



TFP SOLUTIONS BERHAD [Registration No. 200701015543 (773550-A)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Quarterly Report For The Fourth Quarter Ended 31 December 2021
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31-Dec-21 RM'000	Preceding Year Corresponding Quarter 31-Dec-20 RM'000	Current Year To date 31-Dec-21 RM'000	Preceding Year Corresponding Period 31-Dec-20 RM'000
Revenue		1,239	3,198	6,850	19,336
Direct costs		(920)	(2,478)	(5,411)	(17,379)
Gross profit		319	720	1,439	1,957
Other operating income		97	136	343	286
Administrative expenses		(2,219)	(1,078)	(7,538)	(5,215)
Other operating expenses		(537)	(606)	(991)	(640)
Finance costs		(11)	(3)	(24)	(13)
Loss after exceptional item before taxation		(2,351)	(831)	(6,771)	(3,625)
Taxation	B6	(12)	(48)	(12)	(48)
Loss for the financial period		(2,363)	(879)	(6,783)	(3,673)
Other comprehensive income		-	-	-	-
Total comprehensive loss		(2,363)	(879)	(6,783)	(3,673)
Loss attributable to :					
Equity holders of the Company		(2,338)	(864)	(6,678)	(3,624)
Minority shareholders		(25)	(15)	(105)	(49)
		(2,363)	(879)	(6,783)	(3,673)
(Loss) / Earnings per share (sen)					
- Basic	B15	(0.43)	(0.19)	(1.24)	(0.80)
- Diluted	B15	(0.43)	(0.18)	(1.23)	(0.76)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD [Registration No. 200701015543 (773550-A)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(The figures have not been audited)

	As at Current Year Quarter 31-Dec-21 RM'000 (Unaudited)	As at Preceding Financial Year Ended 31-Dec-20 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	783	847
Right-of-use assets	1,145	133
	<u>1,928</u>	<u>980</u>
CURRENT ASSETS		
Inventories	246	211
Trade receivables	7,555	4,452
	1,771	1,026
Tax recoverable	270	189
Deposit with licensed banks	4,874	6,837
Cash and bank balances	11,180	8,182
	<u>25,896</u>	<u>20,897</u>
TOTAL ASSETS	<u>27,824</u>	<u>21,877</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	31,135	22,637
Treasury shares	(179)	(179)
Reserves	(13,038)	(6,409)
Shareholders' funds	17,918	16,049
Non-controlling interests	6	(40)
Total Equity	<u>17,924</u>	<u>16,009</u>
NON-CURRENT LIABILITIES		
Lease liabilities	653	19
Deferred tax liability	-	10
	<u>653</u>	<u>29</u>
CURRENT LIABILITIES		
Trade payables	7,346	3,939
Other payables and accruals	1,402	1,547
Amount due to shareholders	-	236
Lease liabilities	499	117
	<u>9,247</u>	<u>5,839</u>
TOTAL EQUITY AND LIABILITIES	<u>27,824</u>	<u>21,877</u>
Net assets per share (sen)	<u>3.07</u>	<u>3.48</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 2020 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 RM17,924,000 over the number of ordinary shares of 584,579,890 shares.



TFP SOLUTIONS BERHAD [Registration No. 200701015543 (773550-A)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Quarterly Report For The Fourth Quarter Ended 31 December 2021
(The figures have not been audited)

	<----- Non-distributable ----->			Distributable	Shareholders' Fund RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000			
At 1 January 2020	10,059	(179)	-	(2,689)	7,191	(87)	7,104
Total comprehensive loss for the year	-	-	-	(3,624)	(3,624)	(49)	(3,673)
Contributions by and distributions to owners of the company:							
Issuance of share via private placement	6,202	-	-	-	6,202	-	6,202
Issuance of share via rights issue	6,822	-	-	-	6,822	-	6,822
Share issuance expenses	(545)	-	-	-	(545)	-	(545)
Issuance of warrants 2020/2025	-	-	7,800	(7,800)	-	-	-
Issuance of ordinary shares pursuant to warrants exercised	99	-	(113)	113	99	-	99
Total transactions with owners of the company	12,578	-	7,687	(7,687)	12,578	-	12,578
Acquisition of non-controlling interest	-	-	-	(47)	(47)	47	*
Incorporation of a subsidiary company	-	-	-	-	-	*	*
Reduction in stake without loss of control	-	-	-	(49)	(49)	49	*
At 31 December 2020 (Audited)	<u>22,637</u>	<u>(179)</u>	<u>7,687</u>	<u>(14,096)</u>	<u>16,049</u>	<u>(40)</u>	<u>16,009</u>
At 1 January 2021	22,637	(179)	7,687	(14,096)	16,049	(40)	16,009
Total comprehensive loss for the period	-	-	-	(6,678)	(6,678)	(105)	(6,783)
Acquisition of non-controlling interest	-	-	-	49	49	(49)	*
Incorporation of a subsidiary company	-	-	-	-	-	*	*
Issuance of shares capital in indirect subsidiary	-	-	-	-	-	200	200
Contributions by and distributions to owners of the Company:							
Issuance of share via private placement	6,016	-	-	-	6,016	-	6,016
Share issuance expenses	(33)	-	-	-	(33)	-	(33)
Issuance of ordinary shares pursuant to warrants exercised	2,515	-	(2,876)	2,876	2,515	-	2,515
Total transactions with owners of the company	8,498	-	(2,876)	2,876	8,498	-	8,498
At 31 December 2021 (Unaudited)	<u>31,135</u>	<u>(179)</u>	<u>4,811</u>	<u>(17,849)</u>	<u>17,918</u>	<u>6</u>	<u>17,924</u>

* Less than RM1,000

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 2020 and the accompanying explanatory notes attach to the interim financial statements.



TFP SOLUTIONS BERHAD [Registration No. 200701015543 (773550-A)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Quarterly Report For The Fourth Quarter Ended 31 December 2021
(The figures have not been audited)

	Current Year To date ended 31-Dec-21 RM'000	Preceding Year Corresponding Period ended 31-Dec-20 RM'000
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,771)	(3,625)
Adjustments for:		
Bad debts written off	-	53
Depreciation of plant and equipment	370	272
Depreciation of right-of-use assets	309	197
Impairment loss on inventories	139	-
Impairment loss on trade receivables	146	20
Impairment loss on other receivable	11	-
Interest expense	24	13
Interest income	(116)	(28)
Inventory written off	-	68
Loss on disposal of subsidiary	-	27
Reversal of impairment loss on trade receivables	(24)	(155)
Unrealised gain on foreign exchange	(2)	3
Operating loss before working capital changes	(5,914)	(3,155)
Increase in inventories	(172)	(104)
(Increase)/Decrease in trade and other receivables	(3,981)	1,778
Increase in trade and other payables	3,026	1,024
Cash used in operations	(7,041)	(457)
Interest paid	(24)	(13)
Tax paid	(103)	(78)
Net cash used in operating activities	(7,168)	(548)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in subsidiary company	*	*
Subscribed of shares in new subsidiary company- Non-controlling interests	*	*
Net proceed from reduction of stake in subsidiary company	-	*
Proceed from disposal of a subsidiary company	-	*
Interest received	116	28
Purchase of plant and equipment	(306)	(101)
(Placement)/Uplifted of pledged deposits	(9)	525
Net cash (used in)/generated from investing activities	(199)	452
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(305)	(200)
Proceed from issuance of share capital in indirect subsidiary company	200	-
Proceed from issuance of share capital	5,983	12,479
Proceed from share capital issued pursuant to warrant exercised	2,515	99
Net cash generated from financing activities	8,393	12,378
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,026	12,282
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	14,752	2,470
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	15,778	14,752

* 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 2020 and the accompanying explanatory notes attached to the interim financial statements.



TFP SOLUTIONS BERHAD [Registration No. 200701015543 (773550-A)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
Quarterly Report For The Fourth Quarter Ended 31 December 2021

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 2020.

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 2020.

The Group has applied the following standards and amendments in preparing these financial statements:

Amendment to MFRS 16 "Covid-19 - Related Rent Concessions"

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

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 April 2021

Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021.

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

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"

Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle).

Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts (Cost of Fulfilling a Contract)

Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)

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

MFRS 17, Insurance Contracts

Amendments to MFRS 17, Insurance Contracts

Amendments to MFRS 17, Initial application of MFRS 17 and MFRS 9 - Comparative Information.

Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies.

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

Amendments to MFRS 112, Deferred Tax related to Assets/Liabilities arising from a Single Transaction.



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Quarterly Report For The Fourth Quarter Ended 31 December 2021

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

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 initial adoption of the above accounting standards and/or interpretations is expected to have no material impact on the financial statements of the Group and the Company.

A3 Audit report of preceding annual financial statements

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

A4 Seasonal or cyclical factors

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

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

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

A6 Material changes in estimates

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

A7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the period ended 31 December 2021; except for the Company increased its issued and paid-up ordinary share capital by the following:-

(a) Warrants exercised for the period ended 31 December 2021 as follows:-

Date	Warrants exercised (Unit)	Exercise price per unit (RM)	Warrants exercised (RM)
Jan-21	9,086,300	0.03	272,589
Feb-21	12,813,600	0.03	384,408
Mar-21	2,000,000	0.03	60,000
Apr-21	4,150,000	0.03	124,500
May-21	1,669,300	0.03	50,079
Aug-21	854,300	0.03	25,629
Sep-21	42,287,600	0.03	1,268,628
Oct-21	245,000	0.03	7,350
Nov-21	10,386,600	0.03	311,598
Dec-21	346,400	0.03	10,392
TOTAL	83,839,100		2,515,173

(b) On 19 April 2021 and 30 June 2021, the Company has issued of 20,673,000 and 20,674,100 new ordinary shares of RM0.161 and RM0.13 each respectively pursuant to the Private Placements.

During the quarter ended 31 December 2021, 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 2021 was 1,279,000 at a total cost of RM0.18 million.



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Quarterly Report For The Fourth Quarter Ended 31 December 2021

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

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-21 RM'000	Unaudited Individual quarter 31-Dec-20 RM'000	Unaudited Cumulative quarter 31-Dec-21 RM'000	Unaudited Cumulative quarter 30-Dec-20 RM'000
Revenue				
Business Management Solutions	236	670	3,256	5,366
Fintech	1,887	3,752	6,606	15,371
Others	-	41	12	57
	<u>2,123</u>	<u>4,463</u>	<u>9,874</u>	<u>20,794</u>
Adjustment and eliminations	(884)	(1,265)	(3,024)	(1,458)
	<u>1,239</u>	<u>3,198</u>	<u>6,850</u>	<u>19,336</u>
Loss before taxation				
Business Management Solutions	(378)	(113)	(922)	(196)
Fintech	(1,775)	(394)	(4,855)	(2,643)
Others	(196)	(324)	(992)	(795)
	<u>(2,349)</u>	<u>(831)</u>	<u>(6,769)</u>	<u>(3,634)</u>
Adjustment and eliminations	(2)	-	(2)	9
	<u>(2,351)</u>	<u>(831)</u>	<u>(6,771)</u>	<u>(3,625)</u>

Operating segments of E-Sport, Mobile Airtime Reload, Mobile Starter-Pack and Subscribers' registration are aggregated as a single reporting segment - Fintech, as they are similar methods used to distribute the products and the services provided.

No other segmental information such as assets and liabilities are presented as the Group is principally engaged in one industry that is the Information Technology ("IT") Solutions 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 Significant events during the interim reporting period

(a) On 4 January 2021, 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 the Company.



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

A11 Significant events during the interim reporting period (Cont'd)

- (b) On 2 February 2021, Comm Zed Sdn Bhd, a wholly-owned subsidiary company of the company, acquired the remaining 49% equity interest in Comm Zed Solution Sdn Bhd for RM1 which increased the equity ownership from 51% to 100%. Accordingly, Comm Zed Solution Sdn Bhd became a wholly-owned subsidiary of the company.
- (c) On 26 February 2021, MBP Solutions Sdn Bhd ("MBP") a wholly-owned subsidiary company of the company, entered into a Memorandum of Agreement (MOA) with Persatuan Penghantar P-Hailing Malaysia ("PENGHANTAR") for the provisions of Digital Solutions Services.
- (d) On 1 March 2021, MBP Solutions Sdn Bhd ("MBP") a wholly-owned subsidiary of the company, entered into a Memorandum of Agreement (MOA) with SB Supplies & Logistics Sdn Bhd ("SB Supplies & Logistics" or "SugarBun"), an indirect wholly-owned subsidiary of Borneo Oil Berhad for the provisions of OneCall Airtime and Internet Data Plan Services and/or OnceCall mobile Apps to customers of SugarBun.
- (e) On 1 April 2021, MBP Solutions Sdn Bhd has entered into a memorandum of understanding (MOU) with NWP Access Sdn Bhd ("NWP Access"), a wholly-owned subsidiary of NWP Holdings Berhad, listed on the Main Market of Bursa Securities, to explore business collaboration in relation to OneCall services, mobile Fintech services, micro-lending services and micro-insurance to be provided by MBP (or its affiliates) to NWP Access. The MOU with NWP Access is for a period of 1 year commencing from 1 April 2021.

The Board of Directors of TFP has announced on 7 October 2021, that MBP and NWP Access had mutually agreed to terminate this MOU with effect from 6 October 2021, due to the low sales quantity of motorbikes as a result of the months of lockdown and 70% of sales consists of spare parts, accessories and services which is irrelevant to the products offered by OneCall that is micro loan and PA coverage. No definitive agreement have been entered between both parties pursuant to this MOU.
- (f) On 9 April 2021, MBP Solutions Sdn Bhd has entered into a dealer agreement with Multimax Creations Sdn Bhd ("Multimax") for the appointment of Multimax as non-exclusive dealer to distribute and resell products or services made available by MBP to any agropreneur members (i.e., domestic and/or foreign workers) procured by Multimax for an initial period of 5 years and may be extended for an additional period of 2 years commencing on 9 April 2021.
- (g) On 9 April 2021, Onecent Sdn Bhd, a 80% owned subsidiary of the Company has entered into an agreement with Vearich International Sdn Bhd ("Vearich") for the provision of Fintech services (e.g., online payment gateway, e-wallet, merchant, marketplace and e-remittance) to Vearich and its members. The agreement with Vearich is for a period of 10 years commencing on 8 April 2021.
- (h) On 9 April 2021, Onecent Sdn bhd ("OCSB") a 80%-owned subsidiary company of the company, entered into a Memorandum of Agreement (MOA) with Bumijez Sdn Bhd ("BUMIJEZ") for the collaboration for the provision of mobile fintech services to BUMIJEZ and its members.
- (i) On 20 April 2021, Onecent Sdn Bhd has entered into an agreement with Persatuan Pengusahaan Restoran Muslim Malaysia ("PRESMA") for the provision of Fintech services (e.g., online payment gateway, e-wallet, merchant, marketplace and e-remittance) and as training coordinator for digital entrepreneur course to PRESMA members. The agreement with PRESMA is for a period of 10 years commencing 20 April 2021.



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Quarterly Report For The Fourth Quarter Ended 31 December 2021

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

A11 Significant events during the interim reporting period (Cont'd)

- (j) On 8 June 2021, the Company incorporated a private company limited by shares, Saba Ezpay Sdn Bhd. The share capital of Saba Ezpay Sdn Bhd is RM100 comprising 100 ordinary shares at RM1 each which has been issued and fully paid. The Company is holding 100 ordinary shares in Onecent Sdn Bhd for RM100, representing 100% equity interest and becomes a wholly-owned subsidiary of TFP.
- (k) On 30 August 2021, Jejak Semangat Sdn Bhd ("JS"), an indirect subsidiary of the Company has entered into a Memorandum of Understanding (MOU) with Landasan Salam Sdn Bhd ("LSSB") to participate in a nationwide rollout of the 'fiber-to-home & 5G' project ("the FIFTH Project") in partnership with Allo Sdn Bhd ("Allo"), initiate phase to commence in Langkawi ("the Langkawi Project") within 6 months from 1st July 2021. LSSB in partnership with Allo will be responsible for the planning, financing, implementation and operation of the Langkawi project over a 20-year extendable concession period.
- (l) On 15 September 2021, the Board of Directors of TFP announced that JS and LSSB had on 14 September 2021, mutually agreed to extend the exclusive period of the MOU for another month up to 14 October 2021. On 18 October 2021, the Board of Directors has further announced that JS and LSSB, mutually agreed to extend the exclusive period of the MOU for another month up to 14 November 2021. The extension granted shall be on the same terms and conditions contained in the original MOU. The Board of Directors has finally announced that this MOU has lapsed as at 14 November 2021 ("Termination") due to the parties concurrently not to proceed for further extension. No definitive agreement has been entered between both parties pursuant to the MOU.
- (m) On 13 December 2021, Jejak Semangat Sdn Bhd ("JS"), an indirect subsidiary of the Company, has increased its issued share capital from RM500,000 to RM1,300,000, with issuance of 800,000 new ordinary shares of RM1.00 each fully paid-up.

The Company which owns 75% equity interest in JS, subscribed RM600,000 for 600,000 new ordinary shares of RM1.00 each giving a total shareholding of 975,000 ordinary shares of RM1.00 each fully paid-up in JS.

A12 Material events subsequent to the interim reporting period

On 19 January 2022, the Company has converted 600,000 units of warrants at an exercise price of RM0.03 each, pursuant to exercise 600,000 units of warrants at exercise price of RM0.03 per share.

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.

A14 Capital commitments

As at 31 December 2021, the Group has no material capital commitments in respect of property, plant and equipment.



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

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-21 RM'000	Cumulative Year To Date 31-Dec-21 RM'000
(i) Office rental paid to a Director	72	259
(ii) Office rental paid to a related party	48	64
(iii) Purchase from a related party	786	2,773
(iv) Sale to a related party	10	125

A16 Cash and cash equivalents

	Current Period To Date 31-Dec-21 RM'000	Preceding Corresponding Period To Date 31-Dec-20 RM'000
Fixed deposits with licensed banks	4,874	1,837
Repo deposit with a licensed bank	-	5,000
Cash and bank balances	11,180	8,182
	<u>16,054</u>	<u>15,019</u>
Less: Pledged deposits	(276)	(267)
	<u>15,778</u>	<u>14,752</u>

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

B1 Review of performance

	Current Year Quarter 31-Dec-21 RM'000	Preceding Year Corresponding Quarter 31-Dec-20 RM'000	Current Year To-date 31-Dec-21 RM'000	Preceding Year To-date 31-Dec-20 RM'000
Revenue	1,239	3,198	6,850	19,336
Loss before taxation	<u>(2,351)</u>	<u>(831)</u>	<u>(6,771)</u>	<u>(3,625)</u>

For current year quarter ended 31 December 2021, revenue of the Group has decreased by 61.26% to RM1.24 million as compared to the preceding year corresponding quarter ended 31 December 2020, due to significantly reduced in quantity of Fintech product being sold, which including Mobiles Airtime Reloads and mobile starterpacks; reduced in demand of Fintech services rendered by reduction in the number of members who are registered for Smart Digital Enterprise program. Further, the revenue from BMS segment has dropped as well due to the reduction of the software maintenance service which was terminated by a few clients.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS

Quarterly Report For The Fourth Quarter Ended 31 December 2021

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

B1 Review of performance (Cont'd)

For current year quarter ended 31 December 2021, the Group has reported a loss before taxation of RM2.35 million against loss before taxation of RM0.83 million of preceding year corresponding quarter 31 December 2020, increased in loss before taxation due to additional payroll costs and consultancy fee incurred by hiring additional businesses development consultants and manpowers for the Fintech segment. In addition, there is increased in depreciation of plant and equipment and right-of use assets and increased Directors' remuneration due to increase in the number of directors. Further, there are provision for impairment loss on slow-moving and obsolete inventories and impairment loss on trade receivables for the balances irrecoverable over past 12 months.

For current year to-date ended 31 December 2021, revenue of the Group has decreased significantly by 64.57% to RM6.85 million as compared to the preceding year corresponding year to-date ended 31 December 2020 of RM19.34 million, significantly impact by the ceased in order of the Fintech products by one of the major customers, reduced in number of members who are registered the Smart Digital Enterprise program. Further, the revenue from BMS segment has significantly impact for the reduction of the software implementaion, as well as maintenance service which was terminated by a few clients and one of the order for hardware is halted during this pandemic.

The Group has reported a loss before taxation of RM6.77 million in current year to-date ended 31 December 2021 against loss before taxation of RM3.63 million of preceding year corresponding quarter ended 31 December 2020. Loss before tax increased due to increase in consultancy fee and payroll expenses by hiring of additional technical and business development personnels for the Fintech segment, as well as increased in Directors' remuneration due to increase in the number of directors. In addition,the increased in corporate exercise fees due to the Group diversification and acquisition exercise and related expenses, increased in depreciation on plant and equipment and right-of-use assets due to additional business premises being leased. Further, there are provision for impairment loss on slow-moving and/or obsolete inventories and impairment loss on trade receivables for the balances irrecoverable over the past 12 months.

B2 Variation of results against preceding quarter

	Current Quarter 31-Dec-21 RM'000	Preceding Quarter 30-Sep-21 RM'000
Revenue	1,239	1,262
Loss before taxation	<u>(2,351)</u>	<u>(1,549)</u>

The Group recorded a revenue of RM1.24 million in the current quarter 31 December 2021, slightly lower compared to the previous quarter of RM1.26 million in the preceding quarter 30 September 2021, due to decrease in quantity of Mobile Airtime Reloads sold from Fintech segment and reduction of the software maintenance service from BMS segment. The Group reported a loss before tax of RM2.35 million in the current quarter ended 31 December 2021 compared to the loss before tax of RM1.55 million in the preceding quarter ended 30 September 2021, due to the increased in the expenses of cloud data backup subscription, consultancy fee for business development, research costs relating to mobile application for fintech segment. In addition, there are increased in the depreciation of plant and equipment and right-of-use assets and impairment loss on slow-moving and/or obsolete inventories and impairment loss on trade receivables for the balances irrecoverable over the past 12 months has provided.



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

B3 Prospects

The outbreak of COVID-19 pandemic spread to various countries around the world and the World Health Organisation had on 11 March 2020 declared that the COVID-19 pandemic outbreak as a global pandemic which has caused a negative impact globally. The Malaysia economy has also been affected since March 2020 following various stages of movement control order ("MCO") implemented by the Malaysian Government to control the spread of the COVID-19 virus.

The Group's business operations have been negatively affected due to the MCO and COVID-19 pandemic as the Group's operations were temporarily affected due to lower demand for the Group's products and services. As a result, the Group's financial performance has been affected due to lower revenue generated during the various stages of MCO imposed by the Government.

In view of the continuous effort by the Government to boost digitalisation activities, TFP anticipates that this will provide opportunity for the Group to grow the fintech segment through brand awareness, maintain brand loyalty and subscribers retention initiatives.

Furthermore, the Group intends to undertake long-term enhancement and development of systems upgrade as well as market research analysis and marketing efforts on potential new users and targeted markets such as rural communities in Pahang and Sabah, through collaboration with government agencies for fintech segment. The management is currently exploring and identifying other fintech related product and services, which may include mobile payment and other further expansion of fintech related business in the medium to longer term.

B4 Variation of actual profit from forecast profit
Not applicable for the current financial quarter.

B5 Statement of Comprehensive Income

	Current Quarter 31-Dec-21 RM'000	Cumulative Quarter 31-Dec-21 RM'000
a. depreciation and amortisation	(277)	(679)
b. impairment loss on inventories	(132)	(139)
c. impairment loss on trade receivables	(116)	(146)
d. impairment loss on other receivable	(11)	(11)
e. interest expense	(11)	(24)
f. interest income	42	116
g. reversal of impairment loss on trade receivables	-	24
h. unrealised gain on foreign exchange	2	2



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B6 Taxation

	Current Quarter 31-Dec-21 RM'000	Cumulative Quarter 31-Dec-21 RM'000
In respect of current quarter/year:		
- Current tax expense	22	22
- Deferred tax expense	(10)	(10)
	<u>12</u>	<u>12</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 in the Company held on an entitlement date to be determined later.

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

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

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

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



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B9 Status of corporate proposal (Con'd)

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.

On 9 April 2021 ("Price-fixing Date"), the Board of Directors has fixed the issue price for 20,673,000 Placement Shares at RM0.161 per Placement Share ("Issue Price:). On 19 April 2021, 20,673,000 ordinary shares of RM0.161 each were allotted and issued pursuant to the Private Placement and listed on the Bursa Securities Malaysia

On 23 April 2021, The Board of Directors of the company announced the following proposals :-

- (i) Acquisition of approximately 10% of share capital of Ace Asia Berhad ("AIAB") from several shareholders of AIAB for a total purchase consideration of RM10,650,000 to be satisfied by new ordinary shares of the company, and
- (ii) A diversification of the existing business of company and its subsidiary companies to include mobile financial technology ('Fintech') related business.

The above proposals had been submitted to Bursa Malaysia Securities Berhad on 30 April 2021 and approved on 24 May 2021. The proposal was approved by the shareholders at the Extraordinary General Meeting held on 3 September 2021. The company and the vendors had on 23 September 2021 mutually agreed to extend the completion date by another 20 business days (i.e. by 26 October 2021) to complete the shares sale agreements regard to the acquisition. On 27 October 2021, the company has announced that both parties had mutually agreed not to proceed the shares sale agreements.

On 24 June 2021 ("Price-fixing Date"), the Board of Directors has fixed the issue price for 20,674,100 Placement Shares at RM0.13 per Placement Share ("Issue Price:). On 30 June 2021, 20,674,100 ordinary shares of RM0.13 each were allotted and issued pursuant to the Private Placement and listed on the Bursa Securities Malaysia Berhad.



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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

- (a) On 3 February 2020, The Company proposed to undertake the private placement up to 62,020,100 new ordinary shares of the company to third party investors.

The private placement were completed as follows:

- (i) The first tranche was completed on 27 August 2020, following the listing and quotation of 20,673,000 placement shares at RM0.30 each on the ACE Market of Bursa Securities, raising RM6.20 million;
- (ii) The second tranche was completed on 19 April 2021, following the listing and quotation of 20,673,000 placement shares at RM0.161 each on the ACE Market of Bursa Securities, raising RM3.33 million; and
- (iii) The final tranche was completed on 30 June 2021, following the listing and quotation of 20,674,100 placement shares at RM0.13 each on the ACE Market of Bursa Securities, raising RM2.69 million.

The summary of the utilisation of proceeds as at 31 December 2021 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	4,815	-
Working capital II	7,290	Within 24 months	1,419	5,871
Estimated expenses	113	Immediately	113	-
	<u>12,218</u>		<u>6,347</u>	<u>5,871</u>

- (b) As at 31 December 2021, the Company had successfully issued 227,406,945 of Rights 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	1,180	1,463
Exploring other ICT and Fintech related businesses	3,759	Within 24 months	275	3,484
Expenses in relation to the Rights Issue	420	Immediately	420	-
	<u>6,822</u>		<u>1,875</u>	<u>4,947</u>

B11 Group's borrowings and debt securities

The TFP Group has no borrowings or debt securities as at 31 December 2021.

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-21	Preceding Year Corresponding Quarter 31-Dec-20	Current Year To date 31-Dec-21	Preceding Year Corresponding Period 31-Dec-20
Loss attributable to equity holders of the company (RM'000)	(2,338)	(864)	(6,678)	(3,624)
Weighted average number of shares in issue ('000)	539,279	455,473	539,279	455,473
Basic loss per share	(0.43)	(0.19)	(1.24)	(0.80)
Number of shares in issue ('000)	498,100	456,752	498,100	456,752
Number of shares buyback ('000)	(1,279)	(1,279)	(1,279)	(1,279)
Warrants in issue ('000)	44,020	23,326	44,020	23,226
	540,841	478,799	540,841	478,699
Diluted loss per	(0.43)	(0.18)	(1.23)	(0.76)

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 25 February 2022.

TFP Solutions Berhad
 25 February 2022