chew Seng Poh	300,000	0.21	-	-
Dato' Jamaludin Bin Hassan	112,500	0.08	-	-
Edward Khor Yew Heng	112,500	0.08	-	-
Joseph Ting	150,000	0.11	-	-

\* Deemed interested by virtue of his substantial shareholdings in Milan Premier Sdn. Bhd. who in turn holds shares in TFP Solutions Berhad.



# Statistics of Shareholdings (cont'd)

as at 6 May 2009

## THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%) of Issued Capital
1.	Milan Premier Sdn. Bhd	48,011,858	34.28
2.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Quah Teik Jin	13,500,089	9.64
3.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Lim Lung Wen	13,500,026	9.64
4.	Lim Tiew Ming	6,001,401	4.28
5.	Lim Chee Siong	3,865,895	2.76
6.	Lim Yau Tong	3,566,400	2.55
7.	ASQ Technology Sdn. Bhd.	2,437,500	1.74
8.	Lim Tay Hean	1,621,400	1.16
9.	Cheah Sek Lim, Sonny	1,615,600	1.15
10.	Chung Lea Chun	1,551,800	1.11
11.	Tan Man Siang	1,424,147	1.02
12.	Lye Poh Leong	1,106,353	0.79
13.	Raymond Selvaraj a/l Victor Benjamin	1,084,000	0.77
14.	Cheah Ui Huat	1,030,277	0.74
15.	Oey Ai Li	1,000,000	0.71
16.	Ng Chooi Kam	968,000	0.69
17.	San Ah Lan	900,000	0.64
18.	Ching Mee Nguk	889,300	0.63
19.	Wong Ah Chin	830,000	0.59
20.	Quek Phaik Im	800,000	0.57
21.	Goh Seok Mei	633,000	0.45
22.	Lau Sie Hui	584,500	0.42
23.	Chew Mei Chee	533,000	0.38
24.	Lim Yang Kiow	508,000	0.36
25.	Arthur Varkey Samuel	500,000	0.36
26.	Chew Song Meng	500,000	0.36
27.	Lim Chew Lee	465,900	0.33
28.	Chew Beng Cheng	430,000	0.31
29.	Wong Wen Chieh	410,000	0.29
30.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Phaik Im	400,000	0.29
	<b>TOTAL</b>	<b>110,668,446</b>	<b>79.01</b>



# Notice of the Second Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Second Annual General Meeting of the Company will be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 23 June 2009, at 10:00 a.m. for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and the Auditors thereon.
2. To approve the payment of Directors' Fees for the financial year ended 31 December 2008. *(Resolution 1)*
3. To re-elect the following Directors who retire pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered themselves for re-election: -
  - (i) Dato' Jamaludin Bin Hassan *(Resolution 2)*
  - (ii) Mr. Quah Teik Jin *(Resolution 3)*
4. To re-appoint Messrs. KPMG as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration. *(Resolution 4)*
5. As Special Business:

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary resolutions:-

### ORDINARY RESOLUTION NO. 1

#### - **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"**THAT** subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

*(Resolution 5)*



# Notice of the Second Annual General Meeting (cont'd)

## 6. ORDINARY RESOLUTION NO. 2

### - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** subject to the Companies Act, 1965 ("the Act"), the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company's subsidiaries to enter into and give effect to the recurrent related party transactions of a revenue or trading nature which are necessary for the Company's subsidiaries' day-to-day operations as described in Section 2.4 of the Circular to Shareholders dated 1 June 2009 subject further to the following:-

- (a) the recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders;
- (b) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, commence immediately upon the passing of this ordinary resolution and continue to be in force until :-
  - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
  - (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
  - (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting;whichever is the earlier; and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this ordinary resolution." *(Resolution 6)*

7. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board  
Chua Siew Chuan (MAICSA 0777689)  
Company Secretary

Kuala Lumpur  
1 June 2009



# Notice of the Second Annual General Meeting

(cont'd)

## Explanatory Notes to Special Business:

### 1. Authority Pursuant to Section 132D of the Companies Act, 1965

The proposed adoption of the Ordinary Resolution No. 1 is primarily to give flexibility to the Board of Directors to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting.

### 2. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed adoption of the Ordinary Resolution No. 2 is intended to renew the Shareholders' Mandate granted by the Shareholders of the Company at the First Annual General Meeting held on 24 June 2008. The Proposed renewal of the Shareholders' Mandate will enable the Company's subsidiaries to enter into recurrent related party transactions to facilitate transactions in the normal course of business of the Company's subsidiaries which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Renewal Shareholders' Mandate for recurrent related party transactions is set out in the Circular to Shareholders of the Company which is despatched together with the Company's 2008 Annual Report.

## Notes:

1. For the purpose of determining a member who shall be entitled to attend this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 49(d) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 16 June 2009. Only a depositor whose name appears on the Record of Depositors as at 16 June 2009 shall be entitled to attend the said Meeting or appoint proxies to attend and/or vote on his/her behalf.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Sections 149 (a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.



# Notice of the Second Annual General Meeting (cont'd)

## **STATEMENT ACCOMPANYING** the Notice of the second Annual General Meeting

Pursuant to Rule 8.36 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

### Directors standing for re-election

The Directors who are standing for re-election at the Second Annual General Meeting are as follows:-

- (i) Dato' Jamaludin Bin Hassan (Article 105) (Resolution 2)
- (ii) Mr. Quah Teik Jin (Article 105) (Resolution 3)

The details of Directors who are standing for re-election are set out in the Directors' Profile on page 7 of this Annual Report and their attendance of Board Meeting are set out on page 12 of this Annual Report.

### Shareholdings of Directors who are standing for re-election.

Shareholdings of Directors who are standing for re-election are set out in the Analysis of Shareholdings on page 61 of this Annual Report.

No. of Shares Held	CDS Account No.

## FORM OF PROXY

\*I/We, (full name in capital letters) .....  
of (full address) .....being a \*member/members of  
TFP SOLUTIONS BERHAD ("the Company"), hereby appoint (full name in capital letters) .....  
.....  
of (full address).....  
or \*failing him/her, (full name in capital letters) .....  
of (full address).....

or \*failing him/her, the CHAIRMAN OF THE MEETING as \*my/our proxy to vote for \*me/us and on \*my/our behalf at the Second Annual General Meeting of the Company to be held at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 23 June 2009 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

1.	To receive the Audited Financial Statements for the financial year ended 31 December, 2008 together with the Reports of the Directors and the Auditors thereon.		
No.	Resolutions	For	Against
2.	To approve the payment of Directors' Fees for the financial year ended 31 December, 2008. (Resolution 1)		
3(i).	To re-elect Dato' Jamaludin Bin Hassan who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 2)		
3(ii).	To re-elect Mr. Quah Teik Jin who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 3)		
4.	To re-appoint Messrs. KPMG as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 4)		
	<b>As Special Business :</b>		
5.	Ordinary Resolution No. 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965. (Resolution 5)		
6.	Ordinary Resolution No. 2 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. (Resolution 6)		

\* strike out whichever not applicable

Signed this ..... day of ....., 2009

.....  
Signature of Member/Common Seal

### Notes:

- For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 49(d) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 16 June 2009. Only a depositor whose name appears on the Record of Depositors as at 16 June 2009 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Sections 149 (a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.



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AFFIX  
STAMP

The Company Secretary  
**TFP Solutions Berhad**  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur

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