

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. If you have sold or transferred all your shares in TFP Solutions Berhad, you should at once hand this circular together with the accompanying proxy form to the purchaser, transferee or the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has only perusal the Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature on a limited review basis pursuant to the provision of Guidance Note 22 of the Ace Market Listing Requirements of Bursa Securities and has not perused the contents of the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature for prior to its issuance as they are prescribed as exempt document pursuant to Guidance Note 22 of Ace Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**TFP SOLUTIONS BERHAD**

(Registration No. 200701015543 (773550-A))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RRPTs MANDATE”)**

The resolution in respect of the above Proposal will be tabled at the forthcoming Fourteenth (“14<sup>th</sup>”) Annual General Meeting (“AGM”) of the Company. The Notice of the 14<sup>th</sup> AGM dated 31 May 2021 together with the Proxy Form and this Circular are available to download at the Company’s website, [www.tfp.com.my/14th-annual-general-meeting-2021/](http://www.tfp.com.my/14th-annual-general-meeting-2021/).

The Proxy Form should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the Company’s Share Registrar, Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, at least forty-eight (48) hours before the time stipulated for holding the meeting. The completion and return of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Proxy Form : Sunday, 27 June 2021 at 2.00 a.m.

Date and time of 14<sup>th</sup> AGM : Tuesday, 29 June 2021 at 2.00 p.m.

*This Circular is dated 31 May 2021*

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting
“Audit Committee”	: The Audit Committee of TFP
“Board”	: The Board of Directors of TFP
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577(635998-W)]
“CDS”	: Central Depository System
“Circular”	: This circular dated 31 May 2021 to the shareholders of the Company in relation to the Proposed RRPTs Mandate
“CommZed”	: Comm Zed Sdn Bhd [Registration No. 200101020749(556506-T)]
“Constitution”	: Constitution of TFP
“CZS”	: Comm Zed Solution Sdn Bhd [Registration No. 201301009043(1038885-P)]
“Director”	: A director has the meaning given in Section 2(1) of the the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of TFP or any other company which is a subsidiary of TFP or a holding of TFP
“EPS”	: Earnings per share
“JEJAK”	: Jejak Semangat Sdn. Bhd. [Registration No. 201301008943 (1038785-D)]
“LMS”	: LMS Technology Distributions Sdn Bhd [Registration No. 199501030045(359251-P)]
“LPD”	: 4 May 2021, being the latest practicable date prior to the printing of this Circular and the cut-off date for the information disclosed in this Circular unless otherwise indicated
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

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**DEFINITIONS (CONT'D)**

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- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the Company; or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company.
- For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
- “MBP” : MBP Solutions Sdn Bhd [Registration No. 200401006982(645486-P)]
- “M1” : MobilityOne Sdn Bhd [Registration No. 200201033972(601637-T)]
- “NA” : Net assets attributable to ordinary equity holders of TFP
- “Agensi Perkerjaan O2U” : Agensi Perkerjaan O2U Solutions Sdn Bhd [Registration No. 200801040478(841829-A)]
- “OSS” : Operations Support System
- “OneCent” : OneCent Sdn Bhd [Registration No. 202001005098 (1361418-T)]
- “One Gold” : One Gold Sdn Bhd [Registration No. 202101005202 (1405501-T)]
- “Person Connected” : Pursuant to Rule 1.01 of the Listing Requirements, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:
- (a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and stepchild), brother, sister, and the spouse of the child (including adopted child and stepchild), brother or sister;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;
  - (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
  - (d) a person, or the body corporate or its directors who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (e) a person, or the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;

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**DEFINITIONS (CONT'D)**

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	(f)	a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	(g)	a body corporate which is a related corporation.
“Proposed RRPTs Mandate”	:	Proposed new and renewal of shareholders’ mandate for TFP Group to enter into Recurrent Related Party Transactions
“Proposal”	:	Proposed RRPTs Mandate
“Rapportrans”	:	Rapportrans Sdn Bhd [Registration No. 201001002142(886719-D)]
“Related Party(ies)”	:	Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
“RRPT(s)”	:	Recurrent Related Party Transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of the TFP Group
“RM”	:	Ringgit Malaysia and sen respectively
“SBOne”	:	SBOne Solutions Sdn. Bhd. [Registration No. 200501011515(688563-A)]
“Shareholders”	:	Shareholders of TFP
“SoftFac”	:	SoftFac Technology Sdn Bhd [Registration No. 200501017876(694919-X)]
“Substantial Shareholder(s)”	:	A person who has interest or interests in one or more voting Shares in the Company and the number or the aggregate number of such shares, is not less than 5% of the total number of all the voting Shares in the Company
“TFP” or “the Company”	:	TFP Solutions Berhad [Registration No. 200701015543(773550-A)]
“TFP Group” or “the Group”	:	TFP and its subsidiaries
“TFP Share(s)” or “Share(s)”	:	Ordinary Shares in TFP

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**TFP SOLUTIONS BERHAD**  
[Registration No. 200701015543 (773550-A)]  
(Incorporated in Malaysia)

**Registered Office:**  
Level 5, Block B  
Dataran PHB, Saujana Resort  
Section U2, 40150  
Shah Alam, Selangor

31 May 2021

**Board of Directors:**

Datuk Seri Syed Ali Bin Abbas Alhabshee	<i>(Chairman, Non-Independent Non-Executive Director)</i>
Dato' Hussian @ Rizal Bin A. Rahman	<i>(Managing Director)</i>
YM Puteri Munawarah Syammiyah Binti Munir	<i>(Executive Director)</i>
Ms Kong Wei Peng	<i>(Executive Director)</i>
Mr Wong Loke Lim	<i>(Independent Non-Executive Director)</i>
Encik Noor Shahwan Bin Saffwan	<i>(Independent Non-Executive Director)</i>
Ms Yeong Siew Lee	<i>(Independent Non-Executive Director)</i>
Datuk Chu Boon Tiong	<i>(Independent Non-Executive Director)</i>

**To: Our shareholders**

**PROPOSED RRPTs MANDATE**

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**1. INTRODUCTION**

At the last AGM of the Company held on 4 August 2020, the Company sought and obtained from the shareholders the mandate for TFP Group to enter into RRPTs of a revenue and/or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for TFP Group's day to day operations. The existing authority shall lapse at the conclusion of the forthcoming 14<sup>th</sup> AGM, unless authority for its renewal is obtained from the shareholders at the forthcoming 14<sup>th</sup> AGM.

On 25 May 2021, the Board announced that the Company proposed to seek the shareholders' approval in respect of the Proposed RRPTs Mandate at the forthcoming AGM.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION OF THE PROPOSED RRPTs MANDATE AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED RRPTs MANDATE TO BE TABLED AT THE FORTHCOMING 14<sup>TH</sup> AGM. THE NOTICE OF THE 14<sup>TH</sup> AGM DATED 31 MAY 2021 TOGETHER WITH THE PROXY FORM AND THIS CIRCULAR ARE AVAILABLE TO DOWNLOAD AT THE COMPANY'S WEBSITE, [WWW.TFP.COM.MY/14TH-ANNUAL-GENERAL-MEETING-2021/](http://WWW.TFP.COM.MY/14TH-ANNUAL-GENERAL-MEETING-2021/).**

**SHAREHOLDERS OF TFP ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED RRPTs MANDATE AT THE FORTHCOMING 14th AGM.**

## 2. DETAILS OF THE PROPOSED RRPTs MANDATE

Pursuant to Rule 10.09(2) and Guidance Note 8 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of RRPTs which are necessary for its day-to-day operations subject to, amongst others, the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:-

in relation to a listed issuer with a share capital which is less than RM60 million -

- (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
- (ii) the percentage ratio of such RRPTs is 1% or more,

whichever is the lower.

- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities;
- (d) the interested Directors, interest Major Shareholders, interested person connected with a Director or Major Shareholder, and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. An interested Director or interested Major Shareholder must also ensure that persons connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPTs entered into by the listed issuer, exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

TFP Group has, in the ordinary course of its business, entered into certain RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which as set out in Section 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

These RRPTs which are necessary for the day-to-day operations of TFP Group, will be based on normal commercial terms, at arm's length and will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

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## 2.1 Principal Activities of TFP Group

The principal activity of the Company is investment holding. As at LPD, the principal activities of the subsidiaries are as follows:-

Name	Effective equity interest (%)	Principal Activities
<b>Subsidiary companies of TFP</b>		
CommZed	100	Providing network security, IT solution, hardware and software maintenance.
MBP	100	Providing consulting, trading in IT related products and services, provide services ancillary to mobile Fintech products and services and investment holding.
SBOne	100	Providing ERP consulting and implementation of SAP products.
SoftFac	100	Providing Human Capital Resource Management (HCRM) solutions.
OneCent	80	Providing a mobile fintech platform and cashless eco system that allow members to make payment, settlement of bills and mobile airtime reload.
One Gold	60	To carry on business related to metals, precious metals, jewellery and distribution business also as dealers in buying and selling.
Agensi Perkerjaan O2U	100	To carry on business as private employment agency to recruit and place workers to another employer.
<b>Subsidiary company of CommZed</b>		
CZS	100	Providing infrastructure sales and services.
<b>Subsidiary company of MBP</b>		
JEJAK	75	Providing mobile telecommunications services includes operating as a Mobile Virtual Network Operator (MVNO).

Due to the diversity of TFP Group, it is anticipated that TFP Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Sections 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the Shareholders' approval for the Proposed RRPTs Mandate for the TFP Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.3 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the otherwise announcement or to convene meetings in order to procure specific prior approval of its Shareholders. The RRPT(s) will also be subject to the review procedures set out in Section 2.4 below.

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## **2.2 Validity Period of the Proposed RRPTs Mandate**

The Proposed RRPTs Mandate, if approved by the Shareholders of TFP at the forthcoming 14<sup>th</sup> AGM, will take effect from the date of the passing of the ordinary resolution at the forthcoming 14<sup>th</sup> AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed RRPTs Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

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### 2.3 Classes of Related Parties and Nature of RRPT(s)

2.3.1 The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed Renewal of Existing Shareholders' Mandate shall include, but are not limited to those disclosed below:-

Nature of Transaction undertaken by/ provided	Transacting Party	Transacting Company within TFP Group	Estimated value of RRPTs as disclosed in preceding year's circular dated 10 July 2020 (RM)	Actual value of transaction(s) from date of the last AGM on 4 August 2020 up to the LPD (RM)	Estimated value of RRPTs from date of 14 <sup>th</sup> AGM to the next AGM in year 2022 (RM)	Interested Major Shareholder/ Director	Nature of relationship
Expertise to deploy network security project related to Telekom Malaysia Berhad similar to the previous Hewlett-Packard Arcsight project in 2015 by LMS to CommZed, whereby LMS has the resources, skill set and experience to provide this expertise.	LMS (Seller)	CommZed (Buyer)	4,000,000 (RM)	0	4,000,000 (RM)	Dato' Hussian @ Rizal Bin A. Rahman Rapportrans	Dato' Hussian @ Rizal Bin A. Rahman is the Managing Director of TFP and he is also a major shareholder of TFP via his shareholdings in Rapportrans.  He is also a Director and deemed major shareholder of LMS and Rapportrans, which in turn has a shareholding of 24.60% in TFP.  Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.

**2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)**

2.3.1 The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed Renewal of Existing Shareholders' Mandate shall include, but are not limited to those disclosed below:-

Nature of Transaction undertaken by/ provided	Transacting Party	Transacting Company within TFP Group	Estimated value of RRPTs as disclosed in preceding year's circular dated 10 July 2020 (RM)	Actual value of transaction(s) from date of the last AGM on 4 August 2020 up to the LPD (RM)	Estimated value of RRPTs from date of 14 <sup>th</sup> AGM to the next AGM in year 2022 (RM)	Interested Major Shareholder/ Director	Nature of relationship
Implementation services as well as project management for OSS solution by CommZed to LMS, skill set and experience to provide this OSS services locally.	LMS (Buyer)	Comm Zed (Seller)	4,000,000	808,034.42	4,000,000	Dato' Hussian @ Rizal Bin A. Rahman Rapportrans	Dato' Hussian @ Rizal Bin A. Rahman is the Managing Director of TFP and he is also a major shareholder of TFP via his shareholdings in Rapportrans.  He is also a Director and deemed major shareholder of LMS and Rapportrans, which in turn has a shareholding of 24.60% in TFP.  Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.

### 2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

2.3.1 The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed Renewal of Existing Shareholders' Mandate shall include, but are not limited to those disclosed below:-

Nature of Transaction undertaken by/ provided	Transacting Party	Transacting Company within TFP Group	Estimated value of RRPTs as disclosed in preceding year's circular dated 10 July 2020 (RM)	Actual value of transaction(s) from date of the last AGM on 4 August 2020 up to the LPD (RM)	Estimated value of RRPTs from date of 14 <sup>th</sup> AGM to the next AGM in year 2022 (RM)	Interested Major Shareholder/ Director	Nature of relationship
MBP shall act as the Agency and Reseller for the products and services of M1, which includes Mobile Phone Prepaid Airtime Reload, Bill Payment and other Products and Services such as e-wallet.	M1 (Seller)	MBP (Buyer)	72,000,000 (6,000,000 per month)	13,852,123	72,000,000	Dato' Hussian @ Rizal Bin A. Rahman Rapportrans	Dato' Hussian @ Rizal Bin A. Rahman is Director of M1 and he is shareholder of M1's holding company, MobilityOne Limited via his direct shareholdings of 124,679,790 ordinary shares in MobilityOne Limited. He is also the Managing Director in TFP and he is a major shareholder of Rapportrans, which in turn has a shareholding of 24.60% in TFP.  Rapportrans is a major shareholder of TFP.

### 2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

2.3.1 The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed Renewal of Existing Shareholders' Mandate shall include, but are not limited to those disclosed below:-

Nature of Transaction undertaken by/ provided	Transacting Party	Transacting Company within TFP Group	Estimated value of RRPTs as disclosed in preceding year's circular dated 10 July 2020 (RM)	Actual value of transaction(s) from date of the last AGM on 4 August 2020 up to the LPD (RM)	Estimated value of RRPTs from date of 14 <sup>th</sup> AGM to the next AGM in year 2022 (RM)	Interested Major Shareholder/ Director	Nature of relationship
Rental expense being rental of office	LMS (Landlord)	TFP Group (Tenant)	250,000	230,400	350,000	Dato' Hussian @ Rizal Bin A. Rahman Rahman Rapportrans	Dato' Hussian @ Rizal Bin A. Rahman is the Managing Director of TFP and he is also a major shareholder of TFP via his shareholdings in Rapportrans.  He is also a Director and deemed major shareholder of LMS and Rapportrans, which in turn has a shareholding of 24.60% in TFP. Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.  LMS is also the owner of the office.

#### Description of the Properties:

Description	Postal Address	Total Areas (Sq. Ft.)	Rental Value (monthly)	Period of Tenancy	Ownership
Office Lot	No 6, Jalan Abd. Rahman Idris, Off Jalan Raja Muda Abdul Aziz	Approximately 6,000 square feet	RM15,000.00	1 July 2021 to 30 June 2024	Dato' Hussian @ Rizal Bin A. Rahman
Office Lot	19A-18-02, Level 18, Wisma UOA, Jalan Pinang, 50450 Kuala Lumpur, Wilayah Persekutuan	Approximately 3,600 square feet	RM9,000.00	1 July 2021 to 30 June 2024	
Office Lot	19A-18-01, Level 18, Wisma UOA, Jalan Pinang, 50450 Kuala Lumpur, Wilayah Persekutuan	Approximately 1,750 square feet ^^	RM8,750.00	1 July 2021 to 30 June 2024	
		Approximately 1,430 square feet ^^	RM7,150.00	1 July 2021 to 30 June 2024	LMS

Notes:

^^ This is the additional Office Lot taken by the Group.

**2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)**

2.3.2 The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed New Shareholders' Mandate shall include, but are not limited to those disclosed below:-

Nature of Transaction undertaken by/ provided	Transacting Party	Transacting Company within TFP Group	Estimated value of RRPTs from date of 14 <sup>th</sup> AGM to the next AGM in year 2022 (RM'000)	Interested Major Shareholder/ Director	Nature of relationship
Purchase of SAP Business One licences including implementation and maintenance services to replace M1's existing accounting systems as well as resell SAP Business One software licenses.	M1 (Buyer)	SBOne (Seller)	500,000	Dato' Hussian @ Rizal Bin A. Rahman Rapportrans	Dato' Hussian @ Rizal Bin A. Rahman is Director of M1 and he is shareholder of M1's holding company, MobilityOne Limited via his direct shareholdings of 124,679,790 ordinary shares in MobilityOne Limited. He is also the Managing Director in TFP and he is a major shareholder of Rapportrans, which in turn has a shareholding of 24.60% in TFP.  Rapportrans is a major shareholder of TFP.

## 2.4 Review Procedures for the RRPTs

The Group had established the procedures to ensure that the RRPTs are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The Group shall review the RRPTs based on the following procedures:

- (i) the Related Parties, interested Directors and Persons Connected will be advised that they are subject to the shareholders' mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) The management of the TFP Group is cognizant that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between TFP Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPT(s) is not detrimental to the TFP Group;
- (v) Where RRPT(s) is one with a value equal to or in excess of RM1.0 million, it will be reviewed and approved by the Board who has no interest in the transaction. Where the RRPT(s) is one with a value below RM1.0 million, it will be reviewed and approved by the Executive Director or the Board;
- (vi) Records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate;
- (vii) The annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the shareholders' mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to;
- (viii) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPT(s) have been complied with; and
- (ix) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

## **2.5 Disclosure in Annual Report**

Disclosure will be made in the Company's Annual Report on the breakdown of the aggregate value of the RRPTs made during the financial year, among others, based on the following information:-

- (i) The types of RRPTs made; and
- (ii) The names of the Related Parties involved in each type of the RRPT and their relationship within the Group.

## **2.6 Statement by Audit Committee**

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.4 above and is of the view that they are sufficient to ensure that the RRPTs will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The Audit Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee shall review these procedures and processes once a year. This is to ensure that RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

## **2.7 Amount Due and Owing by the Related Parties pursuant to the RRPTs**

As at LPD, there is no amount owing by the Related Party pursuant to the RRPTs that has exceeded the credit terms.

## **3. RATIONALE FOR THE PROPOSED RRPTs MANDATE**

The Proposed RRPTs Mandate will enable the TFP Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek Shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPTs carried out within the TFP Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.



#### 4. EFFECTS OF THE PROPOSED RRPTs MANDATE

The Proposed RRPTs Mandate are not expected to have any adverse material impact on the share capital, substantial shareholdings, earnings, gearing and net assets of TFP Group.

#### 5. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors and/or Major Shareholders and Person Connected to them, have any interest, direct or indirect in the Proposed RRPTs Mandate:

	Direct Interest		Indirect Interest	
	No. of TFP Shares	%	No. of TFP Shares	%
<b><u>Interested Director</u></b>				
Dato' Hussian @ Rizal Bin A. Rahman	-	-	124,679,790*	24.60
<b><u>Interested Major Shareholder</u></b>				
Dato' Hussian @ Rizal Bin A. Rahman	-	-	124,679,790*	24.60
Rapportrans	124,679,790	24.60	-	-

*\*Deemed interest through Rapportrans, who in turn holds shares in TFP.*

The Company, M1, deemed connected to the above stated Director/ Major Shareholder of TFP, which had entered into RRPT(s) with the Group does not have any direct or indirect shareholdings in TFP.

The Interested Director, Dato' Hussian @ Rizal Bin A. Rahman has abstained and will continue to abstain from deliberation of and voting at the relevant Board meetings in respect of all RRPTs in which they are deemed interested.

The Interested Director, Rapportrans ("Interested Major Shareholder") will abstain from voting in respect of their direct and indirect shareholdings in the Company on the ordinary resolution approving the Proposed RRPTs Mandate at the forthcoming 14th AGM. The Interested Director and Interested Major Shareholder have also undertaken that they will ensure that the Persons Connected with them as mentioned above will abstain from voting in respect of their direct and indirect interest on the ordinary resolution approving the Proposed RRPTs Mandate at the forthcoming 14<sup>th</sup> AGM.

#### 6. APPROVALS REQUIRED

The Proposed RRPTs Mandate is subject to the approval of the shareholders of TFP at the forthcoming 14<sup>th</sup> AGM.

## **7. DIRECTORS' RECOMMENDATION**

The Board, save for Dato' Hussian @ Rizal Bin A. Rahman being the Interested Director, having considered all aspects of the Proposed RRPTs Mandate, are of the opinion that the Proposed RRPTs Mandate is in the best interest of the Shareholders and TFP Group.

Accordingly, the Board, save for Dato' Hussian @ Rizal Bin A. Rahman, being the interested Director, recommend that Shareholders vote in favour of the resolution pertaining to the Proposed RRPTs Mandate to be tabled at the forthcoming 14<sup>th</sup> AGM.

## **8. 14<sup>th</sup> AGM**

Our Notice of 14<sup>th</sup> AGM dated 31 May 2021, is scheduled to be held at TFP Experience Center, Ground floor, Wisma LMS, No. 6, Jalan Abd Rahman Idris, Off Jalan Raja Muda Aziz, 50300 Kuala Lumpur on Tuesday , 29 June 2021 at 2.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed RRPTs Mandate.

If you are unable to attend and vote in person at the AGM, you should complete, sign and return the enclosed Proxy Form in accordance with the instructions provided thereon so as to arrive at our Company's Registered Office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than 48 hours before the time set for holding the AGM or at any adjournment thereof.

The lodging of the Proxy Form will not, however, preclude you from attending the AGM and voting in person should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully

For and on behalf of the Board

**TFP SOLUTIONS BERHAD**

**Datuk Seri Syed Ali Bin Abbas Alhabshee**

Non-Independent Non-Executive Chairman

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of TFP who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

### 2. MATERIAL CONTRACTS

Save as disclosed below, neither TFP nor any of its subsidiaries has entered into any material contracts (not being contract entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:

- i) The Company had on 4 January 2021 entered into a Joint Venture cum Shareholders Agreement with Ace Capital Growth Sdn Bhd to formalise and set out the basic terms of their relationship with each other via their respective investment participation in the joint venture through One Gold, a joint venture company to carry out the business of business related to trading in metals, precious metal, jewellery and distribution business also as dealers in buying or selling.
- ii) The Company had on 23 April 2021 entered into 5 separate conditional share sale agreements ("SSA") with Derrick Chia Kah Wai, ACE Dynamic Team Sdn Bhd ("ACE Dynamic"), Tan Sun Sun, Liu Sing Kiat and Go Yoong Chang (collectively referred to as "Vendors"), for the Proposed Acquisition of approximately 10% of the share capital of Ace Innovate Asia Berhad ("AIAB") for a total purchase consideration of RM10,650,000 to be satisfied by new ordinary shares of TFP.

### 3. MATERIAL LITIGATION

As at LPD, there are no material litigations, claims or arbitration, either as a plaintiff or a defendant, which will have a material and/or adverse effect on the financial position or business of TFP Group and the Board is not aware of any proceedings pending or threatened against TFP Group or of any fact which is likely to give rise to any proceedings which may materially and/or adversely affect the position or business of TFP Group.

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of TFP at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our Company's forthcoming 14<sup>th</sup> AGM:

- (i) the Constitution of TFP;
- (ii) the material contract referred to in Section 2 above; and
- (iii) the audited consolidated financial statements of TFP Group for the past two (2) financial years ended 31 December 2019 and 31 December 2020 and latest unaudited financial results for the quarter ended 31 March 2021.