

Directors' report

for the period from 16 May 2007 (date of incorporation) to 31 December 2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the period from 16 May 2007 (date of incorporation) to 31 December 2007.

Principal activities

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 Company converted its status to a public limited company on 15 June 2007 for the purpose of the listing on the MESDAQ Market of Bursa Malaysia Securities Berhad. Consequently, the Company changed its name from TFP Solutions Sdn. Bhd. to TFP Solutions Berhad.

Results

	Group RM'000	Company RM'000
Profit/(Loss) attributable to: Shareholders of the Company	3,148	(28)

Reserves and provisions

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

Dividend

No dividend was paid during the period and the Directors do not recommend any dividend to be paid for the period under review.

Directors of the Company

Directors who served since the date of incorporation are:

Lim Lung Wen (appointed on 28.12.2007)
Quah Teik Jin (appointed on 28.12.2007)
Ow Poh Kwang (appointed on 28.12.2007)
Dr. Chew Seng Poh (appointed on 28.12.2007)
Dato' Jamaludin Bin Hassan (appointed on 28.12.2007)
Joseph Ting (appointed on 28.12.2007)
Edward Khor Yew Heng (appointed on 28.12.2007)
Lee Yew Beng (appointed on 16.6.2007; resigned on 28.12.2007)
Nor Afida Binti Ramelan (appointed on 16.6.2007; resigned on 28.12.2007)
Chua Siew Chuan (First Director and resigned on 16.6.2007)
Chin Mun Yee (First Director and resigned on 16.6.2007)

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for the period from 16 May 2007 (date of incorporation) to 31 December 2007

Directors' interests

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

	At Date of appointment as Director	Number of ordinary shares of RM0.10 each		At 31.12.2007
		Bought	Sold	
<i>Shareholdings in which Directors have direct interest</i>				
Lim Lung Wen	-	28,451,252	-	28,451,252
Quah Teik Jin	-	16,276,541	-	16,276,541
Ow Poh Kwang	-	3,367,648	-	3,367,648

By virtue of their interests in the shares of the Company, the Directors are also deemed interested in the shares of the subsidiaries during the financial period to the extent that TFP Solutions Berhad has an interest.

Directors' benefits

Since the date of incorporation, 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.

There were no arrangements during and at the end of the financial period 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.

Issue of shares

The Company was incorporated with an authorised share capital of RM100,000 divided into 1,000,000 ordinary shares of RM0.10 each and issued and paid-up share capital comprising 2 ordinary shares of RM0.10 each.

On 28 November 2007, the Company increased its authorised share capital from RM100,000 divided into 1,000,000 ordinary shares of RM0.10 each to RM 25,000,000 divided into 250,000,000 ordinary shares of RM0.10 each by the creation of an additional 249,000,000 new ordinary shares of RM0.10 each. The new ordinary shares rank *pari passu* in all respect with the existing ordinary shares of the Company.

On the same date, the Company issued 48,384,798 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per ordinary share for the acquisition of the entire equity interests in SBOne Solutions Sdn. Bhd., ProXerv Sdn. Bhd., ProDserv Sdn. Bhd., MBP Solutions Sdn. Bhd., SoftFac Technology Sdn. Bhd. and 40% of the equity interest in TenInfo Technology Sdn. Bhd.

On 19 December 2007, the Company issued 21,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per ordinary share for the acquisition of a property from Lim Lung Wen and Quah Teik Jin.

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

Options granted over unissued shares

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

Directors' report

for the period from 16 May 2007 (date of incorporation) to 31 December 2007

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 period 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 period.

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 period 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.

In the opinion of the Directors, except for the negative goodwill, which represents the excess of the fair value of net assets acquired over the acquisition costs in relation to the Company's acquisition of the entire equity interests of its subsidiaries and 40% of the equity interest of its associate as disclosed in Note 23 to the financial statements, the results of the operations of the Group and of the Company for the financial period ended 31 December 2007 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 period and the date of this report.

Subsequent event

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 1 new ordinary share of the Company to be credited as fully paid-up for every 2 existing ordinary shares held.

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

Directors' report

for the period from 16 May 2007 (date of incorporation) to 31 December 2007

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

Quah Teik Jin
Executive Director

Kuala Lumpur,

Date: 25 April 2008

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 24 to 45 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of the results of their operations and cash flows for the period ended on that date.

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

Lim Lung Wen
Managing Director

Quah Teik Jin
Executive Director

Kuala Lumpur,

Date: 25 April 2008

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 24 to 45 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 25 April 2008.

Choo Chuin Hui
Financial Controller

Before me:

Commissioner for Oaths
Raman Kunyapu
(NO: W476)

Kuala Lumpur

Report of the auditors

to the members of TFP Solutions Berhad

We have audited the financial statements set out on pages 24 to 45. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2007 and the results of their operations and cash flows for the period ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Foong Mun Kong
Partner
Approval Number: 2613/12/08(J)

Kuala Lumpur,

Date: 25 April 2008

Balance sheets

at 31 December 2007

	Note	Group 2007 RM'000	Company 2007 RM'000
Assets			
Plant and equipment	3	321	-
Intangible assets	4	819	-
Investment property	5	2,097	2,097
Investments in subsidiaries	6	-	3,572
Investment in associate	7	1,435	1,266
Total non-current assets		4,672	6,935
Receivables, deposits and prepayments	8	5,972	-
Cash and cash equivalents	9	2,949	*
Total current assets		8,921	*
Total assets		13,593	6,935
Equity			
Share capital		6,938	6,938
Retained profits/(Accumulated losses)		3,148	(28)
Total equity	10	10,086	6,910
Liabilities			
Deferred tax liabilities	11	5	-
Total non-current liabilities		5	-
Deferred income	12	205	-
Payables and accruals	13	3,218	25
Taxation		79	-
Total current liabilities		3,502	25
Total liabilities		3,507	25
Total equity and liabilities		13,593	6,935

* Denotes RM0.20

The notes on pages 28 to 45 are an integral part of these financial statements.

Income statements

for the period from 16 May 2007
(date of incorporation) to 31 December 2007

	Note	Group 2007 RM'000	Company 2007 RM'000
Revenue		941	-
Cost of sales		(491)	-
Gross profit		450	-
Other income		3	-
Negative goodwill on acquisition of subsidiaries	23	2,757	-
Negative goodwill on investment in an associate		155	-
Distribution expenses		(19)	-
Administrative expenses		(180)	(28)
Other expenses		(8)	-
Results from operating activities		3,158	(28)
Interest income		2	-
Operating profit/(loss)	14	3,160	(28)
Share of profit after tax and minority interest of equity accounted associate		14	-
Profit/(Loss) before tax		3,174	(28)
Tax expense	16	(26)	-
Profit/(Loss) for the period		3,148	(28)
Attributable to:			
Shareholders of the Company		3,148	(28)
Profit/(Loss) for the period		3,148	(28)
Basic earnings per ordinary share (sen):	17	39	

The notes on pages 28 to 45 are an integral part of these financial statements.

Statements of changes in equity

for the period from 16 May 2007 (date of incorporation) to 31 December 2007

Group	Share	<i>Distributable</i>	Total
	capital	Retained	
	RM'000	profits	RM'000
		RM'000	
At date of incorporation	*	-	*
Shares issued	6,938	-	6,938
Profit for the period	-	3,148	3,148
At 31 December 2007	6,938	3,148	10,086

Company	Share	Accumulated	Total
	capital	losses	
	RM'000	RM'000	RM'000
At date of incorporation	*	-	*
Shares issued	6,938	-	6,938
Loss for the period	-	(28)	(28)
At 31 December 2007	6,938	(28)	6,910

* Denotes RM0.20

The notes on pages 28 to 45 are an integral part of these financial statements.

Cash flow statements

for the period from 16 May 2007
(date of incorporation) to 31 December 2007

	Note	Group 2007 RM'000	Company 2007 RM'000
Cash flows from operating activities			
Profit/(Loss) before tax		3,174	(28)
Adjustments for:			
Amortisation of intangible assets		11	-
Depreciation of investment property		3	3
Depreciation of plant and equipment		7	-
Interest income		2	-
Negative goodwill on acquisition of subsidiaries	23	(2,757)	-
Negative goodwill on investment in an associate		(155)	-
Share of profit after tax and minority interest of equity accounted associate		(14)	-
		<hr/>	<hr/>
Operating profit/(loss) before changes in working capital		271	(25)
Changes in working capital:			
Deferred income		(79)	-
Payables and accruals		1,764	25
Receivables, deposits and prepayments		(1,445)	-
		<hr/>	<hr/>
Cash generated from operations		511	-
Interest received		(2)	-
		<hr/>	<hr/>
Net cash from operating activities		509	-
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities			
Acquisition of plant and equipment		(4)	-
Cash acquired arising from acquisition of subsidiaries	23	2,535	-
Internally developed intangible assets		(91)	-
		<hr/>	<hr/>
Net cash from investing activities		2,440	-
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase in cash and cash equivalents		2,949	-
Cash and cash equivalents at date of incorporation	(i)	*	*
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	(i)	2,949	*
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

i) *Cash and cash equivalents*

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

	Group 2007 RM'000	Company 2007 RM'000
Cash and bank balances	1,872	*
Deposits placed with licensed banks	1,077	-
	<hr/>	<hr/>
	2,949	*
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

* Denotes RM0.20

The notes on pages 28 to 45 are an integral part of these financial statements.

Notes to the financial statements

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

Principal place of business

No 20-2, Jalan Puteri 1/2
Bandar Puteri
47100 Puchong
Kuala Lumpur

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 period from the date of incorporation on 16 May 2007 to 31 December 2007 comprise the Company and its subsidiaries and the Group's interest in an associate. The financial statements of the Company as at and for the period from the date of incorporation on 16 May 2007 to 31 December 2007 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 25 April 2008.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards (FRSs) issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2007 and that have not been applied in preparing these financial statements.

FRSs / Interpretations	Effective date
FRS 107, <i>Cash Flow Statements</i>	1 July 2007
FRS 111, <i>Construction Contracts</i>	1 July 2007
FRS 112, <i>Income Taxes</i>	1 July 2007
FRS 118, <i>Revenue</i>	1 July 2007
FRS 120, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 July 2007
Amendment to FRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation</i>	1 July 2007
FRS 134, <i>Interim Financial Reporting</i>	1 July 2007
FRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 July 2007
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	To be announced
IC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 July 2007
IC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 July 2007
IC Interpretation 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 July 2007
IC Interpretation 6, <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>	1 July 2007
IC Interpretation 7, <i>Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies</i>	1 July 2007
IC Interpretation 8, <i>Scope of FRS 2</i>	1 July 2007

Notes to the financial statements

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008 except for FRS 139, Financial Instruments: Recognition and measurement which the effective date has yet to be announced.

The impact of applying 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 exemption given in FRS 139.103AB.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(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 Note 23 – business combinations.

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 is stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Notes to the financial statements

2. Significant accounting policies (continued)

a) Basis of consolidation (continued)

(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 unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). 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, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(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.

(b) Foreign currency

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 that are measured at fair value 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.

(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. 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.

Notes to the financial statements

2. Significant accounting policies (continued)

(c) Plant and equipment (continued)

(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.

(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 period 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) Leased payments

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.

(e) 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 the 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 is direct technical staff salaries. 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.

Notes to the financial statements

2. Significant accounting policies (continued)

(e) Intangible assets (continued)

(iii) Other intangible assets

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

(v) Amortisation

Amortisation is charged to income statements on a straight-line basis over the estimated useful lives of intangible assets and development costs from the date of commencement of commercial operations, which is an average of five years.

(f) Investment property

Investment property is property which is 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.

Investment property is 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 statement on a straight-line basis over the estimated useful life of 50 years for buildings. Freehold land is not depreciated.

The market value of the investment property is based on a professional valuation performed by an external independent valuation company on the open market basis. The Directors regard market value as 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.

(g) 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.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts, if any.

(i) Impairment of assets

The carrying amounts of assets except for 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.

Notes to the financial statements

2. Significant accounting policies (continued)

(i) Impairment of assets (continued)

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.

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 period in which the reversals are recognised.

(j) Deferred income

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

(k) 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 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 period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(l) 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.

(m) 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.

Notes to the financial statements

2. Significant accounting policies (continued)

(m) Revenue recognition (continued)

(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 services rendered is recognised in the income statements as and when the services are rendered.

(n) Interest income

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

(o) 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 period, 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 following temporary differences: the initial recognition of goodwill, 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.

(p) Earnings per share

The Group presents basic and diluted 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.

Notes to the financial statements

3. Plant and equipment

Group	Office equipment RM'000	Computer equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Total RM'000
Cost					
At date of incorporation	-	-	-	-	-
Acquisitions through business combinations	35	196	69	24	324
Additions	-	4	-	-	4
At 31 December 2007	35	200	69	24	328
Depreciation					
At date of incorporation	-	-	-	-	-
Depreciation for the period	1	4	2	-	7
At 31 December 2007	1	4	2	-	7
Carrying amounts					
At date of incorporation	-	-	-	-	-
At 31 December 2007	34	196	67	24	321

4. Intangible assets

Group	Intellectual property rights RM'000	Development costs RM'000	Total RM'000
Cost			
At date of incorporation	-	-	-
Acquisitions through business combinations	192	547	739
Other acquisitions - internally developed	-	91	91
At 31 December 2007	192	638	830
Amortisation			
At date of incorporation	-	-	-
Amortisation for the period	5	6	11
At 31 December 2007	5	6	11
Carrying amounts			
At date of incorporation	-	-	-
At 31 December 2007	187	632	819

Notes to the financial statements

5. Investment property

	Freehold land and building RM'000
Group and Company	
Cost	
At date of incorporation	-
Acquisition	2,100
	<hr/>
At 31 December 2007	2,100
	<hr/>
Accumulated depreciation	
At date of incorporation	-
Depreciation for the period	3
	<hr/>
At 31 December 2007	3
	<hr/>
Carrying amount	
At date of incorporation	-
	<hr/>
At 31 December 2007	2,097
	<hr/>
Fair value	
At date of incorporation	-
	<hr/>
At 31 December 2007	2,100
	<hr/>

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.

There is no rental income and direct operating expenses recognised in the income statements in respect of investment property as the investment property was only acquired on 19 December 2007.

6. Investments in subsidiaries

	Company 2007 RM'000
At cost:	
Unquoted shares	3,572
	<hr/>

Notes to the financial statements

6. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

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

7. Investment in associate

	Group 2007 RM'000	Company 2007 RM'000
At cost:		
Unquoted shares	1,266	1,266
Share of post-acquisition reserves	169	-
	<u>1,435</u>	<u>1,266</u>

Summary of financial information on associate:

Company	Country of incorporation	Effective ownership interest 2007 %	Revenues (100%) RM'000	Profits (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
TenInfo Technology Sdn. Bhd.	Malaysia	40	13,937	407	7,871	4,965

Notes to the financial statements

8. Receivables, deposits and prepayments

	Note	Group 2007 RM'000	Company 2007 RM'000
Trade			
Trade receivables		4,917	-
Less: Allowance for doubtful debts		(42)	-
		<hr/>	<hr/>
Amount due from associate	8.1	4,875 356	- -
		<hr/>	<hr/>
		5,231	-
		-----	-----
Non-trade			
Other receivables		2	-
Deposits		15	-
Prepayments		724	-
		<hr/>	<hr/>
		741	-
		-----	-----
		5,972	-
		<hr/>	<hr/>

8.1 Amount due from associate

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

9. Cash and cash equivalents

	Group 2007 RM'000	Company 2007 RM'000
Cash and bank balances	1,872	*
Deposits placed with licensed banks	1,077	-
	<hr/>	<hr/>
	2,949	*
	<hr/>	<hr/>

* Denotes RM0.20

Notes to the financial statements

10. Share capital and reserves

Group and Company	Number of shares '000	Amount RM'000
Ordinary shares of RM0.10 each:		
Authorised:		
At date of incorporation	1,000	100
Created during the period	249,000	24,900
At 31 December 2007	250,000	25,000
Issued and fully paid:		
At date of incorporation	*	*
Issued during the period	69,384	6,938
At 31 December 2007	69,384	6,938

* Denotes 2 shares / RM0.20

During the period, the Company undertook the following:-

- (a) On 28 November 2007, the Company increased its authorised share capital from RM100,000 divided into 1,000,000 ordinary shares of RM0.10 each to RM 25,000,000 divided into 250,000,000 ordinary shares of RM0.10 each by the creation of an additional 249,000,000 new ordinary shares of RM0.10 each. The new ordinary shares rank pari passu in all respect with the existing ordinary shares in the Company.
- (b) On the same date, the Company issued 48,384,798 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per ordinary share for the acquisition of the entire equity interests in SBOne Solutions Sdn. Bhd., ProXerv Sdn. Bhd., ProDserv Sdn. Bhd., MBP Solutions Sdn. Bhd., SoftFac Technology Sdn. Bhd. and 40% of the equity interest in TenInfo Technology Sdn. Bhd.
- (c) On 19 December 2007, the Company issued 21,000,000 new ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per ordinary share for the acquisition of a property from Lim Lung Wen and Quah Teik Jin.

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 general meetings of the Company.

11. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2007 RM'000	Liabilities 2007 RM'000	Net 2007 RM'000
Plant and equipment	-	16	16
Provisions	(11)	-	(11)
Net deferred tax (assets)/ liabilities	(11)	16	5

Notes to the financial statements

12. Deferred income

	Group 2007 RM'000	Company 2007 RM'000
Current		
Maintenance and system support	205	-

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

13. Payables and accruals

	Note	Group 2007 RM'000	Company 2007 RM'000
Trade			
Trade payables		2,620	-
Amount due to associate	13.1	59	-
		<u>2,679</u>	<u>-</u>
Non-trade			
Other payables		443	-
Accrued expenses		96	25
		<u>539</u>	<u>25</u>
		<u>3,218</u>	<u>25</u>

13.1 Amount due to associate

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

14. Operating profit/(loss)

	Group 2007 RM'000	Company 2007 RM'000
Operating profit/(loss) is arrived at after charging/(crediting):		
Allowance for doubtful debts	44	-
Amortisation of intangible assets	11	-
Auditors' remuneration:		
- Statutory audit	69	25
Depreciation of investment property	3	3
Depreciation of plant and equipment	7	-
Negative goodwill on acquisition of subsidiaries	(2,757)	-
Negative goodwill on investment in an associate	(155)	-
Net foreign exchange loss	1	-
Personnel expenses (including key management personnel):		
- Contributions to Employees Provident Fund	22	-
- Wages, salaries and others	197	-
Rental expense on property leases	7	-

Notes to the financial statements

15. Key management personnel compensation

The key management personnel compensations are as follows:

	Group 2007 RM'000	Company 2007 RM'000
Directors		
- Remuneration	35	-
Other key management personnel		
- Short-term employee benefits	67	-
	102	-

Other key management personnel comprises 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.

16. Tax expense

Recognised in the income statements

	Group 2007 RM'000	Company 2007 RM'000
Current tax expense	30	-
Deferred tax expense	(4)	-
Total tax expense	26	-

Reconciliation of tax expense

Profit/(Loss) for the period	3,148	(28)
Total tax expense	26	-
Profit/(Loss) excluding tax	3,174	(28)
Tax at Malaysian tax rates	857	(8)
Non-deductible expenses	9	8
Tax exempt income	(43)	-
Tax effect on non-taxable income	(786)	-
Others	(11)	-
	26	-

Notes to the financial statements

16. Tax expense (continued)

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

With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2007 also announced the reduction of corporate tax rate to 26% in 2008. 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 period of ten years. The tax exemption once activated is valid for an initial period 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.

17. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the period ended 31 December 2007 was based on the profit attributable to ordinary shareholders of RM3,148,000 and a weighted average number of ordinary shares outstanding calculated as follows:

Weighted average number of ordinary shares

	Group 2007
Issued ordinary shares at date of incorporation	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
	<hr/>
Weighted average number of ordinary shares at 31 December	8,072,920

Basic earnings per ordinary share

	Group 2007 Sen
Basic earnings per ordinary share	39*

* 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 2007.

18. 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 industrial segment is not presented as the Group operates predominantly in one business segment.

Notes to the financial statements

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

Interest rates risk

The Group and the Company have no borrowings that attract interest during the financial period. Therefore, there is no significant exposure to interest rate risk.

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 per annum %	Total RM	Within 1 year RM
2007			
Financial assets			
Deposits placed with licensed banks	3.1	1,077	1,077

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 the Company. The currency giving rise to this risk is primarily U.S. Dollar (USD).

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, accruals and deferred income, approximate fair values due to the relatively short term nature of these financial instruments.

Notes to the financial statements

20. Operating leases

Leases as lessor

The Group leases out its investment property under operating leases (see Note 5). The future minimum lease payments under non-cancellable leases are as follows:

	Group 2007 RM'000	Company 2007 RM'000
Less than one year	74	74

21. Contingencies

On 6 September 2007, a subsidiary received a letter of demand from a customer for refund of the contract sum paid of RM396,344 for the implementation of an enterprise planning system. The Directors, after seeking legal advice, are of the opinion that the subsidiary has reasonable grounds to defend the demand.

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.

Related party transactions

Significant related party transactions other than key management personnel compensation are as follows:

		Transaction value for the period ended 31 December 2007 RM'000	Balance outstanding as at 31 December 2007 RM'000
Group	Note		
Sales of goods and services			
Associate	8	58	356
Purchase of goods and services			
Associate	13	161	59

Notes to the financial statements

23. Acquisitions of subsidiaries

Business combinations

On 28 November 2007, the Company acquired the entire equity interests in SBOne 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
		<hr/>

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.

24. Subsequent event

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 1 new ordinary share of the Company to be credited as fully paid-up for every 2 existing ordinary shares held.

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

25. Comparative figures

No comparative figures are presented as this is the first set of financial statements prepared by the Group and the Company.

Analysis of Shareholdings 6 May 2008

STATISTICS OF SHAREHOLDINGS

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	0	0.00	0	0.00
100 - 1000	23	1.08	6,700	0.01
1001 - 10000	1,613	75.80	4,553,891	3.25
10001 - 100000	397	18.65	15,914,300	11.36
100001 - 7003859(*)	94	4.42	56,567,551	40.38
7003860 AND ABOVE(**)	1	0.05	63,034,758	45.00
TOTAL	2,128	100.00	140,077,200	100.00

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	5,000,089	3.57	*63,034,758	45.00
Lim Lung Wen	5,000,026	3.57	*63,034,758	45.00
Ow Poh Kwang	8,691	0.01	*63,034,758	45.00

* 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	5,000,089	3.57	*63,034,758	45.00
Lim Lung Wen	5,000,026	3.57	*63,034,758	45.00
Dr. Chew Seng Poh	300,000	0.21	-	-
Ow Poh Kwang	8,691	0.01	*63,034,758	45.00
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.

Analysis of Shareholdings 6 May 2008 (CON'D)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares Held	Percentage (%) of Issued Capital
1.	Milan Premier Sdn. Bhd	63,034,758	45.00
2.	Lim Tiew Ming	6,001,401	4.28
3.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Quah Teik Jin	5,000,089	3.57
4.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Lim Lung Wen	5,000,026	3.57
5.	Lim Chee Siong	3,771,895	2.69
6.	Bong Nyon	3,754,200	2.68
7.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Chong Wei Phoi	2,408,663	1.72
8.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Lye Poh Leong	2,028,753	1.45
9.	Affin Nominees (Tempatan) Sdn. Bhd. Core Capital Management Sdn. Bhd. for Tan Man Siang	2,011,647	1.44
10.	Lim Tay Hean	1,621,500	1.16
11.	Chung Lea Chun	1,531,000	1.09
12.	Lim Yau Tong	1,060,100	0.76
13.	Grid Solutions Sdn. Bhd.	1,045,000	0.75
14.	Cheah Ui Huat	1,030,277	0.74
15.	Ng Chooi Kam	968,000	0.69
16.	San Ah Lan	900,000	0.64
17.	Quek Phaik Im	800,000	0.57
18.	Wong Ah Chin	730,000	0.52
19.	Goh Seok Mei	633,000	0.45
20.	Visi Raya Sdn. Bhd.	595,500	0.43
21.	ASQ Technology Sdn. Bhd.	535,000	0.38
22.	Arthur Varkey Samuel	500,000	0.36
23.	Chew Song Meng	500,000	0.36
24.	Chew Beng Cheng	430,000	0.31
25.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek Phaik Im	400,000	0.29
26.	Chua Soo Seong	397,100	0.28
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Ahad Rulnisam Bin Malim	387,500	0.28
28.	Yap Yok Foo	380,000	0.27
29.	Ng Kam Fook	360,000	0.26
30.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Hashim Bin Jusoh	332,500	0.24
TOTAL		108,147,909	77.23

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the First 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, 24 June 2008, at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial period ended 31 December 2007 together with the Reports of the Directors and the Auditors thereon.
2. 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 1)*
 - (ii) Mr. Lim Lung Wen *(Resolution 2)*
 - (iii) Mr. Quah Teik Jin *(Resolution 3)*
 - (iv) Mr. Ow Poh Kwang *(Resolution 4)*
 - (v) Dr. Chew Seng Poh *(Resolution 5)*
 - (vi) Mr. Edward Khor Yew Heng *(Resolution 6)*
 - (vii) Mr. Joseph Ting *(Resolution 7)*
3. 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 8)*
4. 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 9)

Notice of Annual General Meeting (CONT'D)

5. ORDINARY RESOLUTION NO. 2

- PROPOSED SHAREHOLDERS' RATIFICATION AND 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 subject 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 Proposed Shareholders' Ratification and 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 that for the avoidance of doubt, all such transactions entered into, as per Section 2.4 of the Circular to Shareholders in relation to the Proposed Shareholders' Ratification and Mandate for recurrent related party transactions of a revenue or trading nature dated 2 June 2008, prior to the date of this resolution be and is hereby confirmed and approved; 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 10)

6. 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
2 June 2008

Notice of 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 Shareholders' Ratification and Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed adoption of the Ordinary Resolution No. 2 is intended to confirm and ratify the recurrent related party transactions of a revenue or trading nature which were entered into from the date of listing, 22 February 2008 up to the date of this meeting. It is also intended to seek for new shareholders' mandate 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 Shareholders' Ratification and 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 2007 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 18 June 2008. Only a depositor whose name appears on the Record of Depositors as at 18 June 2008 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.

Statement Accompanying the Notice of 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 First Annual General Meeting are as follows:-

(i)	Dato' Jamaludin Bin Hassan	(Article 105)	(Resolution 1)
(ii)	Mr. Lim Lung Wen	(Article 105)	(Resolution 2)
(iii)	Mr. Quah Teik Jin	(Article 105)	(Resolution 3)
(iv)	Mr. Ow Poh Kwang	(Article 105)	(Resolution 4)
(v)	Dr. Chew Seng Poh	(Article 105)	(Resolution 5)
(vi)	Mr. Edward Khor Yew Heng	(Article 105)	(Resolution 6)
(vii)	Mr. Joseph Ting	(Article 105)	(Resolution 7)

The details of Directors who are standing for re-election are set out in the Directors' Profile on pages 4 to 5 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 46 of this Annual Report.

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TFP SOLUTIONS BERHAD

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

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 First 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, 24 June 2008 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 period ended 31 December 2007 together with the Reports of the Directors and the Auditors thereon.		
No.	Resolutions	For	Against
2(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 1)		
2(ii).	To re-elect Mr. Lim Lung Wen who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 2)		
2(iii).	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)		
2(iv).	To re-elect Mr. Ow Poh Kwang who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 4)		
2(v).	To re-elect Dr. Chew Seng Poh who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 5)		
2(vi).	To re-elect Mr. Edward Khor Yew Heng who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 6)		
2(vii).	To re-elect Mr. Joseph Ting who retires pursuant to Article 105 of the Company's Articles of Association, and being eligible, have offered himself for re-election. (Resolution 7)		
3.	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 8)		
	As Special Business :		
4.	Ordinary Resolution No. 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965. (Resolution 9)		
5.	Ordinary Resolution No. 2 - Proposed Shareholders' Ratification and Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. (Resolution 10)		

* strike out whichever not applicable

Signed this day of, 2008

.....
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 18 June 2008. Only a depositor whose name appears on the Record of Depositors as at 18 June 2008 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.

FOLD THIS FLAP FOR SEALING

FOLD HERE

**Affix
stamp**

The Company Secretary
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.

FOLD HERE
