



TFP SOLUTIONS BERHAD (773550-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Quarterly Report For The Fourth Quarter Ended 31 December 2020

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31-Dec-20 RM'000	Preceding Year Corresponding Quarter 31-Dec-19 RM'000	Current Year To date 31-Dec-20 RM'000	Preceding Year Corresponding Period 31-Dec-19 RM'000
Revenue		3,198	14,479	19,336	87,716
Direct costs		(2,478)	(13,696)	(17,379)	(84,165)
Gross profit		720	783	1,957	3,551
Other operating income		136	(221)	282	2,119
Administrative expenses		(1,078)	(1,389)	(5,211)	(8,533)
Other operating expenses		(606)	(92)	(640)	(702)
Finance costs		(3)	(6)	(13)	(22)
Loss after exceptional item before taxation		(831)	(925)	(3,625)	(3,587)
Taxation	B6	(48)	7	(48)	7
Loss for the financial period		(879)	(918)	(3,673)	(3,580)
Other comprehensive income		-	-	-	-
Total comprehensive loss		(879)	(918)	(3,673)	(3,580)
Loss attributable to :					
Equity holders of the Company		(864)	(899)	(3,624)	(3,513)
Minority shareholders		(15)	(19)	(49)	(67)
		(879)	(918)	(3,673)	(3,580)
(Loss) / Earnings per share (sen)					
- Basic	B15	(0.19)	(0.43)	(0.80)	(1.70)
- Diluted	B15	(0.18)	(0.43)	(0.76)	(1.70)

Note:

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



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

(The figures have not been audited)

	As at Current Year Quarter 31-Dec-20 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31-Dec-19 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	847	1,170
Right-of-Use Assets	133	320
	<u>980</u>	<u>1,490</u>
CURRENT ASSETS		
Inventories	211	177
Trade receivables	4,452	3,908
Other receivables, deposits & prepayments	1,026	3,269
Tax recoverable	189	149
Deposit with licensed banks	6,837	792
Cash and bank balances	8,182	2,470
	<u>20,897</u>	<u>10,765</u>
TOTAL ASSETS	<u>21,877</u>	<u>12,255</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	22,637	10,059
Treasury shares	(179)	(179)
Reserves	(6,409)	(2,689)
Shareholders' funds	<u>16,049</u>	<u>7,191</u>
Non-controlling interests	(40)	(87)
Total Equity	<u>16,009</u>	<u>7,104</u>
NON-CURRENT LIABILITY		
Lease Liabilities	19	110
Deferred Tax Liabilities	10	-
	<u>29</u>	<u>110</u>
CURRENT LIABILITIES		
Trade payables	3,939	3,984
Other payables and accruals	1,547	841
Amount due to shareholders	236	-
Lease Liabilities	117	216
	<u>5,839</u>	<u>5,041</u>
TOTAL EQUITY AND LIABILITIES	<u>21,877</u>	<u>12,255</u>
Net Assets per share (sen)	<u>3.48</u>	<u>3.42</u>

Note:

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

Net Assets per share for the current quarter is arrived at based on the Group's Net Assets of RM16,009,000 over the number of ordinary shares of 459,393,690 shares.



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report For The Fourth Quarter Ended 31 December 2020
(The figures have not been audited)

	Non-distributable					Distributable			Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Shareholders' Fund RM'000	Non-controlling Interests RM'000	
At 1 January 2019	9,764	(179)	1,357	-	(23)	(510)	10,409	7	10,416
Comprehensive loss:									
Net loss for the financial year	-	-	-	-	-	(3,513)	(3,513)	(67)	(3,580)
Other comprehensive income:									
Foreign currency translation difference	-	-	-	-	23	(23)	-	-	-
Total comprehensive income/(loss)	-	-	-	-	23	(3,536)	(3,513)	(67)	(3,580)
Contributions by and distributions to owners of the company:									
Issuance of ordinary shares pursuant to warrants exercised	295	-	(295)	-	-	295	295	-	295
Warrants expired transfer to retained profits	-	-	(1,062)	-	-	1,062	-	-	-
Total transactions with owners of the company	295	-	(1,357)	-	-	1,357	295	-	295
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(27)	(27)
At 31 December 2019 (Audited)	10,059	(179)	-	-	-	(2,689)	7,191	(87)	7,104
At 1 January 2020	10,059	(179)	-	-	-	(2,689)	7,191	(87)	7,104
Net loss for the financial period	-	-	-	-	-	(3,624)	(3,624)	(49)	(3,673)
Acquisition of non-controlling interest	-	-	-	-	-	(47)	(47)	47	-
Issuance of ordinary shares:									
- pursuant to private placement	6,202	-	-	-	-	-	6,202	-	6,202
- pursuant to rights issue	6,822	-	-	-	-	-	6,822	-	6,822
Shares issuance expenses	(545)	-	-	-	-	-	(545)	-	(545)
Issue of warrants	-	-	7,800	(7,800)	-	-	-	-	-
Change of ownership interests in subsidiary that do not result in a loss of control	-	-	-	-	-	(49)	(49)	49	-
Issuance of ordinary shares pursuant to warrants exercised	99	-	(113)	113	-	-	99	-	99
At 31 December 2020 (Unaudited)	22,637	(179)	7,687	(7,687)	-	(6,409)	16,049	(40)	16,009

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



TFP SOLUTIONS BERHAD (773550-A)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Quarterly Report For The Fourth Quarter Ended 31 December 2020
(The figures have not been audited)

	Current Year To date ended 31-Dec-20 RM'000	Preceding Year Corresponding Period ended 31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,625)	(3,587)
Adjustments for:		
Bad debt written off	53	-
Depreciation of plant and equipment	272	200
Depreciation of right-of-use assets	197	195
Goodwill written off	-	83
Impairment loss on trade receivables	20	235
Interest expense	13	22
Interest income	(27)	(79)
Inventory written off	68	4
Loss/(Gain) on disposal of subsidiary companies	27	(1,416)
Plant and equipment written off	-	14
Reversal of impairment loss on trade receivables	(155)	-
Unrealised loss on foreign exchange	2	*
Operating loss before working capital changes	(3,155)	(4,329)
Increase in inventories	(104)	(181)
Decrease/(Increase) in trade and other receivables	1,778	(10,201)
Increase in trade and other payables	789	4,957
Cash used in operations	(692)	(9,754)
Interest expense	(13)	(22)
Interest received	27	79
Tax refund	-	395
Tax paid	(78)	(130)
Net cash used in operating activities	(756)	(9,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(Increase) in placement of pledge deposits	537	(305)
Purchase of plant and equipment	(143)	(1,278)
Proceed from disposal of plant and equipment	-	6
Proceed in disposal of subsidiary company	*	7,609
Acquisition of non-controlling interest	*	-
Cash flow on acquisition of subsidiary company	-	1
Net cash generated from investing activities	394	6,033
CASH FLOWS FROM FINANCING ACTIVITIES		
Excess rights shares over-subscribed by shareholders	236	-
Repayment of lease liabilities	(158)	(189)
Proceeds from issue of share capital	13,123	295
Utilisation of share issuance expenses	(545)	-
Net cash generated from financing activities	12,656	106
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,294	(3,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,470	5,763
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	14,764	2,470
	A16	

* Less than RM1,000

Note:

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



TFP SOLUTIONS BERHAD (773550-A)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2020

A NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of preparation

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

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

A2 Significant accounting policies

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

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

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

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3, Business Combinations – Definition of a Business
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Policies, Changes in Accounting Estimates and Errors - Definition of material
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, Interest Rate Benchmark Reform - Phase 2

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

Amendments to MFRS 16 Leases, Covid-19 Related Rent Concessions

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

Annual Improvements to MFRS Standards 2018 - 2020, Amendment to MFRS 1, Amendment to MFRS 9, Amendment to MFRS 16, Amendment to MFRS 141
Amendments to MFRS 13, Business Combination (Reference to the Conceptual Framework)
Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137, Onerous Contracts (Cost of Fulfilling a Contract)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

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

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

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2020

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

A2 Significant accounting policies (Cont'd)

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

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

- from the annual period beginning on 1 January 2020 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2020, and
- from the annual period beginning on 1 January 2021 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 January 2022 for those accounting standards, amendments or interpretations that are applicable to the Group and to the Company and effective for annual periods beginning on or after 1 January 2022.

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

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

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

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

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

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

The amendments should be applied prospectively.

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

The amendments clarify that : -

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



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

A2 Significant accounting policies (Cont'd)

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

- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted.

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

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

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

The amendments also :-

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

The amendments shall be applied prospectively.

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

A3 Audit report of preceding annual financial statements

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

A4 Seasonal or cyclical factors

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

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

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

A6 Material changes in estimates

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2020

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

A7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the period ended 31 December 2020; except for the Company increased its issued and paid-up ordinary share capital by the following:-

- (a) Issuance of 20,673,000 new ordinary shares of RM0.30 each pursuant to the Private Placement on 27 August 2020; and
- (b) Issuance and allotment of 227,406,945 new ordinary shares at issue price of RM0.03 each and 227,406,945 new warrants on 22 September 2020; of which was listed in Bursa Securities on 30 September 2020; and
- (c) Issuance and allotment of 900,800 and 2,400,000 new ordinary shares on 13 October 2020 and 21 October 2020 respectively, pursuant to exercise of 3,300,800 warrants at the exercise price of RM0.03 per share during the quarter under review.

During the quarter ended 31 December 2020, the Company did not purchase any of its issued shares from the open market. The total number of shares held as treasury shares as at 31 December 2020 was 1,279,000 at a total cost of RM0.18 million.

A8 Dividend paid

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

A9 Segmental information

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

	Unaudited Individual quarter 31-Dec-20 RM'000	Unaudited Individual quarter 31-Dec-19 RM'000	Unaudited Cumulative quarter 31-Dec-20 RM'000	Unaudited Cumulative quarter 31-Dec-19 RM'000
Revenue				
Business Management Solutions	670	661	5,366	5,290
Converged Infrastructure Solutions	-	-	-	26,698
E-Sport	-	9	62	1,397
Mobile Airtime Reload	2,597	13,800	13,778	55,610
Mobile Starter Packs	372	9	748	9
Subscribers' Registration	783	-	783	-
Others	41	5	57	5
	<u>4,463</u>	<u>14,484</u>	<u>20,794</u>	<u>89,009</u>
Adjustment and eliminations	(1,265)	(5)	(1,458)	(1,293)
	<u>3,198</u>	<u>14,479</u>	<u>19,336</u>	<u>87,716</u>
Loss before taxation				
Business Management Solutions	(113)	(390)	(196)	(679)
Converged Infrastructure Solutions	-	-	-	(51)
E-Sport	-	(61)	(120)	(628)
Mobile Airtime Reload	(657)	(552)	(2,878)	(2,605)
Mobile Starter Packs	214	-	306	-
Subscribers' Registration	49	-	49	-
Others	(324)	(190)	(795)	325
	<u>(831)</u>	<u>(1,193)</u>	<u>(3,634)</u>	<u>(3,638)</u>
Adjustment and eliminations	-	268	9	51
	<u>(831)</u>	<u>(925)</u>	<u>(3,625)</u>	<u>(3,587)</u>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2020

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

A9 Segmental information (Cont'd)

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

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

A10 Valuation of property, plant and equipment

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

A11 Material events subsequent to the end of the quarter

The material events announced subsequent to the end of the quarter are as follows :-

- a) Issuance of 23,899,900 ordinary shares through the exercise of 23,899,900 warrants.
- b) On 4 January 2021 that TFP has entered into a Joint Venture ("JV") cum shareholders Agreement with Ace Capital Growth Sdn. Bhd. ("ACE") to setup a joint venture company (60% equity interest by TFP and 40% equity interest by ACE) for the purpose of trading precious metals such as gold.

Subsequently, the Board announced that the Company had on 10 February 2021 subscribed for 6 ordinary shares which represents 60% of the issued share capital of One Gold Sdn. Bhd. ("OneGold") and the remaining shares of OneGold is subscribed by Ace Capital Growth Sdn. Bhd., which represents 40% of the total issued share capital in OneGold. Upon completion of the incorporation, TFP shall hold 60% of the total issued shares of OneGold and becomes a subsidiary of TFP.

A12 Changes in the composition of the Group

- a) On 11 February 2020, the Company acquired an additional 49% interest in Agensi Pekerjaan O2U Solutions Sdn. Bhd. (formerly known as O2U Solutions Sdn. Bhd.) for RM1 which increased the equity ownership from 51% to 100%. Accordingly, Agensi Pekerjaan O2U Solutions Sdn. Bhd. (formerly known as O2U Solutions Sdn. Bhd.) become a wholly-owned subsidiary of the Company.
- b) On 13 February 2020, the Company incorporated a private company limited by shares, known as One Cent Sdn. Bhd. ("OneCent"). The share capital of OneCent is RM1,000 comprising 1,000 ordinary shares at RM1 each which has been issued and fully paid-up. The Company is holding 800 ordinary shares in Onecent for RM800, representing 80% equity interest in OneCent and becomes a subsidiary of TFP.
- c) On 14 May 2020, the Company entered into a share sale agreement with Mr Nataraja A/L Dorakany for disposal of 100,000 ordinary shares entirely in TFP Soft Sdn Bhd, a wholly-owned subsidiary of the Company, for a total cash consideration of RM1.
- d) The Board had announced on 1 September 2020 that Comm Zed Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a share sale agreement with Mohd Zaki Bin Shahrhan for the disposal of 49,000 ordinary shares in Comm Zed Solution Sdn Bhd, representing 49% of the equity interest of Comm Zed Sdn Bhd for a total cash consideration of RM1. The disposal of equity interest in Comm Zed Solution Sdn Bhd was completed on 17 September 2020.

A13 Contingent liabilities and assets

There are no material contingent liabilities or assets which may have material effect on the financial position of the Group as the date of this announcement.



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

A14 Capital commitments

As at 31 December 2020, the Group has no material capital commitments in respect of property, plant and equipment.

A15 Significant related party transactions

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

	Current Year Quarter 31-Dec-20 RM'000	Cumulative Year To Date 31-Dec-20 RM'000
(i) Office rental paid to a director	58	230
(ii) Purchases	1,173	12,342
(ii) Sales	4	812

A16 Cash and cash equivalents

	Current Period To Date 31-Dec-20 RM'000	Preceding Corresponding Period To Date 31-Dec-19 RM'000
Fixed deposits with licensed banks	1,837	792
Repo deposit with licensed bank	5,000	-
Cash and bank balances	8,182	2,470
	<u>15,019</u>	<u>3,262</u>
Less: Pledged deposits	(255)	(792)
	<u>14,764</u>	<u>2,470</u>

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

B1 Review of performance

	Current Year Quarter 31-Dec-20 RM'000	Preceding Year Corresponding Quarter 31-Dec-19 RM'000	Current Year To-date 31-Dec-20 RM'000	Preceding Year To-date 31-Dec-19 RM'000
Revenue	3,198	14,479	19,336	87,716
Loss before taxation	<u>(831)</u>	<u>(925)</u>	<u>(3,625)</u>	<u>(3,587)</u>

For the quarter ended 31 December 2020, TFP group revenue decrease by 77.91% to RM3.20 million as compared to previous year corresponding quarter ended 31 December 2019, mainly due to the lower quantity of Mobile Airtime Reloads being sold. The Group reported a loss before taxation of RM0.83 million against loss before taxation of RM0.93 million of preceding year corresponding quarter, the loss was improved due to the lower payroll costs, as wages subsidy granted by the Government since April 2020 because of the COVID-19 impact.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2020

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

B1 Review of performance (Cont'd)

Compared to preceding year to-date ended 31 December 2019, the Group recorded a decrease in revenue by 77.96% to RM19.34 million in the current year to-date ended 31 December 2020. The reason for the reduction in revenue was mainly due to the lower quantity of Mobile Airtime Reloads being sold. Further, the revenue generated by a wholly-owned subsidiary company, Tech3 Solutions Sdn Bhd (Tech3) after 8 July 2019, was excluded from consolidation due to Tech3 had been disposed of. The Group reported a higher loss before taxation of RM3.63 million against loss before taxation of RM3.59 million of preceding year to-date, the loss before taxation is higher were due to the contract staffs emoluments, obsolete inventories write off and decrease in interest from deposits with licensed bank as the lower interest rate offered.

B2 Variation of results against preceding quarter

	Current Quarter 31-Dec-20 RM'000	Preceding Quarter 30-Sep-20 RM'000
Revenue	3,198	746
Loss before taxation	<u>(831)</u>	<u>(853)</u>

The Group recorded a revenue of RM3.20 million in the current quarter, significantly higher than the previous quarter of RM0.75 million which was majorly contributed from the services maintenance and sales of hardwares of the Business Management Solutions segment; Mobile Airtime Reloads and Mobile Fintech Subscribers registration for the business enterprise programme. The Group reported a loss before tax of RM0.83 million in the current quarter ended 31 December 2020 compared loss before tax of RM0.85 million in the preceding quarter ended 30 September 2020 due to increase in reversal of impairment of trade receivables and interest received from repo deposit with a licensed bank.

B3 Prospects

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

TFP is fully aware of the continuing global economic challenges and its impact on the local economy. Barring any unforeseen circumstances, the Board of Directors are of the opinion that the performance of the existing business of the TFP Group will remain challenging for the financial year 2021.

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

B4 Variation of actual profit from forecast profit

Not applicable for the current financial quarter.

B5 Statement of Comprehensive Income

	Current Quarter 31-Dec-20	Cumulative Quarter 31-Dec-20
a. interest expense	(3)	(13)
b. interest income	3	27
c. bad debt written off	(50)	(53)
d. depreciation and amortisation	(116)	(469)



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

B5 Statement of Comprehensive Income (Cont'd)

	Current Quarter 31-Dec-20	Cumulative Quarter 31-Dec-20
e. reversal of impairment loss on trade receivables	73	155
f. impairment loss on trade receivables	(20)	(20)
g. inventory written off	(8)	(68)
h. loss on disposal of subsidiary company	1	(27)
i. unrealised loss on foreign exchange	(2)	(2)
	<u>(2)</u>	<u>(2)</u>

B6 Taxation

	Current Quarter 31-Dec-20 RM'000	Cumulative Quarter 31-Dec-20 RM'000
In respect of current quarter/financial year:		
- income tax	38	38
- deferred tax	10	10
	<u>48</u>	<u>48</u>

The effective tax rate of the Group's current tax charge for the current financial period under review was above the statutory tax rate due to certain expenses not deductible for tax purposes.

B7 Unquoted investments and properties

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

B8 Quoted securities

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

B9 Status of corporate proposal

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

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

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

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



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

B9 Status of corporate proposal (Cont'd)

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

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

The proposed rights issue with warrants was approved by the shareholders of the Company through the Annual General Meeting held on 4 August 2020.

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

On 13 August 2020, TFP had executed the following:

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

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

The Rights Issue with Warrants has been completed following the listing and quotation of 227,406,045 Rights Shares and 227,406,945 Warrants on the ACE Market of Bursa Securities on 30 September 2020.

On 29 December 2020, Bursa Malaysia had vide its letter granted TFP an extension of time until 2 July 2021 to complete the implementation of the private placement.

B10 Status of utilisation of proceeds

- i) The status of utilisation of the proceeds from disposal of subsidiary of approximately RM7.90 million from the corporate exercise as at 31 December 2020 are as follow:

	Proposed utilisation RM'000	Revised timeframe for utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital for BMS segment	3,672	Within 18 months from completion	3,672	-
Funding for new business plans	4,068	Within 12 months from completion	4,068	-
Estimated expenses	164	Upon completion	164	-
	<u>7,904</u>		<u>7,904</u>	<u>-</u>



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

B10 Status of utilisation of proceeds (Cont'd)

- i) The status of utilisation of the proceeds from disposal of subsidiary of approximately RM7.90 million from the corporate exercise as at 31 December 2020 are as follow: (Cont'd)

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

- ii) The first tranche of private placement was completed on 27 August 2020 following the listing and quotation of 20,673,000 placement shares at RM0.30 per placement shares on the ACE Market on Bursa Securities, raising RM6.20 million for the Company. As at 31 December 2020, the status of utilisation of the proceeds were as follows :-

	Proposed utilisation RM'000	Timeframe for utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital I	4,815	Within 15 months	2,182	2,633
Working capital II	1,274	Within 24 months	-	1,274
Estimated expenses	113	Immediately	113	-
	<u>6,202</u>		<u>2,295</u>	<u>3,907</u>

- iii) As at 31 December 2020, the Company had successfully issued 227,406,945 new TFP Shares with gross proceeds of RM6.82 million. The Company has utilised the proceeds in the following manner:

	Proposed utilisation RM'000	Timeframe for utilisation (Months)	Actual utilisation RM'000	Balance unutilised RM'000
Working capital	2,643	Within 24 months	-	2,643
Exploring other ICT and Fintech related businesses	3,759	Within 24 months	-	3,759
Expenses in relation to the Rights Issue	420	Immediately	420	-
	<u>6,822</u>		<u>420</u>	<u>6,402</u>

B11 Group's borrowings and debt securities

The TFP Group has no borrowings or debt securities as at 31 December 2020.

The TFP Group does not have any foreign currency borrowings.

B12 Off balance sheet financial instruments

As at reporting date, TFP issued corporate guarantees in favour of vendor companies for the supply of goods and services to its subsidiary companies up to approximately RM3.50 million.



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

B13 Material litigation

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

B14 Dividends

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

B15 Loss per share

	Current Year Quarter 31-Dec-20	Preceding Year Corresponding Quarter 31-Dec-19	Current Year To date 31-Dec-20	Preceding Year Corresponding Period 31-Dec-19
Loss attributable to equity holders of the company (RM'000)	(864)	(899)	(3,624)	(3,513)
Weighted average number of shares in issue ('000)	455,473	206,734	455,473	206,734
Basic loss per share (sen)	(0.19)	(0.43)	(0.80)	(1.70)
Number of shares in issue ('000)	456,752	208,013	456,752	208,013
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	23,326	-	23,326	-
	<u>478,799</u>	<u>206,734</u>	<u>478,799</u>	<u>206,734</u>
Diluted loss per share (sen)	(0.18)	(0.43)	(0.76)	(1.70)

B16 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 March 2021.

TFP Solutions Berhad
30 March 2021