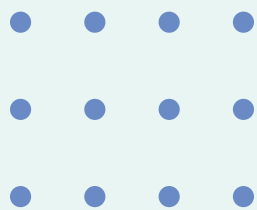


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ANNUAL REPORT 2022



TFP Solutions Berhad
(Registration No. 200701015543 (773550-A))

OUR **VISION**

- A company that provides Software & SI Services, FinTech Mobile and Digital Content Aggregation.
- We want to be seen as giving emphasis to the under – privileged and the rural.
- We want to be party to national initiatives of economic growth through services that cater for domestic and regional market.
- Above all we want to be a knowledge-based company that is creative and innovative.

OUR **MISSION**

- We strive to provide business customers with solutions to improve their productivity and efficiency.
- We strive to provide consumers with convenience of financial payment and remittance through mobile e-wallet.
- We strive to provide consumers with convenience of financial payment and remittance. We strive to provide Digital Contents aggregation & platform while promoting local digital content development & publication.
- We strive to create and innovate through continuous training and nurturing of our human capital through cross-fertilisation of ideas, knowledge and experience with our world class partners.

Disclaimer :

This annual report, prepared by **TFP Solutions Berhad** ("the Management") may contain certain forward-looking statements and is prepared based on the Management's current view of future events that may involve certain assumptions, risks and uncertainties. Investors are advised that past performance does not necessarily signify its future performance.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Seri Syed Ali Bin Abbas Alhabshee
Non-Independent Non-Executive Chairman

Dato' Hussian @ Rizal Bin A. Rahman
Non-Independent Non-Executive Director

YM Puteri Munawarah Syammiyah Binti Munir
Executive Director

Kong Wei Peng
Executive Director

Noor Shahwan Bin Saffwan
Independent Non-Executive Director

Yeong Siew Lee
Independent Non-Executive Director

Datuk Chu Boon Tiong
Independent Non-Executive Director

AUDIT COMMITTEE**Chairman**

Noor Shahwan Bin Saffwan
Independent Non-Executive Director

Members

Yeong Siew Lee
Independent Non-Executive Director
Datuk Chu Boon Tiong
Independent Non-Executive Director

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482) / PC No. 202208000250
Thien Lee Mee
(LS0010621) / PC No. 201908002254

REGISTERED OFFICE

Level 5, Block B,
Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor
Tel no. : +603 7890 0638
Fax no. : +603 7890 1032

CORPORATE OFFICE

Wisma LMS, No. 6, Jalan Abd. Rahman Idris,
Off Jalan Raja Muda Aziz,
50300 Kuala Lumpur
Tel no. : +603 9213 0688
Fax no. : +603 2202 7667
Website : www.tfp.com.my
Email : enquiry@tfp.com.my

AUDITORS**TGS TW PLT**

Chartered Accountants
202106000004
(LLP0026851-LCA) & AF002345
E-5-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur
Tel no. : +603 9771 4326
Fax no. : +603 9771 4327

SHARE REGISTRAR**Aldpro Corporate Services Sdn Bhd**

Level 5, Block B,
Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor
Tel no. : +603 7890 0638
Fax no. : +603 7890 1032

PRINCIPAL BANKER**Public Bank Berhad**

9 & 10, Jalan Kenari 1,
Bandar Puchong Jaya,
47100 Puchong, Selangor Darul Ehsan
Tel no. : +603 8074 2788
Fax no. : +603 8074 2700

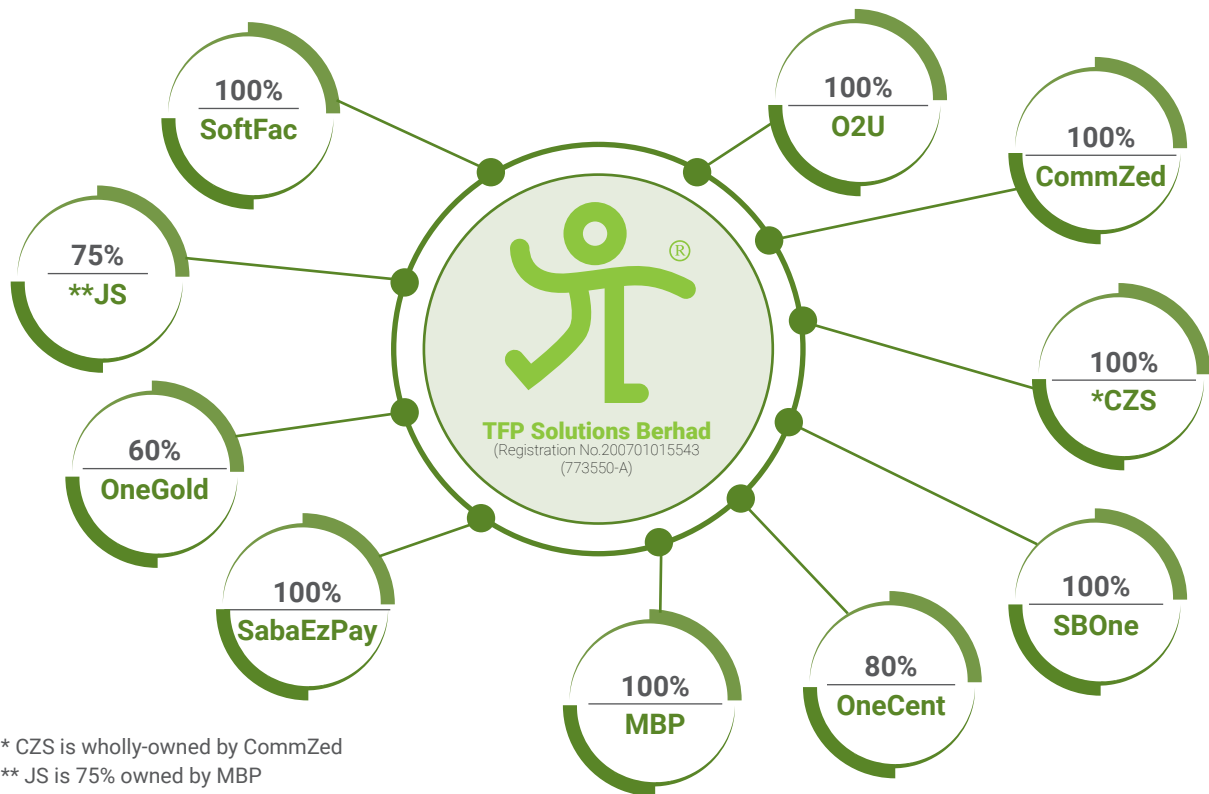
STOCK EXCHANGE LISTING**ACE Market of Bursa Malaysia Securities Berhad**

Stock Name : TFP
Stock Code : 0145

Warrants B 2020/2025

Stock Name : TFP -WB
Stock Code : 0145 -WB

CORPORATE STRUCTURE



* CZS is wholly-owned by CommZed

** JS is 75% owned by MBP

Name of Subsidiary Companies	Date and Place of Incorporation	Equity Interest %	Issued Share Capital	Principal Activities
Comm Zed Sdn Bhd ("CommZed")	16 August 2001 Malaysia	100	2,000,000	Providing network security, IT solution, hardware and software maintenance
Comm Zed Solution Sdn Bhd ("CZS")	19 March 2013 Malaysia	100	100,000	Dormant
MBP Solutions Sdn Bhd ("MBP")	13 March 2004 Malaysia	100	1,000,000	Providing consulting, trading in IT related products and services, provide services ancillary to mobile FinTech products and services and investment holding
Agensi Pekerjaan O2U Solutions Sdn Bhd ("O2U")	18 December 2008 Malaysia	100	500,000	To carry on business as Private Employment Agency to recruit and place worker/s to another employer
Onecent Sdn Bhd ("OneCent")	13 February 2020 Malaysia	80	1,000	Providing a mobile FinTech platform and cashless eco system that allow members to make payment, settlement of bills and mobile airtime reload
SBOne Solutions Sdn Bhd ("SBOne")	15 April 2005 Malaysia	100	500,000	Providing ERP consulting and implementation of SAP products
SoftFac Technology Sdn Bhd ("SoftFac")	28 June 2005 Malaysia	100	500,000	Providing Human Capital Resource Management solutions
Jejak Semangat Sdn Bhd ("JS")	18 March 2013 Malaysia	75	1,300,000	Dormant
One Gold Sdn Bhd ("OneGold")	10 February 2021 Malaysia	60	10	Dormant
Saba Ezpay Sdn Bhd ("SabaEzPay")	8 June 2021 Malaysia	100	100	Dormant

CHAIRMAN'S FOREWORD

FOREWORD FROM THE CHAIRMAN OF THE BOARD

Assalamu'alaikum Warahmatullahi Wabarakatuh

TFP Solutions Berhad, which stands for "Telecommunications, FinTech, and App Platform," has progressed from a software developer to a software service provider, and now TFP has shifted into a FinTech entity that works in tandem with our existing Business Management Solutions ("BMS").

For the financial period 2022, it was another challenging year for TFP as the world continues to battle against Covid-19 pandemic amidst the periodic resurgence of Covid-19 variants with various degree of lockdowns and travel restrictions. Compounding the damage from the Covid-19 pandemic, geopolitical implications from the Russian invasion of Ukraine has magnified the slowdown in the global economy, supply-chain disruptions, and sanctions imposed on Russia have all contributed to the world inflation and the risk of recession.

For our 18 months financial period ended 30 June 2022, we recorded a loss before tax of RM10.16 million which are mainly due to additional working capital incurred (i.e., rental of office, purchase of equipment and payroll), as a result of hiring additional employees in the areas of technical support and business development to support our business strategy transformation into fintech.

Our OneCALL mobile FinTech sim is more than a mobile operator; it is an everyday FinTech lifestyle. TFP Group, via our wholly-owned subsidiary MBP Solutions Sdn Bhd inked a co-branding agreement with Tune Talk to form OneCALL, which targets the B40/rural population, petty traders, the undeserved gig economy and foreign workers by providing unique features of e-Wallet which helps to make bill payments, remittance and prepaid reload.

Given the uncertain environment, it appears the world economy will be experiencing yet another period of challenges and uncertainty, TFP will continue to be vigilant and optimise our resources in our ongoing efforts for high productivity coupled with prudent spending and investments where needed.

We wish to sincerely thank our clients, financiers, and shareholders for their continue confidence in TFP and we valued you support and being with us on the journey regardless of the economic environment.
Thank You.

Wabillahitauk Walhidayah, Wassalamualaikum Warahmatullahi Wabarakatuh

Datuk Seri Syed Ali Bin Abbas Alhabshee
Non-Independent Non-Executive Chairman

BOARD OF DIRECTORS' PROFILE

DATUK SERI SYED ALI BIN ABBAS ALHABSHEE

Non-Independent Non-Executive Chairman

Nationality : Malaysian
Age/Gender : 60/Male
Date of Appointment : 9 June 2017

Datuk Seri Syed Ali Bin Syed Abbas Alhabshee ("Datuk Seri Syed Ali") was appointed to the Board of the Company on 9 June 2017 as a Non-Independent Non-Executive Chairman. He obtained his professional Diploma in Leadership and Management by the New Zealand Institute of Management, New Zealand in 2003. On 16 July 2016, Datuk Seri Syed Ali was awarded as Honorary Fellow from Liverpool John Moores University, United Kingdom.

Datuk Seri Syed Ali possess great knowledge and has executive experience in leading private, public and government controlled organisations from a broad range of industries. Datuk Seri Syed Ali ventured into business in the early 1980s and was on the board of several private and public corporations involved in a diverse range of businesses such as Chairman of UZMA Berhad until 2018. He was appointed the Chairman of Perbadanan Nasional Berhad, an Executive Board of Yayasan Wilayah Persekutuan and on the Board of Technology Park Malaysia, until 2018. He was a member of the Malaysian Senate (Dewan Negara) from 21 April 2003 until April 2009. He was the Head of UMNO, Cheras Division, Wilayah Persekutuan Kuala Lumpur and UMNO State Liaison Secretary, Wilayah Persekutuan Kuala Lumpur until 2018.

Datuk Seri Syed Ali does not hold any other directorship in other public companies and listed corporations.

Datuk Seri Syed Ali attended all six (6) Board meetings held during the financial period ended 30 June 2022.

DATO' HUSSIAN @ RIZAL BIN A. RAHMAN

Non-Independent Non-Executive Director

Nationality : Malaysian
Age/Gender : 60/Male
Date of Appointment : 15 February 2013

Dato' Hussian @ Rizal Bin A. Rahman ("Dato' Hussian") was appointed to the Board of the Company on 15 February 2013. Dato' Hussian was subsequently re-designated as Managing Director on 16 July 2018 and then re-designated as Non-Independent Non-Executive Director on 31 March 2022. He obtained the Postgraduate Diploma in Business Management from The Oxford Association of Management, Oxford, England ("OXIM") and was also admitted to the membership of Certified Master of Business Administration from the OXIM, a membership that recognises management competency and professional development.

Dato' Hussian has been an entrepreneur since in his mid-20s. He was involved in the businesses of trading and shipping and subsequently ventured into the Information and Communications Technology ("ICT") industry. He has extensive experience in the ICT industry and currently is the Executive Director and major shareholder of MobilityOne Limited ("MobilityOne"), which is listed on AIM of the London Stock Exchange. MobilityOne is an e-commerce infrastructure payment solutions and platform provider that works closely with most of the telecommunication companies and financial institutions in Malaysia.

Dato' Hussian does not hold any other directorship in other public companies and listed corporations.

Dato' Hussian attended all six (6) Board meetings held during the financial period ended 30 June 2022.

Board of Directors' Profile (Cont'd)

YM PUTERI MUNAWARAH SYAMMIYAH BINTI MUNIR

Executive Director

Nationality : Malaysian
Age/Gender : 35/Female
Date of Appointment : 19 January 2021

YM Puteri Munawarah Syammiyah Binti Munir ("Puteri Munawarah") was appointed to the Board of the Company on 19 January 2021 as Group Executive Director. She has worked in the banking industry for several years. She was the Executive Product Management at CIMB Islamic Bank Berhad from February 2010 to July 2013. From September 2013 to August 2015, she worked as the Senior Executive, Investment Banking at Kuwait Finance House (Malaysia) Berhad. In September 2016, she returned to CIMB as part of CIMB Investment Bank Berhad and was the Manager, Regional Debt Capital Markets up to December 2020.

Puteri Munawarah does not hold any other directorship in other public companies and listed corporations.

Puteri Munawarah attended all six (6) Board meetings held during the financial period ended 30 June 2022.

KONG WEI PENG

Executive Director

Nationality : Malaysian
Age/Gender : 50/Female
Date of Appointment : 9 October 2020

Ms. Kong Wei Peng ("Ms Kong") was appointed as an Independent Executive Director of the Company on 9 October 2020. She has over 20 years of experience in managing companies account and operations department. She also has diverse experience and exposure worldwide, live and work over 7 years full time in the USA, UK and Australia.

In year 1992 till 1993, she was the Audit and Accounts Assistant in T. O. Wong & Co. (Malaysia). She moved on to Tai Seng Air-Conditioning Engineering Pte. Ltd. (Malaysia) in year 1993 to 1999 and worked as the Accounts and Administrative.

She joined Perosan Pte. Ltd./ Flamingo Institute of Further Education (A Member of The Multi-Purpose Group of Companies, Malaysia) as the Senior Accounts Executive in year 1999. Subsequently in year 2000 until 2003, she was appointed as the Manager of Administrative and Accounts Department in L&T Frozen Foods (Scotland, UK).

She was a Head of Account and Operation Department in Tai Seng Air-Cond Pte. Ltd. (Malaysia) from year 2004 till 2012. In year 2013, she is the Administrative Executive in Fo Guang Shan Temple (Perth, Australia).

In year 2015, she took on a role as the Head of Account and Operation Department in Oriental Mace Sdn. Bhd. and was became the Founder and Group Chief Operation Officer in Oriental Mace Group Berhad in year 2017. Oriental Mace Group Berhad is a leading company primarily business in Biotechnology Healthcare and Beauty care under the brand MyBeauty, a brand jointly established with the Ministry of Tourism, Arts and Culture to lead 1,000 beauty care service providers in Malaysia.

Currently, she is the Group Chief Operation Officer to Oriental Mace Group Berhad since year 2017.

Ms Kong does not hold any other directorship in other public companies and listed corporations.

Ms Kong attended four (4) out of six (6) Board meetings held during the financial period ended 30 June 2022

Board of Directors' Profile (Cont'd)

NOOR SHAHWAN BIN SAFFWAN

*Independent Non-Executive Director
Chairman of Audit and Nomination Committee
Member of Remuneration Committee*

Nationality : Malaysian
Age/Gender : 72/Male
Date of Appointment : 19 March 2015

Encik Noor Shahwan Bin Saffwan ("Encik Shahwan") was appointed to the Board of the Company on 19 March 2015 as a Non-Independent Non-Executive Director. He was subsequently re-designated as Independent Non-Executive Director on 13 April 2015. He holds a Bachelor of Economics degree from University of Malaya in 1974. He started his career with the Ministry of Trade & Industry as International Trade Officer from 1975 to 1976. From 1976 to 1989, he was with Bank of America, Kuala Lumpur, with his last position there as Assistant Vice-President. Since he left Bank of America in 1989, he became a Founder Member and Executive Director of Apex Communications Sdn Bhd, a diversified conglomerate dealing in telecommunications, broadcasting, Information technology equipment, education products, provision of solar hybrid systems, property development, construction of specialised oil related projects, transport infrastructure projects in MRT, LRT and BRT.

Encik Shahwan does not hold any other directorship in other public companies and listed corporations.

Encik Shahwan attended all six (6) Board meetings held during the financial period ended 30 June 2022.

YEONG SIEW LEE

*Independent Non-Executive Director
Member of Audit, Remuneration and Nomination Committee*

Nationality : Malaysian
Age/Gender : 44/Female
Date of Appointment : 6 February 2018

Madam Yeong Siew Lee ("Madam Yeong") was appointed as an Independent Non-Executive Director of the Company on 6 February 2018. She graduated from University of Wales College (UK) with the degree of Bachelor of Science (Honours) (Accounting and Finance) in 1999 and completed her Association of Chartered Certified Accountants (UK) in 2004.

She is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA). She began her career with GHL Systems Berhad ("GHL"), a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Assistant Accountant in 2003 and moved up the ranks and became Head/Assistant General Manager of Finance in 2008 to supervise the company's local and overseas accounting teams. She left GHL in August 2009 to venture into business in the consumer and architectural industry, and was working as a finance adviser for SMR HR Group Sdn Bhd.

Madam Yeong does not hold any other directorship in other public companies and listed corporations.

Madam Yeong attended all six (6) Board meetings held during the financial period ended 30 June 2022.

Board of Directors' Profile (Cont'd)

DATUK CHU BOON TIONG

Independent Non-Executive Director

Chairman of Remuneration Committee

Member of Audit and Nomination Committee

Nationality : Malaysian
Age/Gender : 51/Male
Date of Appointment : 2 March 2021

Datuk Chu Boon Tiong ("Datuk Chu") was appointed to the Board of the Company on 2 March 2021 as the Independent Non-Executive Director. He is an Executive Director of Industronics Berhad, which is a company listed on the Main Market of Bursa Malaysia Securities Berhad. Industronics Berhad is an internationally renowned and established electronic technology company with a nature of business in manufacturing and trading electronic technology products and accessories. The company is equipped with sufficient financial and human resources to undertake major technology-based projects around the world. He is also an Executive Director of Highway Electronic Co. Ltd, which is a company listed in Taiwan. The main source of financial resources of Highway Electronic Co. Ltd is in innovative research and development. Its principal business activities include consumer multimedia, micro-controller IC application design, solution integration and sales. The sales team of the company is highly capable of coping with market demands and proposing leading products which are in line with the latest market trends. Further, the high research and development capacity and market adaptability of Highway Electronics makes it the best business partner for IC designers and customers. He was appointed as an Executive Director of NWP Holdings Berhad on 23 September 2020. The Company is a public listed company and is listed on the Main Market of Bursa Malaysia Securities Berhad since November 2000. The nature of business of NWP Holdings Berhad includes manufacturing and trading a wide range of quality timber products such as interior and exterior molded timber products, kiln-drying, timber treatment services, sawmilling, and logging. In this Digital Age and with the accelerating development of technology, Datuk Chu has been taking steps to develop new projects in the E-commerce business, robotics automation, IOT and block-chain technology in China and Southeast Asia.

Datuk Chu currently sits on the board of Industronics Berhad.

Datuk Chu attended all five (5) Board meetings held during the financial period ended 30 June 2022 since he was appointed as Director on 2 March 2021.

Notes:

- None of the Directors have conflict of interest with the Company and have family relationships with any other Director or major shareholder of the Company.
- All Directors have not been convicted for any offences within the past five (5) years other than traffic offences (if any) as well as any public sanction or penalty imposed by the relevant regulatory bodies.

KEY SENIOR MANAGEMENT'S PROFILE

The Key Senior Management consist of 9 persons which includes two (2) Executive Directors namely, YM Puteri Munawarah Syammiyah Binti Munir and Ms Kong Wei Peng, of which their profiles are listed on page 6 and the persons as below :

MUHAMMED YUSOFF BIN MOHD ZAMRI

Chief Executive Officer

Nationality : Malaysian
Age/Gender : 58/Male

Encik Muhammed Yusoff bin Mohd Zamri was appointed as a Chief Executive of Jejak Semangat Sdn Bhd ("JSSB") on 15th September 2021 and subsequently on 31st March 2022 as a Chief Executive Officer of TFP Solutions Berhad. He has about 28 years' experience in telecommunication industry starting in Year 1993 at Celcom where he established Celcom Telecommunications Consulting Sdn Bhd, where Celcom had operations in Cambodia, Bangladesh, Tanzania and Iran. En Yusoff has various experience in managing mobile network operator and infrastructure company couple with stint in telecommunication vendor industry. His mobile operator experience includes spell at Celcom, Axiata Cambodia and in Uzmacom as a Director of Marketing and Business Development for a new mobile operator in Uzbekistan (Year 1996 to Year 2000). Prior to his appointment in JSSB, he was the Chief Executive Officer for a new towerco in Cambodia (Cam TowerLink Communication Co Ltd) where he successfully established and generated revenue. His other attachment was with various international companies such as Lucent Technologies, ZTE Malaysia, Schlumberger and Atos Origin.

VINCENT YONG TUCK SENG

Deputy Chief Executive Officer

Nationality : Malaysian
Age/Gender : 56/Male

Mr Vincent Yong is currently the Deputy CEO of TFP Solutions Berhad. He joined the Group in January 2019 as Head of Corporate Finance and subsequently he was promoted to the present position in July 2019. Prior to joining TFP Solutions Berhad, he was the Head of Corporate Finance and Chief Operating Officer of a subsidiary company of a public listed company involved in mining of minerals from 2013 to 2018. Prior to this, he was an independent business consultant for the past 15 years. Mr Vincent is a Chartered Accountant with the Malaysia Institute of Accountants and Certified Practising Accountant with the CPA Australia. He graduated with a Bachelor of Commerce majoring in Accountancy and Information Systems from the University of New South Wales, Australia. Mr Vincent does not hold any directorships in other public companies and listed corporations

CHONG HON BU

Chief Operating Officer

Nationality : Malaysian
Age/Gender : 51/Male

Mr Chong Hon Bu is currently Head of Fintech Division and he joined TFP Solutions Bhd in October 2019 to spearhead Mobile FinTech division. He is currently responsible to build the fintech business of the Group. He holds a Bachelor of Engineering (Major in Computer Engineering) from University of Melbourne Australia. Prior to joining TFP Solutions Bhd, he was in his own business in hospitality industry for 10 years. He started his IT career in 1994 as a Technical Support Executive at LMS Technology Distributions Sdn Bhd focussing on Internet Firewall, remote access server and performance management tools for clients like JARING/MIMOS and Telekom Malaysia. He left LMS Technology Distributions as General Manager in 2007, moved on to establish his information technology business, Comm Zed Sdn Bhd focusing on network management solutions before it was sold into TFP Solutions Bhd in 2014. Mr Chong does not hold any directorships in other public companies and listed corporations.

AHMAD SHAHRIR BIN MOHD SALLEH

Director of OneCent Sdn Bhd

Nationality : Malaysian
Age/Gender : 53/Male

Encik Ahmad Shahrir holds a Bachelor's Degree in Computer Science from the Universiti Sains Malaysia. Encik Ahmad Shahrir has had over 15 years of combined experience in programming and software development. He is currently the COO of OneCent Sdn Bhd and is directly involved with all marketing plans of OneCent. Prior to the said position, Ahmad Shahrir has held the following posts; • CEO, Founder – Smart Solutions • Senior Programmer – Bank Pembangunan Malaysia Berhad Encik Shahrir does not hold any directorships in other public companies and listed corporations.

Key Senior Management's Profile (Cont'd)

MAZHARUL HAQUE

Chief Technology Officer

Nationality : Bangladesh
Age/Gender : 30/Male

Mr Mazharul Haque received his tertiary education in Bangladesh and was successfully awarded the Bachelor of Science in Computer Science from American International University, Bangladesh in 2013 and is currently pursuing Master of Science in Computer Science at the same university. Mr Mazharul is currently the Chief Technology Officer with TFP Group of Companies. He joined TFP in March 2019 as Campus ERP Software Development Manager. He was then promoted to Head the Smart Campus Project in July 2019 and later to the CTO position for MBP Solutions Sdn Bhd in November 2019. Mr Mazharul is a Microsoft Certified Professional with proficiency in designing, developing and testing object oriented, client server and web based applications. Among his major duties as CTO includes research, evaluate and synthesize technical information to design, develop and test computer based system, conducting requirement analysis and preparing specific proposals for new system or modification of existing system.

RAHMAT BIN YAHAYA

Director of Comm Zed Sdn Bhd

Nationality : Malaysian
Age/Gender : 46/Male

Mr Rahmat is currently the General Manager of Comm Zed Sdn Bhd. He obtained his Diploma certification in Information Technology from Institute of Commercial Management, United Kingdom and holds PMP Certification Prep and is a InfoVista Certified Professional. Mr Rahmat has a total of 26 years of working experience comprising of 8 years of MIS experience, 4 years of technical and engineering experience and 14 years of handling project management life cycle and being excellent at managing manpower planning and people. He has experienced in managing large projects in Telco, Oil & Gas, Government Sector, Arm Forces, and Banking accumulative worth of RM200M.

JAESON HOO

Group Accountant

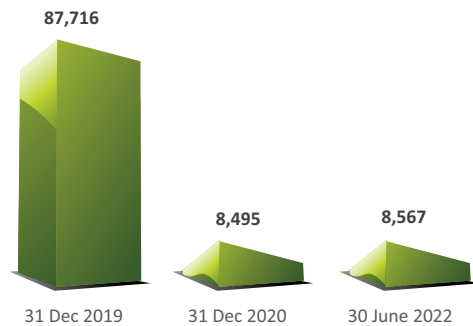
Nationality : Malaysian
Age/Gender : 42/Male

Mr Jaeson Hoo joined TFP Solutions Berhad on March 2019. Prior to joining the Group, he was the Finance Manager of a wholly owned subsidiary company of a public listed company involved in oil, gas and mining of minerals between 2015 and 2018. He began his career with mid-tier accounting firms, gaining a total of more than 10 years' experience. He graduated from University of East London with the degree of Bachelor of Arts (Hons) in Accounting and Finance. Mr Jaeson does not hold any directorships in other public companies and listed corporations.

Notes:

- None of the Key Senior Management has conflict of interest with the Company and has family relationships with any other Director or major shareholder of the Company.
- All Key Senior Management have not been convicted for any offences within the past five (5) years other than traffic offences (if any) as well as any public sanction or penalty imposed by the relevant regulatory bodies.

FINANCIAL HIGHLIGHTS



Revenue (RM'000)

RM'000	Year Ended 31 Dec 2019	Year Ended 31 Dec 2020	Period Ended 30 June 2022
Revenue	87,716	8,495	8,567
Gross Profit	3,551	2,169	1,738
EBITDA#	(3,249)	(3,171)	(9,125)
Net Loss	(3,513)	(3,624)	(10,024)

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



RM'000	As at 31 Dec 2019	As at 31 Dec 2020	As at 30 June 2022
NTA	7,191	16,049	14,610
Cash	3,262	15,019	13,120
Total Assets	12,255	21,948	19,082



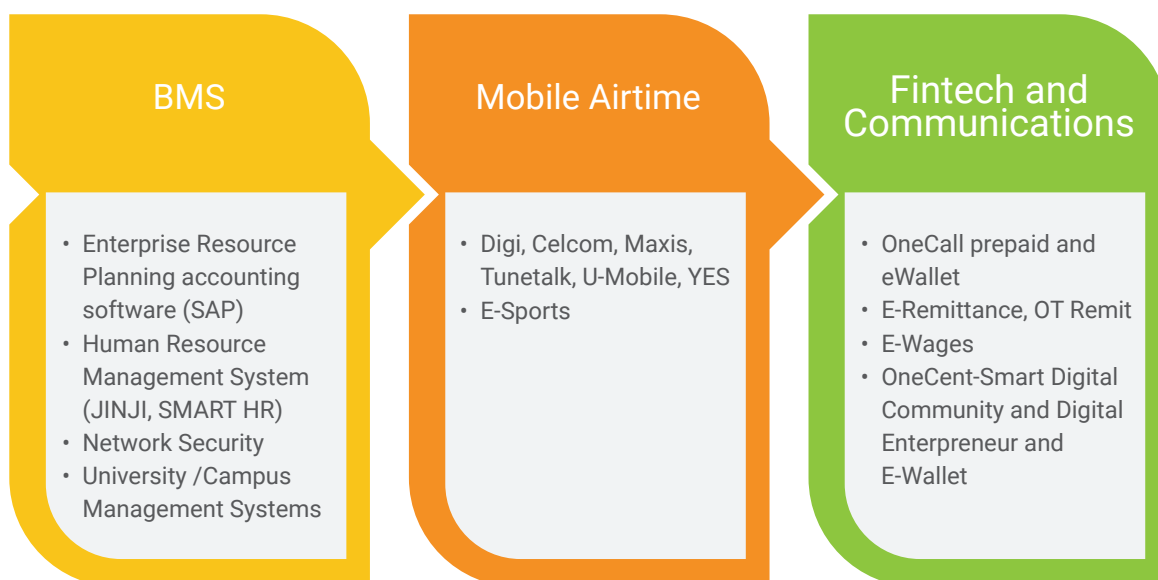
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS

During the financial period ended 30 June 2022, our Group is principally involved in the ICT business, with our base of operations mainly in Malaysia. Our Group's ICT business comprise:

- (i) the business management solutions (BMS) business which involves the provision of software solutions/tools (i.e. Human Resource Management System, Enterprise Resource Planning Application, University Campus Management System and Network Security Service); and
- (ii) the mobile airtime reload mainly focuses on the provision of services ancillary to mobile communication and Fintech products and content aggregation; and
- (iii) Mobile Fintech related business which involves the provision of mobile data services with e-money and e-wallet functionalities through the development of mobile application specifically designed to handle fund transfer, e-payment as well as others.

Based on the above initiatives, the present business of the Group is organised into 3 main categories: -



The Group registered an increment in revenue of 0.85% for the financial period ended 30 June 2022 ('FPE 2022') due to increase in the FinTech business by a major customer and members during the period, which recorded an increased in a revenue of RM1.33 million to RM4.46 million as compared from RM3.13 million in the financial year ended 31 December 2020 (FYE '2020'). However, the Group recorded earnings before interest, taxation, depreciation, and amortisation ('EBITDA') loss of RM9.13 million and Loss after tax ('LAT') of RM10.02 million as compared to EBITDA loss of RM3.17 million and LAT of RM3.62 million for the FYE 2020. The FPE 2022 financial results were due to additional working capital incurred (i.e., rental of additional office, purchase of equipment and payroll) as a result of additional manpower hired (i.e., technical support, business development and consultants).

Revenue from BMS for FPE 2022 recorded a reduction of 23.46% to RM4.11 million as compared from RM5.37 million in the FYE 2020 due to reduction in demand for software implementation as well as maintenance services which was affected by the movement control order (MCO) implemented in Malaysia.

Management Discussion and Analysis (Cont'd)

The Group has been continuously taking various efforts to transform from a conventional ICT solutions services provider to a technology-driven company by venturing into various ICT offerings. These include collaborations with various partners for the provision of Fintech products, solutions and services which represents an opportunity for our Group to further expand our products offering to the wider market and enhance our financial performance. The collaborations are as follows:

- (a) On 4 January 2021, TFP Solutions Berhad ('TFP') had entered into joint venture cum shareholders agreement with Ace Capital Growth Sdn Bhd ('ACE'), to setup a joint venture company (60% equity interest by TFP and remaining, 40% by ACE) for the purpose of trading precious metals such as gold;
- (b) On 26 February 2021, MBP Solutions Sdn Bhd ('MBP') a Wholly-owned subsidiary of TFP, entered into a Memorandum of Agreement ('MOA') with Persatuan Penghantar P-Hailing Malaysia ("PENGHANTAR") for the provision of digital solutions services;
- (c) On 1 March 2021, MBP, a wholly-owned subsidiary of TFP, entered into a 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 interney data plan services and/or OneCall mobile Apps to SugarBun's customers;
- (d) On 9 April 2021, MBP, a wholly-owned subsidiary of TFP had 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/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 from the agreement date;
- (e) On 9 April 2021, Onecent Sdn Bhd, a subsidiary of TFP had 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;
- (f) On 9 April 2021, Onecent Sdn Bhd, a subsidiary of TFP had entered into a MOA with Bumijez Sdn Bhd ("Bumijez") for the collaboration for the provision of mobile Fintech services to Bumijez and its members;
- (g) On 20 April 2021, Onecent Sdn Bhd, a subsidiary of TFP had entered into an agreement with Persatuan Pengusaha 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 from the agreement date.

BUSINESS INFORMATION

1) MBP Solutions Sdn Bhd – Going Digital with FinTech Infrastructure

MBP have inked a co-branding agreement with Tune Talk to launch OneCALL Mobile FinTech which targets the “unbanked” population and offers unique features of e-Wallet which helps to make bill payments, remittance and prepaid reload.



MBP offers a Digital cooperative system offers and provide to help cover all aspects of the businesses needs and provide an easy transition from their current system to a new one.

2022 MOBILE FINTECH

Fintech Ecosystem for migrant workers suitable for

- Manufactures
- Plantations
- Construction

SmartHR

OneCALL

MiPay MasterCard

Remittance App

603-92130688

Wisma LMS, No.6 Jalan Abd. Rahman Idris
Off Jalan Raja Muda Aziz, 50300 Kuala Lumpur

www.tfp.com.my

Business Information (Cont'd)

2) Onecent Sdn Bhd – FinTech Community

OneCent is a Mobile Fintech platform that allows community of entrepreneurs who believe in the future lifestyle of the cashless Eco system, which are in line with government's vision of the digital economy.



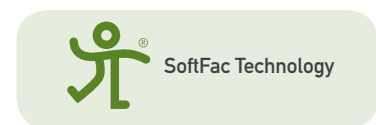
As of February 2021, OneCent community has grown to a total of 20,000 members. The community is gradually expanding as they promote digital lifestyle among themselves and their contacts, which includes friends and businesses that they meet on a regular basis.

In exchange, the community will reap the rewards in the form of cash rebates and share among their circle of friends and business owners.



3) SoftFac Technology Sdn Bhd – Smart Human Resource and Campus System

SoftFac offers diverse Human Capital Management System and its vision is to become the preferred Human Resource Solutions for business enterprise in Malaysia and ASEAN countries.



OneSolution - SmartHR & Payroll which is a product of SoftFac is a centralized employee database that is easily accessible by HR Department to retrieve information and automates tracking of employee's GPS attendance, client visits, and monitor daily working hours.

Another product is the SmartCAMPUS – to develop digitalize solutions to the education management system. With SmartCAMPUS technologies, automated academic activities, managing facilities, cashless, and transportation is more intelligent than ever.

4) SBOne Solutions Sdn Bhd – Manage your growing business with SAP Business One

Established in 2006, SBOne is a certified SAP partner, offering professional SAP Business One consultancy and expertise to businesses in Malaysia.



Over a span of 10 years, we have established ourselves as a trusted business management adviser and successfully assisted many organisations from various industries to leverage both On-Premise and On-Cloud technology, to streamline business processes to boost productivity and competitiveness.

Our core solution: SAP Business One, is supported both On-Premise as well as via the Cloud, commonly known as a Software-as-a-Service (SaaS) platform. We also focus on Corporate Performance Management (CPM) tools from our principal, Solver APAC. The Solver suite of solutions allows our users to get quicker insights to their business via reporting and planning tools, integrated to SAP Business One.

Business Information
(Cont'd)**Meet the Digital Core for SMEs**
SAP Business One

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The Digital Core For SMEs
Enhanced by the Digital Enablers

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Business Information (Cont'd)

A blue-themed advertisement for SAP Business One. It features two circular inset images of business professionals in a meeting. The main text 'SAP BUSINESS ONE' is in large, bold, light blue letters. Below it, there is a contact number '603-92130688' with a phone icon. Further down, three bullet points highlight key features: 'First ERP software that can be done effortlessly on mobile app.', 'Achieve real-time analytics at any time.', and 'Report creation and customization.' At the bottom left, it says 'Info at:' followed by a globe icon and the URL 'learnbusinessonewebclient.com'. At the bottom right, it says 'Follow us: SAP' with icons for Facebook, Twitter, and YouTube.

SAP BUSINESS ONE

 603-92130688

First ERP software that can be done
effortlessly on mobile app.

Achieve real-time analytics at
any time.

Report creation and customization.

Info at:
 [learnbusinessonewebclient.com](https://www.learnbusinessonewebclient.com)

Follow us: SAP

Business Information (Cont'd)

5) Agensi Pekerjaan O2U Solutions Sdn Bhd – Connecting employees with their dream jobs.

O2U previously operated as a Software Integrator (SI) before it transformed into a man-power project that helps businesses identify and employ people.

Not only do we hire and recruit businesses in the local public or private sectors, but we also provide services for international companies.



6) Jejak Semangat Sdn Bhd – Mobile Network Service Provider (MVNO)

JS is an indirect subsidiary of TFP Solutions Berhad and was established since the year 2013.

JS is a licensed Mobile Virtual Network Operator (MVNO) company that provides network service. With the MVNO license obtained, its core service is to enhance service providers in offering telecommunication services to use the OneCALL SimCard. Furthermore, Jejak Semangat also holds a Network Service Provider 1 (NSP 1) license.

7) One Gold Sdn Bhd – Digital Gold

OneGold was founded on 10 February 2021, and has partnered with ACE Capital Growth Sdn Bhd to provide a FinTech platform for consumers to conduct gold transactions. The gold transactions will allow the public to buy and sell gold, as well as terminal merchants to sell gold via the platform.

Members will be able to buy and sell digital gold within the mobile App, bringing digital gold trading into the OneCent community. There are also plans to develop a programme to encourage the “unbanked” community, such as foreign workers and rural residents, to purchase gold as an investment and safe place to keep their cash.

8) Saba Ezpay Sdn Bhd

SabaEzPay was formed to supplement Sabah's Digital Economy initiative by introducing digital payment solutions and digital marketplace for local communities.



9) Comm Zed Sdn Bhd – IT Security Solutions and Services.

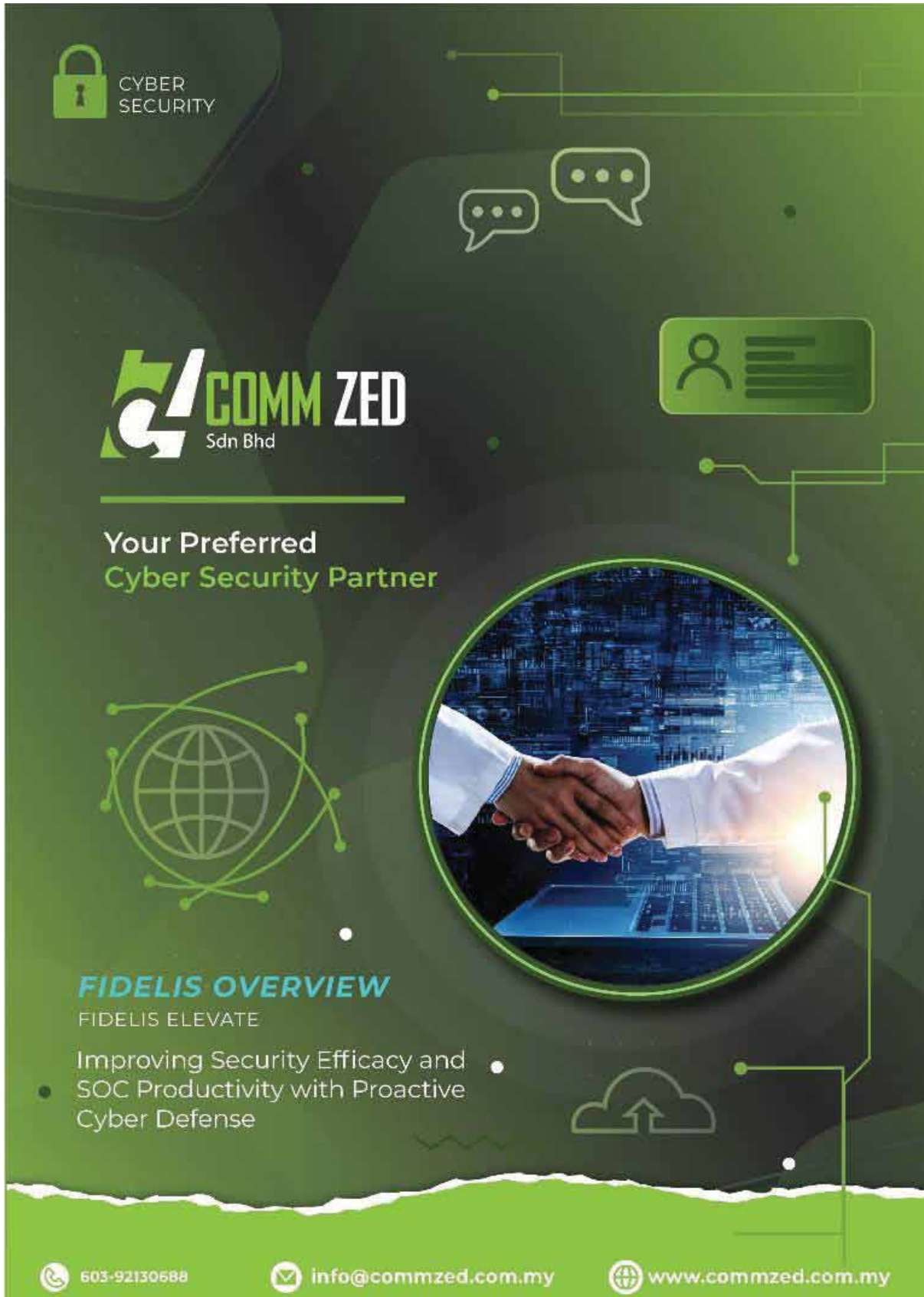
Comm Zed was incorporated on 16th August 2001 with a vision to offer solutions in building complete Information and Communication Technology (ICT) Infrastructure, Network Security, IT Solution, hardware and software maintenance.


Focus on providing services for ICT infrastructure management solutions as well as innovative technology IP network and network security products.


Alliance with leading international IT security organizations, providing access to a broad range of products and technical innovations.

Our objective is to provide innovative world-class IT Security Solutions and services to the nation.


Business Information (Cont'd)



 CYBER SECURITY





**Your Preferred
Cyber Security Partner**





FIDELIS OVERVIEW
FIDELIS ELEVATE


- Improving Security Efficacy and SOC Productivity with Proactive Cyber Defense





 603-92130688

 info@commzed.com.my

 www.commzed.com.my

SUSTAINABILITY STATEMENT

TFP Group believes that the Group business operations should be conducted in a sustainable manner focussing on economic, environment and social sustainability which are the foundation in building long term success and value creation for the benefit our stakeholders and employees.

1. ECONOMIC SUSTAINABILITY

Our Group is committed to ensure the interest of all stakeholders, such as investors and shareholders, customers, employees, business partners and suppliers and regulatory and, government policies, compliances and requirements are taken into consideration. The Group also reviews its internal controls systems and conduct yearly internal audits on its business and financial processes.

The Group also ensure timely information on the latest corporate news of the Group thru relevant announcements and financial results to Bursa Malaysia and updates on the Group's websites and social media.

2. ENVIRONMENTAL SUSTAINABILITY

The Group does not operate in an environmentally sensitive business as we are in the FinTech and Information Technology business. However, we recognise our duty to minimise carbon footprint in the environment. Our Group recycles paper, plastic, aluminium, and glass. We also encourage paperless offices and use electronic media instead of paper-based communication whenever possible. We are proud to say that one of our products, SmartHR and Payroll, is a completely paperless solution that promotes a paper - free workplace. We also reuse printer wastepaper for our own printing or making notes on any blank sides when possible.

This year, we began recording and tracking our electricity and water consumption date. The usage of electricity and water for the 18 months period ended 30 June 2022 are shown below: -

a. Electricity consumption

Indicator for total electricity consumption	Unit of Measurement	FY 2022 (18 months)
Head office	Kwh	149,909

b. Water consumption

Indicator for total electricity consumption	Unit of Measurement	FY 2022 (18 months)
Head office	m ³	1,165

Sustainability Statement (Cont'd)

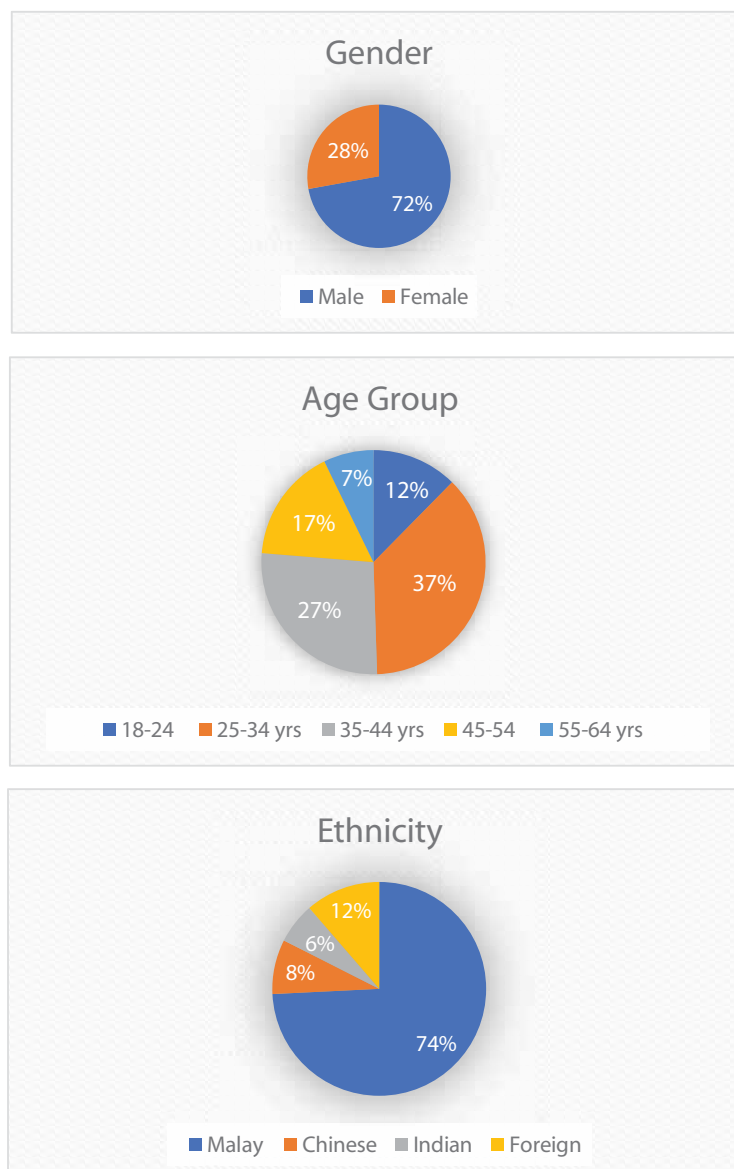
3. SOCIAL SUSTAINABILITY

a. Human Capital Development

The Group believes in providing a safe and conduct working environment where trust, respect, and openness in communication, consistent with the Group's Code of Conduct and Ethics. To achieve this, the Group has made policies, procedures and in-house training to all its employees. The Group also take care of the health and well being of our employees with Group Personal Accident Insurance and Group Hospitalisation and Surgical Insurance coverage and other medical benefits.

Our employees consist of people with different industry experience and, local and international backgrounds. In ensuring long term sustainability of the Group, we continue to recruit, upskill, and reward our employees accordingly to ensure that we are a highly, effective, and competitive Fintech company.

The Group employed 97 employees as at 30 September 2022. The composition of our employees are as follows: -



Sustainability Statement
(Cont'd)

b. Stakeholders Engagement

KEY STAKEHOLDERS	ENGAGEMENT OBJECTIVES	ENGAGEMENT METHODS
Investors and Shareholders	<ul style="list-style-type: none"> • To provide investors timely information and regular updates • Business sustainability 	<ul style="list-style-type: none"> • Corporate website • Announcement of Quarterly results • Announcement to Bursa Malaysia as per listing requirements for ACE Market • Annual and Extraordinary General Meetings • Media news/ Press Release • Social Media
Customers	<ul style="list-style-type: none"> • To understand customers' needs and objectives • Customers' satisfaction and loyalty 	<ul style="list-style-type: none"> • Regular meetings • Customer call centre and support • Complaints and feedback
Employees	<ul style="list-style-type: none"> • Human Capital development • Training • Safe and conducive working environment 	<ul style="list-style-type: none"> • Annual performance appraisal • Training programmes • Management meetings
Business Partners and Suppliers	<ul style="list-style-type: none"> • Establish long term viability of our business 	<ul style="list-style-type: none"> • Strategic alliance and regular meetings
Regulatory and Government	<ul style="list-style-type: none"> • Compliance with regulatory and Government requirements 	<ul style="list-style-type: none"> • Ensure compliance with regulatory requirements • Corporate Governance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of TFP Solutions Berhad ("**the Company**") recognises the importance of good corporate governance and continues to be committed to ensure that high standards of corporate governance are practised throughout the Group to deliver long term sustainable value to the shareholders and other stakeholders.

As stated in Rule 15.25(1) of ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), a listed issuer is required to provide an overview of its application of the principles set out in the Malaysian Code on Corporate Governance ("**MCCG**") in respect of the reporting financial year, in its annual report.

The Board presents this statement to provide shareholders and investors with an overview of the Corporate Governance ("**CG**") practices of the Company under the leadership of the Board during the financial period ended 30 June 2022. This overview takes guidance from the key CG principles as set out in the MCCG.

The application of each Practices set out in the MCCG during the financial year under review is disclosed under TFP's corporate governance report published on the company's website at www.tfp.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of our Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board governs and sets the strategic direction of the Company while exercising oversight on management. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.

1.1 Board Responsibilities

The Board assumes full responsibilities for the overall performance of the Company and its subsidiaries by setting the policies, establishing goals and monitoring the achievement of the goals through strategic action plans and careful stewardship of the Group's assets and resources. It focuses on financial performance and crucial business issues, like principal risks and their management, succession planning for senior management, investor relations programme and shareholders communication policy, systems for internal control and compliance with laws and regulations.

To ensure the effective discharge of its function and duties, the principal responsibilities of the Board include the following:-

(a) Review and adopt strategic business plans for the Company

The Board contributes to the development of the Group's strategic planning and directions and subsequently monitoring the implementation of the strategic business plan by Management.

The Group has in place an annual business strategy planning and business target session. The Management and business unit heads will present to the Board its recommended strategy, together with proposed business plans, including new products and introduction of new market penetration, if any, for review and approval.

The Board will deliberate and suggest Management to take into consideration the varying opportunities and risks whilst developing the strategic business plan. Ultimately to ensure optimised returns for the Company and the Group.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

1.1 Board Responsibilities (Cont'd)

(b) Oversee the conduct of the Company's business

The Management which is led by the Key Senior Management is responsible, with the support of the Board, for the day-to-day management of the business and operations of the Group.

The Board monitors the performance of Management on a regular basis by having the following agenda items in the scheduled Board meetings:-

- To review the Group's performance for the quarterly financial results; and
- To be aware of the updates and progress of key initiatives, business targets and achievements to-date.

The Key Senior Management would also inform and provide clarification on the challenges and issues faced by the Company and business units.

(c) Identify the principal risks and implement appropriate internal controls and mitigation measures

The Board is ultimately responsible for the Group's system of internal control and risk management, which includes the establishment of an appropriate control system and framework as well as reviewing its adequacy and integrity.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Audit Committee reviews the action plan implemented by the Company and makes relevant recommendations to the Board to manage risks. Further explanations on such processes are disclosed in the Statement on Risk Management and Internal Control set out in this Annual Report 2022.

(d) Succession planning

The Board views succession planning as an important factor for business continuity. It is acknowledged that with succession planning, the key job vacancies created due to retirement and resignation of key personnel would be filled quickly to ensure no business interruption. Succession planning includes the appointment of, training for, fixing the compensation of and where appropriate, replacement of senior management.

The Management has in place, an informal structure and practice to ensure key roles within the Group are supported by competent and calibre second-in-line to reduce the impact of abrupt departure of key personnel to the minimum possibility. There is a formal organisation structure for the Group with delineated lines of authority, responsibility and accountability. It fosters and promotes the continual development of key employees and ensures that key positions maintain some measure of continuity, thus enabling the Group to achieve business objectives. The succession planning of the Group is enhanced by the policies and standard operating procedures as well as job descriptions established for key business processes within the Group.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

1.1 Board Responsibilities (Cont'd)

(e) **Oversee the development and implement a shareholders communication policy for the Company**

The Board communicates with shareholders at shareholders' meetings and through the distribution of its annual reports. The Chairman normally chairs these meetings where he will use this platform as an opportunity to inform shareholders of the Company's affairs including its performance.

The Board strives to provide shareholders and investors with accurate, useful and timely information about the Company's businesses and activities via timely release and updates on the Company's corporate website of quarterly financial results, press releases and announcements (if any). In addition, shareholders and investors can make inquiries and get information about investor relations matters via the e-mail address available on the Company's corporate website.

(f) **Review the adequacy and integrity of the Group's internal control systems and management information systems**

The Board and Management continuously take measures to strengthen the control environment and to improve our system of internal control. The Group has outsourced its internal audit function to a professional services firm to provide the assurance to the Audit Committee and the Board pertaining to the adequacy and effectiveness of internal control systems of the Group.

Details pertaining to the Group's internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control set out in the Annual Report 2022.

The Board has delegated some of its duties and responsibility to various committees within the Board. Currently the Board has established four (4) Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") to assist the Board in the deliberation of issues within their respective functions and terms of reference. The Board receives regular reports on the respective Committees' proceedings and deliberations. On matters reserved for the Board and where the Committees have no authority to make decisions, recommendations are highlighted in their respective reports for the Board's deliberation and endorsement.

The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Additional meetings will be convened when the needs arise.

1.2 Board Balance and Board Composition

The Board currently has total seven (7) board members of whom two (2) are Executive Directors, three (3) are Independent Non-Executive Directors, one (1) is Non-Independent Non-Executive Chairman and one (1) is Non-Independent Non-Executive Director. The profiles of each Board member are set out in the Board of Directors' Profile section of this Annual Report 2022.

The current Board composition complies with Rule 15.02 of the AMLR of Bursa Securities where at least 2 Directors or 1/3 of the Board, whichever is higher, shall be Independent Directors. In the event that any vacancy on the Board results in a non-compliance with the above, the Company must fill that vacancy within 3 months.

The presence of the 3 Independent Non-Executive Directors is essential in providing guidance through unbiased, fully balanced and independent views, advice and judgement to many aspects of our Group's strategy so as to safeguard the interests of minority shareholders and to ensure that high standards of conduct and integrity are maintained by TFP.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

1.2 Board Balance and Board Composition (Cont'd)

The Board is of the opinion that the interests of shareholders of the Company are fairly represented by the current Board composition and its size constitutes an effective Board of the Company.

The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings and sufficient time is allowed for discussion. When chairing Board meetings, the Chairman ensures the following:-

- (a) All relevant issues are on the agenda of Board meetings;
- (b) Board debates strategic and critical issues;
- (c) Board receives the necessary management reports relating to the Company's business on a timely basis;
- (d) All directors are able to participate openly in discussions at Board meetings;
- (e) Providing leadership to the Board and is responsible for the developmental needs of the Board.

Currently, the Chairman of the Board is not a member of the AC, NC or RC to ensure there is check and balance as well as objective review by the Board.

1.3 Qualified and Competent Company Secretaries

The Board has appointed Company Secretaries to assist the Board and Board Committees with their respective administrative, governance and fiduciary responsibilities. The Company Secretaries are well-qualified chartered secretaries and possesses the requisite knowledge and experience to facilitate the Board in the discharge of their roles and responsibilities.

1.4 Supply of Information

The agenda for each Board meeting and its relevant papers relating to the agenda items are forwarded to all Directors for their perusal prior to the Board meeting. Adequate notice is provided to allow the Directors to review the Board papers so that matters arising could be properly deliberated at the Board meetings and appropriate decisions could be made by the Board. Senior Management and appointed advisers of the Company may be required to attend the Board meetings as and when necessary.

To facilitate productive and meaningful deliberations during Board and/or Board Committee Meetings, the agenda together with comprehensive management reports and proposal papers are furnished to the Directors at least 7 days prior to the Meetings.

2.1 Demarcation of Responsibilities

(a) Board Charter

The Board had on 27 October 2022 updated the Board Charter and the same was uploaded to the Company's website. The Board recognises the importance to set out the key values and principles of the Company, as policies and strategy development are based on these considerations. The Board Charter includes the division of responsibilities and powers between the Board and Management as well as the different Committees established by the Board. The Board Charter will be reviewed by the Board as and when required.

The details of the Board Charter are available for reference at the Company's website at www.tfp.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD RESPONSIBILITIES (CONT'D)

2.1 Demarcation of Responsibilities (Cont'd)

(b) Code of Business Conduct

The Code of Business Conduct ("COC") was posted on the Company's website at www.tfp.com.my. The Board recognises the importance to promote and reinforce ethical standards throughout the Group. Moving forward, the Company will continuously support, promote and ensure compliance to the COC. The COC will not only apply to every employee of the Group, but also to every Director (Executive and Non-Executive). Furthermore, the Company will strive to ensure that our consultants, agents, partners, representatives and others performing works or services for or on behalf of the Company comply with the COC.

(c) Whistleblowing Policy

The Group has in place procedures and policies on whistleblowing. The Whistle-Blowing Policy of TFP Group is in place with the objective to facilitate the stakeholders of the Group to report genuine concerns or allegations to a senior or independent member of the management of the Group about alleged unethical behaviour, actual or suspected fraud within the Group, or improper business conduct affecting the Group. The policy is designed to provide protection to those who makes the allegation or reports the misconduct.

The details of the Whistleblowing Policy are available for reference at the Company's website at www.tfp.com.my.

(d) Anti-Bribery & Anti-Corruption Policy ("ABAC Policy")

The Group had adopted the ABAC Policy to incorporate the policies and procedures on anticorruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020 and to include the corruption risks in the annual risk assessment of our Group.

The details of the ABAC Policy are available for reference at the Company's website at www.tfp.com.my.

BOARDROOM COMPOSITION

3.1 Assessment on Independence of Directors

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs.

The role of the Independent Directors is to bring independent and objective judgment to the Board which mitigates risks arising from conflict of interest or undue influence from interested parties and protects the interest of minority shareholders. The Board recognises that it is important to periodically assess whether a director who is designated as independent continue to satisfy such designation. Towards this end, an assessment of independence is carried out on each of the Independent Directors annually by every other member of the Board.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARDROOM COMPOSITION (CONT'D)

3.1 Assessment on Independence of Directors (Cont'd)

During the financial period under review, the Board carried out an assessment on each of the Independent Director. In addition, all the Board members were required to evaluate whether each of the Independent Director had continued to show independent and objective judgment in deliberations at Board meetings as well as his conduct outside of Board meetings in matters relating to the Group's affairs. Based on the evaluation carried out, the Board of Directors concluded that the Independent Directors satisfied the criteria of independence set by the Board.

The Board is mindful of the importance of independence and objectivity in its decision-making process which in line with good corporate governance. If the Board intends to retain Independent Non-Executive Directors who have served consecutively or cumulatively more than nine (9) years, it should be subjected to annual assessment by the NC and annual shareholders' approval through a two-tier voting process in a general meeting. The Board shall provide justification on the recommendation to the shareholders for their informed decision making.

There is no Independent Directors of the Company who had served for more than nine (9) years.

3.2 Appointment to the Board

As documented in the approved Board Charter, the Board may exercise the power pursuant to the Constitution to appoint a person who is willing to act as a Director either to fill a casual vacancy or as an additional Director upon appropriate recommendation by the NC.

The appointment of new directorship would be through a formal and transparent selection process which includes a fit and proper assessment and would take into consideration the evaluation of the candidates' abilities in terms of their characters, skills, knowledge, experience, expertise, integrity and time commitment to discharge their responsibilities. In the case of candidates for the position of Independent Non-Executive Directors, evaluation will be made on the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

No new appointment of director during the financial period under review.

3.3 Time Commitment

The Board is primarily responsible for the strategic directions of the Group and is scheduled to meet at least four (4) times a year. However, additional meetings may be convened as and when deemed necessary as determined by the members of the Board.

During the financial period under review, the Board held a total of six (6) meetings. The details of the attendance are as follows:-

Name of Directors	Attendance
Datuk Seri Syed Ali Bin Abbas Alhabshee	6/6
Dato' Hussian @ Rizal Bin A. Rahman	6/6
Noor Shahwan Bin Saffwan	6/6
Yeong Siew Lee	6/6
Kong Wei Peng	4/6
YM Puteri Munawarah Syammiyah Binti Munir (appointed on 19 January 2021)	6/6
Datuk Chu Boon Tiong (appointed on 2 March 2021)	5/5

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARDROOM COMPOSITION (CONT'D)

3.3 Time Commitment (Cont'd)

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in AMLR. All the Directors have fulfilled the time commitment expected by the Board based on the attendance of the Directors at the Board meetings. The attendance of all the Directors at the Board meetings showed that the Board is committed to the Company towards fulfilling their roles and responsibilities as Directors of the Company.

Currently, all Directors of the Company held less than five (5) directorships in other listed corporations.

3.4 Gender Diversity

The Company has in place a proper Diversity Policy and is accessible on the Company's website at www.tfp.com.my.

The Board currently have three (3) female directors, representing 43% of the board composition, the Board acknowledges the importance of boardroom diversity and take cognisance of the recommendation of the MCCG to have 30% woman representation in the Board.

The Board believes that diverse backgrounds and the experiences of each Board member provide an appropriate balance in terms of skills, qualifications, knowledge and expertise for effective stewardship and management of the Group. The size and composition of the Board are reviewed annually by the Nomination Committee so as to ensure that the size of the Board is conducive for effective decision making and the discharge of the Board's fiduciary responsibilities.

3.5 NC

The present NC is comprised of three (3) Independent Non-Executive Directors of the Company as follows:-

- (i) Noor Shahwan Bin Saffwan, Independent Non-Executive Director (Chairman)
- (ii) Yeong Siew Lee, Independent Non-Executive Director (Member)
- (iii) Datuk Chu Boon Tiong, Independent Non-Executive Director (Member)
(appointed on 24 September 2021)

The NC monitors, reviews and makes recommendations to the Board regarding the Board's performance as a whole as well as every individual Director and also the performance of the Board Committees. It also reviews and makes recommendations to the Board on the size and composition of the Board, the criteria for Board membership, the desirable qualifications, experience and standing of individuals appointed to the Board. The Committee also identifies potential candidates for appointment to the Board.

The NCs' responsibilities include the development and review of the criteria to be used in the recruitment of Board members and the annual assessment of Directors. The criteria use in considering potential Board candidates as well as the annual assessment of Board members are set out in the Directors' Fit and Proper Policy which is available on the Company's website at www.tfp.com.my.

The terms of reference of the NC can be viewed on the Company's website at www.tfp.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARDROOM COMPOSITION (CONT'D)

3.5 NC (Cont'd)

The NC has undertaken the following activities during the financial year:-

- (i) Reviewed and recommended to the Board, the appointment of Datuk Chu Boon Tiong as new Independent Non-Executive Director;
- (ii) Reviewed the effectiveness, composition and balance of the Board;
- (iii) Assessed the effectiveness and required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommend the findings to the Board;
- (iv) Assessed the term of office and performance of the Audit Committee and each individual member;
- (v) Assessed the independence of the Independent Directors based on criteria set out in the AMLR;
- (vi) Reviewed and recommended the re-election of Datuk Seri Syed Ali Bin Abbas Alhabshee and Dato' Hussian @ Rizal Bin A. Rahman as Directors at the 15th AGM; and
- (vii) Reviewed the Directors' Fit and Proper Policy and recommended for the Board's approval and adoption.

The NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their character, experience, competence, integrity and time commitment, independence of Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently. The NC had also assessed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

The summary of the assessment and its findings was tabled to the NC and based on the summary as presented, the NC tabled its recommendations to the Board of Directors at the Board of Directors' Meeting held on 27 October 2022.

The NC had on 27 October 2022 conducted an assessment (including fit and proper assessment) on the Director, Datuk Seri Syed Ali Bin Abbas Alhabshee and Dato' Hussian @ Rizal Bin A. Rahman who are subject to retirement by rotation at the forthcoming 15th AGM. The NC was satisfied with the assessment of the said Directors and recommended their re-election for the Board's further recommendation to the shareholders' approval.

3.6 Appointment of Directors

The appointment of Directors is under the purview of the Nomination Committee, which is to assist the Board on all new Board and Board Committees' appointments and to provide a formal and transparent procedure for such appointments including obtaining a commitment from the candidate that sufficient time will be devoted to carry out the responsibilities as a Director.

The Nomination Committee reviews candidates for appointment as Directors based on the following criteria:-

- qualifications;
- skills and competence;
- functional knowledge;
- experience;
- background and character;
- integrity and professionalism;
- time commitment; and
- in the case of candidates for the position of Independent Non-Executive Directors, whether the test of independence under AMLR is satisfied and evaluate the candidates' ability to discharge such responsibilities, functions as expected from Independent Non-Executive Directors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARDROOM COMPOSITION (CONT'D)

3.7 Assessment of Board and Board Committee

An assessment of the Board is undertaken annually. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the assessment of each Director's performance by each of his peers. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses summarised for consideration by the NC and subsequently reported back to the Board.

The NC has also conducted an annual review on the terms of office and performance of the AC and its members. Each member assessed the performance of his peers and the AC as a whole to determine whether the AC and its members have carried out their duties in accordance with the terms of reference of the AC.

An evaluation of the Board and the AC took place towards the end of the financial period under review in accordance with the processes described above.

3.8 Directors' Training

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors recognise the need to continue to undergo relevant training programmes to update their knowledge and enhance their skills where relevant to enable them to sustain their active participation as a Board member.

During the financial period ended 30 June 2022, the training programmes attended by the Directors are as follows:-

Director	Title	Date
YM Puteri Munawarah Syammiyah Binti Munir	Mandatory Accreditation Program (MAP)	31 May-2 June 2021
Yeong Siew Lee	<ol style="list-style-type: none"> 2021 Budget Seminar Transfer Pricing Conference 2022 MIA Virtual Conference Series : Corporate Board Leadership Symposium 2022 Roles and Responsibilities of Directors in Relation to Financial Statements 	26 February 2022 26 May 2022 30-31 May 2022 5 July 2022

Saved as disclosed above, other Directors of the Company were not able to select any suitable training programmes to attend during the financial period ended 30 June 2022 due to overseas travelling commitment and their busy work schedule. However, they have constantly been updated with relevant reading materials and technical updates, which will enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

In addition, during the financial year under review, the Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and the Company Secretaries during the Committee and/or Board meetings and suitable training and education programmes were identified for their participation from time to time.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION

The Board acknowledges the level and composition of remuneration of directors and senior management take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives.

In order to achieve the aim, the Board has established RC and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in the matters relating to the remuneration of the Board and senior management.

4.1 Remuneration Policy

The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience requirements. The remuneration policies and practices should appropriately reflect and different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

The Board has a RC formed to determine the remuneration of Executive Directors and Key Senior Management reflecting the level of responsibility, experience and commitment. The fees paid to Non-Executive Directors are the responsibilities of the entire Board. No director is involved in determining his own remuneration.

The detailed breakdown of the Directors' Fees and other benefits paid (both the Company and the Group) for the financial period ended 30 June 2022 are as follows:-

	Company		Group	
	Fees (RM)	Salaries and other emoluments (RM)	Fees (RM)	Salaries and other emoluments (RM)
Director				
Dato' Hussian @ Rizal				
Bin A. Rahman	52,500	—	52,500	887,425
Datuk Seri Syed Ali				
Bin Abbas Alhabshee	180,000	—	180,000	—
Noor Shahwan Bin Saffwan	45,000	—	45,000	—
Yeong Siew Lee	45,000	—	45,000	—
Kong Wei Peng	—	—	—	—
YM Puteri Munawarah Syammiyah				
Binti Munir	54,000	303,785	54,000	303,785
Datuk Chu Boon Tiong (appointed on 2 March 2021)	—	—	—	—
Wong Loke Lim (retired on 3 September 2021)	20,000	—	20,000	—
Total	396,500	303,785	396,500	1,191,210

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION (CONT'D)

4.2 RC

The RC was established on 11 January 2008 and is responsible to recommend the remuneration packages for Executive Directors taking into consideration the individual performance, seniority, experience and scope of responsibility that is sufficient to attract and retain the Directors needed to run the Company successfully. The present members of the RC are:-

- (i) Datuk Chu Boon Tiong, Independent Non-Executive Director (Chairman)
(appointed on 24 September 2021)
- (ii) Yeong Siew Lee, Independent Non-Executive Director (Member)
- (iii) Noor Shahwan Bin Saffwan, Independent Non-Executive Director (Member)

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

5.1 Composition of AC

The Board has established the AC on 28 December 2007.

Our AC comprises of all Independent Non-Executive Directors. The Chairman of the Audit Committee is not the Chairman of the Board. At least once per year, meetings are held without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the AC, and the AC can be sufficiently assured that the management has fully provided all relevant information and responded to all queries from the external auditors. The AC is fully informed about significant matters related to the Company's audit and its financial statements. The AC also review the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides that, such discussion also served as an avenue for the AC to appropriately communicate its insights, views and concerns about relevant transactions and events to the internal and external auditors.

5.2 Cooling Off Period for Appointment of Former Audit Partner

The Board took note on Practice 9.2 of the MCCG to have a policy that requires a former audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee and would consider adopting such recommendation in due course. None of the Board members are former audit partners of the Group.

5.3 Assessment of Suitability and Independence of External Auditors

The Board has established a transparent relationship with the external auditors through the AC, which has been accorded the authority to communicate directly with the external auditors. The AC was satisfied with the external auditors' technical competency and audit independence during the financial period under review. The external auditors in turn are able to highlight matters which require the attention of the Board through the reports to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC met with the external auditors without the presence of the Executive Directors and the Management at least once during the year regarding relevant audit and accounting issues. The AC undertakes an annual assessment of the suitability and independence of the external auditors. The AC was satisfied with the external auditors' technical competences and audit independence during the financial period under review. In addition, the external auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

6.1 Establishment of Risk Management and Internal Control Framework

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

The AC is assigned by the Board with the duty to review the adequacy and effectiveness of control procedures at a regular basis and report to the Board on major findings for deliberation (if any).

The Statement of Risk Management and Internal Control is set out on pages 36 to 38 of the Annual Report 2022 providing an overview of the state of the risk management and internal controls within the Group.

6.2 Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, S F Chang Corporate Services Sdn Bhd.

Internal auditor reports directly to the AC. The functions of the internal auditor are to ensure a regular review of the adequacy and integrity of its internal control system.

The assessment of the internal audit is reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

7.1 Effective, Transparent and Regular Communication

The Company maintains various methods of dissemination of information important to shareholders, stakeholders and the public at large through timely announcement of events, quarterly announcement of financial results and product information on the Company's website at <http://www.tfp.com.my>.

The Company's AGM also provides an effective means of face-to-face communication with the shareholders where they are encouraged to participate in the open question and answering session during the AGM.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

CONDUCT OF GENERAL MEETINGS

General meetings are the important and effective platforms for directors and senior management to communicate with the shareholders. Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

8.1 Notice of AGM

The Company's General Meetings remain the primary channel of communication with the Company's shareholders. All Board members, senior management team as well as the Company's external auditors are available to respond to shareholders' relevant questions raised at the meeting.

This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the meeting.

8.2 Attendance of the Chair of the Board Committees at the AGM

The Board took note that the presence of all directors will provide an opportunity for shareholders to effectively engage each director. Besides, having the chair of the Board subcommittees present will facilitate these conversations and allow shareholders to raise questions and concerns directly to those responsible.

Accordingly, barring unforeseen circumstances, all directors as well as the Chairman of respective Board Committees will be present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.

8.3 Corporate Disclosure Policy

The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. The Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as required. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities and the Group's website.

8.4 Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website provides all relevant information on the Company and is accessible by the public. The Company's corporate website is accessible at <http://www.tfp.com.my>.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considered that the Corporate Governance Overview Statement provides the information necessary to enable shareholders of the Company to evaluate how the principles and best practices as set out in the MCGG have been complied with. The Board shall remain committed in attaining the highest possible standards through the continuous adoption of the principles and best practices of the MCGG and all other applicable laws and regulations.

This statement is made in accordance with the resolution of the Board of Directors dated 27 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Rule 15.26 of ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors (“**Board**”) of TFP Solutions Berhad (“**TFP**” or “the Company”) is required to make a statement in the Annual Report on the risk management and internal control of the Group for the financial period ended 30 June 2022.

In this respect, the Board of Directors of TFP is pleased to present the following Statement on Risk Management and Internal Control which was prepared pursuant to the AMLR of Bursa Securities and after taking into consideration of the guidelines as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

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

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

The Board is of the view that the system of internal controls and risk management in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

The Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

KEY ELEMENTS OF INTERNAL CONTROL

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

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

INTERNAL CONTROL

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

Management will continue to take measures to strengthen the control environment. In our efforts to improve our system of internal control, the Group outsourced its internal audit function to a professional services firm to provide the Audit Committee and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control systems. The costs incurred for the internal audit function in respect of the financial period ended 30 June 2022 was RM33,000.

Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT

The Group has a structured risk management approach, which includes a risk management assessment process to identify significant risks and the mitigating measures thereof. The risk management of the Group is undertaken by Management of the Group. The process of risk assessment is also addressed by the compilation of risk profiles of each company in the Group.

The risk action plans and internal controls that the Management has taken and/or is taking are documented in the minutes of Management meetings. The Group's Enterprise Risk Management Committee ("ERM") was setup in year 2014 and the ERM Charter was approved by the Board on 25 August 2014.

RISK MANAGEMENT FRAMEWORK

The Group's ERM is aimed at achieving an appropriate balance between realising opportunities for gains while minimising losses to the Group. The risk management framework serves to identify and provide guidance to Directors, Senior Management, functional line Management and staff in managing the risk.

The risk management process is to identify risks faced by the Group proactively, particularly in major proposed transactions and new business opportunities, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and assess the appropriate risk response strategies and controls.

Day-to-day risk management of operations are delegated to key management staff and heads of department to manage identified risks within defined parameters. Periodical management and operation meetings attended by heads of department and key management staff are held to discuss key operational issues, business performance matters and appropriate risks mitigation controls to ensure risks are regularly monitored and reported. The practices and initiatives by the Management serve as an ongoing process adopted by the Group.

This mechanism is overseen by the Audit Committee, which reviews the results of this process including mitigating measures implemented by the Management to address the key risks as identified. Significant risks are communicated to the Board at the scheduled Board meetings of the Audit Committee.

ASSURANCE FROM MANAGEMENT

In view of the Group's current business activities, the Board is of the view that the above monitoring and reporting processes which have been put in place, provide an adequate form of check and balance. Nevertheless, the Board recognises that the system must continuously evolve and improve to support the Group's business activities to meet the Group's objectives. The Board recognises that the systems of internal control and risk management must continuously improve in line with the growth of the Group and evolving business environment. Therefore, the Board is committed to put in place adequate plans, where necessary, to continuously strengthen the Group's system of internal control and risk management to meet the Group's objectives.

The Board received assurance from the Group Executive Directors and the Group Financial Controller that the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model and internal control system of the Group, for the financial period ended 30 June 2022.

Statement on Risk Management and Internal Control (Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of AMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide 3 Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

CONCLUSION

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

This statement was approved by the Board on 27 October 2022.

AUDIT COMMITTEE REPORT

1. INTRODUCTION

The Board of Directors of TFP Solutions Berhad is pleased to present the report of the Audit Committee ("AC") for the financial period ended 30 June 2022. In performing its duties and discharging its responsibilities, the AC is guided by its Terms of Reference, which are available in the Company's website at <http://www.tfp.com.my>.

The current AC comprises the following three members who are all Independent Non-Executive Directors:-

Chairman : Noor Shahwan Bin Saffwan, Independent Non-Executive Director

Members : Yeong Siew Lee, Independent Non-Executive Director

Datuk Chu Boon Tiong, Independent Non-Executive Director

The current composition meets the requirements of Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 (Step Up) of the MCCG where the AC comprises solely of Independent Directors. None of the AC members has appointed alternate directors.

Ms Yeong Siew Lee is the member of the Malaysian Institute of Accountants. Accordingly, the Company complies with Rule 15.09(1)(c) of the AMLR of Bursa Securities.

The composition of the AC also complies with Practice 9.2 of the MCCG which states that a former audit partner shall not be appointed as a member of the AC until the expiry of a 3-year cooling-off period. No former audit partner has been appointed as a member of the AC to date.

2. NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

During the financial period ended 30 June 2022, the AC held a total of six (6) meetings as part of its standard schedule of meetings. The attendance of the members of the AC is set out as below:-

Members	No. of meetings attended	% of attendance
1. Noor Shahwan Bin Saffwan	6/6	100%
2. Yeong Siew Lee	6/6	100%
3. Datuk Chu Boon Tiong (appointed on 24 September 2021)	3/3	100%

All members of the AC have a working familiarity with finance and accounting practices.

The AC Meetings were always held before the Board's meetings. This was to ensure that all critical issues highlighted could be brought to the attention of the Board on a timely basis. The Deputy Chief Executive Officer and Group Accountant were also invited to attend the AC Meetings to facilitate direct communication as well as to provide clarification on the audit issues and the Group's operation. The key senior management also joined the meetings for specific topic upon request. The representatives of the external auditors attended the AC regular meetings and had private session with the AC without presence of management.

Audit Committee Report (Cont'd)

3. SUMMARY OF WORKS OF THE AUDIT COMMITTEE

The works of the Audit Committee were primarily in accordance with its duties, as set out in its terms of reference. The main works undertaken by the Audit Committee during the financial period ended 30 June 2022 were as follows:

I. Review of the financial performance and reporting

- a. Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board for approval and announcement to Bursa Securities.
- b. Reviewed the draft audited financial statements for the financial period ended 30 June 2022 prior to the submission to the Board for approval.

II. Oversight of External Auditors

- a. Updated by the External Auditors on changes to the relevant guidelines on the regulatory and statutory requirements.
- b. Reviewed the audit reports from the External Auditors in relation to the Audit Review Memorandum and Audit Planning Memorandum.
- c. Reviewed and recommended to the Board for approval of the audit fees payable to the External Auditors in respect of the financial period ended 30 June 2022.
- d. Reviewed and recommended the re-appointment of Messrs. TGS TW PLT as External Auditors for the financial period ended 30 June 2022.
- e. Reviewed and assessed the suitability and independence of the External Auditors.
- f. Discussed with the External Auditors in relation to audit issues, audit reports, assistance provided by Management, management letter (if any) and audit plan.

III. Oversight of Internal Auditors and Internal Audit Functions

- a. Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for inclusion in the Annual Report 2022 prior to the submission to the Board for approval.
- b. Discussed the Internal Audit Reports and Internal Audit Planning Memorandum prepared by the Internal Auditors and ensured that appropriate corrective actions are taken by Management.
- c. Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities.
- d. Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

IV. Review of the Related Party Transactions

Reviewed the Related Party Transactions entered into by the Company and the Group on a quarterly basis and concluded that there was no conflict of situation that might arise within the Company and the Group for the applicable period and to ensure the transaction entered into was not detrimental to the interest of minority shareholders.

Reviewed the Circular to Shareholders for the Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to the submission to the Board for approval.

Audit Committee Report (Cont'd)

3. SUMMARY OF WORKS OF THE AUDIT COMMITTEE (CONT'D)

V. Oversight of Internal Control Matters

- a. Reviewed and confirmed the minutes of the Audit Committee meetings.
- b. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for the Annual Report 2022.

VI. Others Activities

- a. Monitored the accounts receivable and request explanations from Management on overdue accounts status.
- b. Reported to the Board on any significant issues and concerns.

4. TERMS OF REFERENCE

The full terms of reference of the Audit Committee are available at the Company's website at <http://www.tfp.com.my>.

5. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced internal audit function which has been outsourced to a professional services firm, Messrs. S F Chang Corporate Services Sdn Bhd, which was appointed on 5 September 2017. The outsourced Internal Auditors report to the Audit Committee and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The main role of the internal audit function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the system of internal control of the designated entities of the Group.

After review, the Audit Committee noted that the internal audit function of the Company is independent and the Internal Auditors have performed with impartiality, proficiency and due professional care.

The Internal Auditors follow the audit guideline of the Malaysian Auditing Standards as a basis for assessing the adequacy and effectiveness of the Company's risk and control processes. This approach is in compliance with AMLR on the issuance of Statement of Risk Management and Internal Control.

During the financial period ended 30 June 2022, the Internal Auditors had carried out the audit activities for the following two (2) areas in accordance with their Audit Planning which was approved by the Audit Committee:-

1. Anti-Bribery and Corruption.
2. Management Information System.

Internal Audit Reports were issued to the AC, highlighting the findings on any systems and control weaknesses together with recommendations for improvement. The Management implements the corrective and preventive actions based on agreed timelines. These reports, together with the follow-up audit report, were tabled to the AC quarterly for deliberations and process improvement.

A total cost of RM33,000 was incurred by the Company for maintaining the internal audit function for the financial period under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for financial period ended 30 June 2022 to give a true and accurate view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial period then ended.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- i) Overseeing the overall conduct of the Company's business and that of the Group;
- ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- iii) Reviewing the adequacy and integrity of Internal Controls System and Management Information System in the Company and within the Group;
- iv) Adopting suitable accounting policies and apply them consistently;
- v) Making judgments and estimates that are reasonable and prudent; and
- vi) Ensuring compliance with application Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the Listing Requirements, the provisions of the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial period ended 30 June 2022, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

(a) Private Placement

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 investor(s).

The private placements were completed as follows:

- (i) The first tranche was completed on 27 August 2020, 20,673,000 new ordinary shares pursuant to private placement at issue price of RM0.30 per ordinary share for total consideration of RM6,201,900;
- (ii) The second tranche was completed on 21 April 2021, 20,673,000 new ordinary shares pursuant to private placement at issue price of RM0.161 per ordinary share for total consideration of RM3,328,353; and
- (iii) The final tranche was completed on 30 June 2021, 20,674,100 new ordinary shares pursuant to private placement at issue price of RM0.13 per ordinary share for total consideration of RM2,687,633.

The summary of the utilisation of proceeds as at 30 June 2022 were as follows:

	Proposed Utilisation	Timeframe Utilisation	Actual Utilisation	Balance Unutilised
	RM'000		RM'000	RM'000
Working capital I	4,815	Within 15 months	4,815	–
Working capital II	7,290	Within 24 months	7,290	–
Estimated expenses	113	Immediately	113	–
Total	12,218		12,218	–

(b) Rights Issue with Warrants B

The Company has undertaken a Rights Issue with Warrants, which was completed on 30 September 2020 following the listing and quotation of 227,406,945 Rights Shares together with 227,406,945 Warrants on the ACE Market of Bursa Securities. The Rights Issue with Warrants has raised gross proceeds of RM6.82 million. The Company has utilised the proceeds as at 30 June 2022 in the following manner:

	Proposed Utilisation	Timeframe Utilisation	Actual Utilisation	Balance Unutilised
	RM'000		RM'000	RM'000
Working capital	2,643	Within 24 months	2,643	–
Exploring other ICT and Fintech related businesses	3,759	Within 24 months	814	2,945
Expenses in relation to the Rights Issue	420	Immediately	420	–
Total	6,822		3,877	2,945

Additional Compliance Information (Cont'd)

2. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors for the financial period ended 30 June 2022 is as follows:

	Company (RM)	Group (RM)
Audit services rendered		
- Statutory Audit	40,000	94,250
Non-audit services rendered		
- Review of Risk Management and Internal Control Statement	6,000	6,000
Total	46,000	100,250

3. MATERIAL CONTRACTS INVOLVING DIRECTOR'S, CHIEF EXECUTIVE'S AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and its subsidiaries, involving the Director's, Chief Executive's and Major Shareholders' interests during the financial period ended 30 June 2022.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the last Annual General Meeting held 3 September 2021, the Company had obtained a mandate from its shareholders to allow the Company and/or its subsidiaries ("TFP Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions") with related parties.

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial period ended 30 June 2022 pursuant to the said shareholders' mandate are set out below:-

Transacting parties	Nature of transactions	Relationship of Related Party	Actual Value of Transaction RM'000
LMS Technology Distributions Sdn Bhd ("LMS") and Comm Zed Sdn Bhd ("CZ")	Expertise to deploy network security project related to Telekom Malaysia Berhad similar to the previous Hewlett-Packard Arcsight project in 2015 by LMS to Comm Zed, whereby LMS has the resources, skill set and experience to provide this expertise	<p>Dato' Hussian @ Rizal Bin A. Rahman is the Non-Independent Non-Executive Director of TFP and he is also a major shareholder of TFP via his shareholdings in Rapportrans.</p> <p>He is also a Director and deemed major shareholder of LMS and Rapportrans, which in turn has a shareholding of 21.33% in TFP.</p> <p>Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.</p>	- *

Additional Compliance Information (Cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial period ended 30 June 2022 pursuant to the said shareholders' mandate are set out below:- (Cont'd)

Transacting parties	Nature of transactions	Relationship of Related Party	Actual Value of Transaction RM'000
Comm Zed Sdn Bhd ("CZ") and LMS Technology Distributions Sdn Bhd ("LMS")	Implementation services as well as project management for OSS solution by CommZed to LMS, skill set and experience to provide this OSS services locally	Dato' Hussian @ Rizal Bin A. Rahman is the Non-Independent Non-Executive Director of TFP and he also a major shareholder of TFP via his shareholdings of 21.33% in TFP. He is also a Director and deemed major shareholder of LMS and Rapportrans, which in turn has a shareholding of 21.33% in TFP. Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.	— *
MobilityOne Sdn Bhd ("M1") and MBP Solutions Sdn Bhd ("MBP")	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.	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 Non-Independent Non-Executive Director in TFP and he is a major shareholder of Rapportrans, which in turn has a shareholdings of 21.33% in TFP. Rapportrans is a major shareholder of TFP.	29,528

Additional Compliance Information (Cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial period ended 30 June 2022 pursuant to the said shareholders' mandate are set out below:- (Cont'd)

Transacting parties	Nature of transactions	Relationship of Related Party	Actual Value of Transaction RM'000
Dato' Hussian @ Rizal Bin A. Rahman (Landlord)	Rental expense being rental of office	Dato' Hussian @ Rizal Bin A. Rahman is the Non-Independent Non-Executive Director of TFP and he is also a major shareholder of TFP via his shareholdings in Rapportrans which in turn holds 21.33% shareholdings in TFP. He is also the owner of the office.	403
LMS Technology Distributions Sdn Bhd ("LMS") (Landlord)	Rental expense being rental of office	Dato' Hussian @ Rizal Bin A. Rahman is the Non-Independent Non-Executive 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 21.33% in TFP. Rapportrans, is a Major Shareholder of TFP and also a major shareholder of LMS.	159

Additional Compliance Information (Cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial period ended 30 June 2022 pursuant to the said shareholders' mandate are set out below:- (Cont'd)

Transacting parties	Nature of transactions	Relationship of Related Party	Actual Value of Transaction RM'000
MobilityOne Sdn Bhd ("M1") and SBOne Solutions Sdn Bhd	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.	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 Non-Independent Non-Executive Director in TFP and he is a major shareholder of Rapportrans, which in turn has a shareholdings of 21.33% in TFP. Rapportrans is a major shareholder of TFP.	181

* There were no value of transaction during the period as the expected projects did not materialise.

5. SHARE BUY-BACK

Save for 1,279,000 treasury shares held by the company as at the date of this Statement, the Company did not buy back any of its shares during the financial period ended 30 June 2022.

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in investment holding and in the business of providing shared services to companies in the Group for which it charges management fees. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Group and of the Company was changed from 31 December to 30 June. Accordingly, the current financial statements are prepared for eighteen months from 1 January 2021 to 30 June 2022. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes of equity and statements of cash flows and the related notes are not comparable.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial period	10,185,206	2,550,787
Attributable to:		
Owners of the Company	10,023,727	2,550,787
Non-controlling interests	161,479	–
	10,185,206	2,550,787

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial period.

Directors' Report (Cont'd)

ISSUANCE OF SHARES AND DEBENTURES

During the financial period, the Company issued:

- (a) 20,673,000 new ordinary shares pursuant to private placement exercise to eligible investors at issue price of RM0.161 per ordinary share for total consideration of RM3,328,353 for working capital purposes; and
- (b) 20,674,100 new ordinary shares pursuant to private placement exercise to eligible investors at issue price of RM0.130 per ordinary share for total consideration of RM2,687,633 for working capital purposes; and
- (c) 85,134,100 new ordinary shares from the conversion of warrants at the conversion price of RM0.03 per warrant in accordance with the Deed Poll dated 13 August 2020 for total consideration of RM2,554,023.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing of ordinary shares of the Company.

There was no issuance of debentures during the financial period.

TREASURY SHARES

As at 30 June 2022, the Company held 1,279,000 treasury shares out of its 585,874,890 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM178,991. Relevant details on the treasury shares are disclosed in Note 13 to the financial statements.

WARRANTS 2020/2025

The Warrants 2020/2025 were constituted by the Deed Poll dated 13 August 2020. The salient features of the warrants are disclosed in the Note 14 to the financial statements.

As at 30 June 2022, the total numbers of warrants that remain unexercised were 138,972,045, and of which 85,134,100 have been exercised during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors in office during the financial period until the date of this report are:

Datuk Seri Syed Ali Bin Abbas Alhabshee
Dato' Hussian @ Rizal Bin A. Rahman
Noor Shahwan Bin Saffwan
Wong Loke Lim (retired on 3 September 2021)
Yeong Siew Lee
Kong Wei Peng
YM Puteri Munawarah Syammiyah Binti Munir (appointed on 19 January 2021)
Datuk Chu Boon Tiong (appointed on 2 March 2021)

Directors' Report (Cont'd)

DIRECTORS (CONT'D)

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial period up to the date of this report:

Ahmad Shahrir Bin Mohd Salleh
 Muhammad Nabil Redzwan Bin Hussian
 Go Yoong Chang (appointed 10 February 2021)
 Rahmat Bin Yahaya (appointed on 23 April 2021)
 Nurasyikin Binti Aziz (appointed on 25 May 2021)
 Minggu Bin Jumaan @ Minggu (appointed 8 June 2021)
 Mohd Jadri Jatin (appointed 8 June 2021)
 Ammar Bin Hassan (appointed 25 June 2021 and resigned on 10 August 2022)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTEREST IN SHARES

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

	At 1.1.2021	Number of ordinary shares		At 30.6.2022
		Bought	Sold	
Interest in the Company				
Direct Interests				
Datuk Chu Boon Tiong	–	9,154,200	–	9,154,200
Indirect Interests				
Dato' Hussian @ Rizal				
Bin A. Rahman *	124,679,790	–	–	124,679,790
Datuk Seri Syed Ali				
Bin Abbas Alhabshee **	84,694,594	–	–	84,694,594

Directors' Report (Cont'd)

DIRECTORS' INTEREST IN SHARES (CONT'D)

The interests and deemed interests in the shares, and warrants over shares of the Company and of its related corporations of those who were Directors at financial period end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	At 1.1.2021	Number of warrants		At 30.6.2022
		Bought	Exercised	
Interest in the Company				
Indirect Interests				
Dato' Hussian @ Rizal				
Bin A. Rahman *	62,339,895	–	–	62,339,895
Datuk Seri Syed Ali Bin				
Abbas Alhabshee **	45,694,594	–	–	45,694,594

* Deemed interested by virtue of his substantial shareholdings in Rapportrans Sdn. Bhd.

** Deemed interested by virtue of his substantial shareholdings in Milan Premier Sdn. Bhd.

By virtue of their interests in the shares of the Company, Dato' Hussian @ Rizal Bin A. Rahman and Datuk Seri Syed Ali Bin Abbas Alhabshee are also deemed interested in the shares of all the subsidiaries during the financial period to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Other than as disclosed above, none of the other Directors in office at the end of the financial period have any interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 27 (b) to the financial statements.

The details of the Directors remuneration for the financial period ended 30 June 2022 are set out below:

	Group RM	Company RM
Salaries and other emoluments	1,062,000	270,000
Social security contributions	1,770	1,385
Defined contribution plans	127,440	32,400
	1,191,210	303,785

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the issue of warrants.

Directors' Report
(Cont'd)**INDEMNITY AND INSURANCE COSTS**

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

Directors' Report (Cont'd)

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 33 to the financial statements.

AUDITORS

The Auditors, Messr. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors remuneration of the Group and the Company for the financial period ended 30 June 2022 are as follow:

	Group RM	Company RM
TGS TW PLT	92,000	40,000
Other auditors	2,250	–
	94,250	40,000

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2022.

DATO' HUSSIAN @ RIZAL BIN A. RAHMAN

DATUK SERI SYED ALI BIN ABBAS ALHABSHEE

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 59 to 122 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2022.

DATO' HUSSIAN @ RIZAL BIN A. RAHMAN

DATUK SERI SYED ALI BIN ABBAS ALHABSHEE

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Dato' Hussian @ Rizal Bin A. Rahman, being the Director primarily responsible for the financial management of TFP Solutions Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 59 to 122 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the Federal Territory on 27 October 2022)

DATO' HUSSIAN @ RIZAL BIN A. RAHMAN

Before me,

SHI. ARATUL AKMAR BINTI SAHARI
(No. W788)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TFP SOLUTIONS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TFP Solutions Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and of their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
<p>1. Revenue Recognition</p> <p>Referring to Note 20 to the financial statements. The main revenue streams of the Group are segregated into goods sold and services. We identified revenue recognition in respect of goods sold and services to be an area of audit focus as it is to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised, specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Tested the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised; • Reviewed the terms of significant sales contracts to determine the point of transfer of control over goods or services; • Reviewed the documents which evidenced the delivery of goods and services to customers; • Tested sales transactions as well as credit notes issued, near to the financial end date to assess whether the revenue was recognised in the correct period; and • Assessed the completeness, accuracy and relevance of disclosures required by MFRS 15 <i>Revenue from Contract with Customers</i>.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Independent Auditors' Report to the members of TFP Solutions Berhad (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report to the members of TFP Solutions Berhad (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
(Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 6 to the financial statements.

Independent Auditors' Report to the members of TFP Solutions Berhad (Cont'd)

OTHER MATTERS

1. The financial statements of the Group and of the Company as at 31 December 2020, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on the financial statements dated 25 May 2021.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT

202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

TEOH CHEY YEAT

03447/08/2023 J
Chartered Accountant

KUALA LUMPUR
27 October 2022

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2022

		Group		Company	
	Note	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,306,196	847,427	–	–
Right-of-use assets	5	1,241,160	132,853	–	–
Investment in subsidiaries	6	–	–	1,544,530	1,444,001
		2,547,356	980,280	1,544,530	1,444,001
Current assets					
Inventories	7	179,136	210,828	–	–
Trade receivables	8	858,659	4,451,514	–	–
Other receivables	9	2,100,688	1,097,181	69,299	363,658
Amount due from subsidiaries	10	–	–	20,232,242	7,257,645
Tax recoverable		276,161	189,347	55,231	57,694
Deposits with licensed banks	11	6,351,556	6,836,629	2,000,000	6,500,000
Cash and bank balances		6,768,008	8,182,165	4,367,781	7,160,143
		16,534,208	20,967,664	26,724,553	21,339,140
Total assets		19,081,564	21,947,944	28,269,083	22,783,141
EQUITY					
Share capital	12	31,173,953	22,637,442	31,173,953	22,637,442
Treasury shares	13	(178,991)	(178,991)	(178,991)	(178,991)
Reserves	14	(16,384,671)	(6,409,777)	(2,912,301)	(361,514)
Equity attributable to owners of the Company		14,610,291	16,048,674	28,082,661	22,096,937
Non-controlling interests ("NCI")	6(a)	(49,850)	(39,541)	–	–
Total equity		14,560,441	16,009,133	28,082,661	22,096,937

Statements of Financial Position as at 30 June 2022 (Cont'd)

		Group		Company	
	Note	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	15	698,366	19,205	–	–
Deferred tax liability	16	4,660	9,600	–	–
		703,026	28,805	–	–
Current liabilities					
Lease liabilities	15	488,400	116,973	–	–
Trade payables	17	934,018	3,890,125	–	–
Other payables	18	1,831,853	1,537,482	186,422	508,313
Contract liabilities	19	563,656	365,426	–	–
Amount due to subsidiaries	10	–	–	–	177,891
Tax payable		170	–	–	–
		3,818,097	5,910,006	186,422	686,204
Total liabilities		4,521,123	5,938,811	186,422	686,204
Total equity and liabilities		19,081,564	21,947,944	28,269,083	22,783,141

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period ended 30 June 2022

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Revenue	20	8,567,070	8,495,256	–	–
Cost of sales		(6,829,474)	(6,326,082)	–	–
Gross profit		1,737,596	2,169,174	–	–
Other income		478,384	138,975	608,553	281,230
Administrative expenses		(11,632,682)	(5,711,606)	(1,534,437)	(577,955)
Selling and distribution costs		(422,355)	(175,237)	(37,180)	(2,108)
Net (loss)/reversal on impairment of financial assets		(166,473)	134,766	(11,227)	–
Other expenses		(108,631)	(168,388)	(1,573,575)	(759,193)
Loss from operation		(10,114,161)	(3,612,316)	(2,547,866)	(1,058,026)
Finance costs	21	(46,737)	(13,131)	(2,921)	(11,039)
Loss before tax	22	(10,160,898)	(3,625,447)	(2,550,787)	(1,069,065)
Taxation	23	(24,308)	(47,600)	–	–
Loss for the financial period, representing total comprehensive loss for the financial period/year		(10,185,206)	(3,673,047)	(2,550,787)	(1,069,065)
Total comprehensive loss for the financial year attributable to:					
Owners of the Company		(10,023,727)	(3,624,449)	(2,550,787)	(1,069,065)
Non-controlling interests		(161,479)	(48,598)	–	–
		(10,185,206)	(3,673,047)	(2,550,787)	(1,069,065)
Loss per share:					
Basic (sen)	24	(1.84)	(1.33)		
Diluted (sen)	24	(1.54)	(0.83)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

for the financial period ended 30 June 2022

	Attributable to owners of the Company					Total equity RM
	Share capital RM	Treasury shares RM	Warrant reserve RM	Accumulated losses RM	Non-controlling interests RM	
Note						
Group						
At 1 January 2020	10,058,985	(178,991)	-	(2,689,304)	(87,167)	7,103,523
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(3,624,449)	(48,598)	(3,673,047)
Transactions with owners:						
Issuance of share via private placement	6,201,900	-	-	-	-	6,201,900
Issuance of share via right issue	6,822,208	-	-	-	-	6,822,208
Share issuance expenses	(544,675)	-	-	-	-	(544,675)
Issuance of warrants 2020/2025	-	-	7,800,058	(7,800,058)	-	-
Issuance of shares pursuant to warrants exercised	99,024	-	(113,217)	113,217	-	99,024
Acquisition of shares from non-controlling interest	-	-	-	(47,004)	47,003	(1)
Incorporation of a new subsidiary	-	-	-	-	200	200
Reduction in stake without loss of control	-	-	-	(49,020)	49,021	1
Transactions with owners	12,578,457	-	7,686,841	(7,782,865)	96,224	12,578,657
At 31 December 2020	22,637,442	(178,991)	7,686,841	(14,096,618)	(39,541)	16,009,133

Statements of Changes in Equity for the financial period ended 30 June 2022 (Cont'd)

		Attributable to owners of the Company						
		Non-distributable						
		Share capital RM	Treasury shares RM	Warrant reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Note	Group							
	At 1 January 2021	22,637,442	(178,991)	7,686,841	(14,096,618)	16,048,674	(39,541)	16,009,133
	Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(10,023,727)	(10,023,727)	(161,479)	(10,185,206)
	Transactions with owners:							
12	Issuance of share via private placement	6,015,986	-	-	-	6,015,986	-	6,015,986
12	Share issuance expenses	(33,498)	-	-	-	(33,498)	-	(33,498)
12	Issuance of shares pursuant to warrants exercised	2,554,023	-	(2,920,100)	2,920,100	2,554,023	-	2,554,023
	Acquisition of shares from non-controlling interest	-	-	-	48,833	48,833	(48,834)	(1)
	Incorporation of a new subsidiary	-	-	-	-	-	4	4
	Subscription of shares by non-controlling interest	-	-	-	-	-	200,000	200,000
	Transactions with owners	8,536,511	-	(2,920,100)	2,968,933	8,585,344	151,170	8,736,514
	At 30 June 2022	31,173,953	(178,991)	4,766,741	(21,151,412)	14,610,291	(49,850)	14,560,441

Statements of Changes in Equity
for the financial period ended 30 June 2022
(Cont'd)

		Attributable to owners of the Company				
		Non-distributable		Retained earnings/ (Accumulated losses)		
		Share capital RM	Treasury shares RM	Warrant reserve RM	RM	Total RM
Note						
Company						
At 1 January 2020		10,058,985	(178,991)	-	707,551	10,587,545
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(1,069,065)	(1,069,065)
Transactions with owners:						
Issuance of share via private placement	12	6,201,900	-	-	-	6,201,900
Issuance of share via right issue	12	6,822,208	-	-	-	6,822,208
Share issuance expenses	12	(544,675)	-	-	-	(544,675)
Issuance of warrants 2020/2025		-	-	7,800,058	(7,800,058)	-
Issuance of shares pursuant to warrants exercised	12	99,024	-	(113,217)	113,217	99,024
Transactions with owners		12,578,457	-	7,686,841	(7,686,841)	12,578,457
At 31 December 2020		22,637,442	(178,991)	7,686,841	(8,048,355)	22,096,937

Statements of Changes in Equity for the financial period ended 30 June 2022 (Cont'd)

	Attributable to owners of the Company					Total RM
	Non-distributable			Accumulated losses RM		
	Share capital RM	Treasury shares RM	Warrant reserve RM			
Company						
At 1 January 2021	22,637,442	(178,991)	7,686,841	(8,048,355)	22,096,937	
Loss for the financial period, representing total comprehensive loss for the financial period	–	–	–	(2,550,787)	(2,550,787)	
Transactions with owners:						
Issuance of share via private placement	6,015,986	–	–	–	6,015,986	
Share issuance expenses	(33,498)	–	–	–	(33,498)	
Issuance of shares pursuant to warrants exercised	2,554,023	–	(2,920,100)	2,920,100	2,554,023	
Transactions with owners	8,536,511	–	(2,920,100)	2,920,100	8,536,511	
At 30 June 2022	31,173,953	(178,991)	4,766,741	(7,679,042)	28,082,661	

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF
CASH FLOWS

for the financial period ended 30 June 2022

Note	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Cash Flows From Operating Activities				
Loss before tax	(10,160,898)	(3,625,447)	(2,550,787)	(1,069,065)
Adjustments for:				
Allowance for expected credit losses on:				
- Trade receivables	144,717	20,065	-	-
- Other receivables	46,258	-	11,227	-
Bad debts written off	1,000	52,884	-	722,193
Depreciation of property, plant and equipment	625,880	271,687	-	-
Depreciation of right-of-use assets	550,616	197,204	-	-
Impairment losses on investment in subsidiaries	-	-	1,573,575	1
Interest expenses	46,737	13,131	2,921	11,039
Interest income	(186,897)	(28,079)	(608,553)	(281,230)
Inventories written off	103,144	67,816	-	-
Loss on disposal of a subsidiary	-	27,282	-	36,999
Reversal of allowance for expected credit losses on trade receivables	(24,502)	(154,831)	-	-
Unrealised loss on foreign exchange	-	2,545	-	-
Operating loss before working capital changes	(8,853,945)	(3,155,743)	(1,571,617)	(580,063)
Changes in working capital:				
Inventories	(71,452)	(104,050)	-	-
Receivables	2,421,875	1,707,466	283,132	(361,048)
Payables	(2,661,736)	730,065	(321,891)	248,236
Contract liabilities	198,230	365,426	-	-
Cash used in operations	(8,967,028)	(456,836)	(1,610,376)	(692,875)
Tax refund	18,939	6,818	2,463	-
Tax paid	(134,831)	(85,284)	-	(27,148)
Net cash used in operating activities	(9,082,920)	(535,302)	(1,607,913)	(720,023)

Statements of Cash Flows

for the financial period ended 30 June 2022

(Cont'd)

		Group		Company	
		1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Note					
Cash Flows From Investing Activities					
Acquisition of shares in subsidiaries		–	–	(106)	(800)
Acquisition of property, plant and equipment		(1,084,649)	(101,309)	–	–
Acquisition of right-of-use assets	A	(74,271)	–	–	–
Additional investment in subsidiaries		(1)	(1)	(1,673,998)	(1)
Interest received		186,897	28,079	608,553	281,230
Proceed from reduction of stake in a subsidiary		–	1	–	–
Proceed from issuance of shares of subsidiaries to non-controlling interest		200,004	200	–	–
Net (outflows)/proceed from disposal of a subsidiary (Placement)/Withdrawal of pledged deposits		–	(45)	–	1
		(11,004)	525,543	–	–
Net cash (used in)/from investing activities		(783,024)	452,468	(1,065,551)	280,430
Cash Flows From Financing Activities					
Repayment to subsidiaries		–	–	(13,152,488)	(558,244)
Interest paid		(46,737)	(13,131)	(2,921)	(11,039)
Repayments of lease liabilities	B	(534,064)	(199,869)	–	–
Proceed from issuance of shares		6,015,986	13,024,108	6,015,986	13,024,108
Proceed from issuance of shares pursuant to warrant exercised		2,554,023	99,024	2,554,023	99,024
Share issuance expenses		(33,498)	(544,675)	(33,498)	(544,675)
Net cash from/(used in) financing activities		7,955,710	12,365,457	(4,618,898)	12,009,174

Statements of Cash Flows for the financial period ended 30 June 2022 (Cont'd)

	Note	Group		Company	
		1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Net (decrease)/increase in cash and cash equivalents		(1,910,234)	12,282,623	(7,292,362)	11,569,581
Cash and cash equivalents at the beginning of the financial period/year		14,752,236	2,469,613	13,660,143	2,090,562
Cash and cash equivalents at the end of the financial period/year		12,842,002	14,752,236	6,367,781	13,660,143
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		6,768,008	8,182,165	4,367,781	7,160,143
Deposits with licensed banks		6,351,556	6,836,629	2,000,000	6,500,000
		13,119,564	15,018,794	6,367,781	13,660,143
Less: Deposits pledged with licensed banks		(277,562)	(266,558)	–	–
		12,842,002	14,752,236	6,367,781	13,660,143

NOTES TO THE STATEMENTS OF CASH FLOWS

A. Acquisition of right-of-use assets

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Total additions	1,658,923	41,271	–	–
Less: Purchase through lease liabilities	(1,584,652)	(41,271)	–	–
Cash payment	74,271	–	–	–

Statements of Cash Flows
for the financial period ended 30 June 2022
(Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. Cash outflows for leases as a lessee

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
<u>Included in net cash from operating activities:</u>				
Payment relating to short-term leases	19,200	27,600	–	–
<u>Included in net cash from financing activities:</u>				
Payment of lease liabilities	534,064	199,869	–	–
Payment on interest of lease liabilities	46,737	13,131	–	–
	580,801	213,000	–	–
	600,001	240,600	–	–

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan.

The principal place of business of the Company is located at Wisma LMS, No. 6, Jalan Abd. Rahman Idris, Off Jalan Raja Muda Aziz, 50300 Kuala Lumpur.

The principal activities of the Company are engaged in investment holding and in the business of providing shared services to companies in the Group for which it charges management fees. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial period, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

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 adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements

30 June 2022

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standard issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendment to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	Amendments to MFRS 1 Amendments to MFRS 9 Amendments to Illustrative Examples accompanying MFRS 16 Amendments to MFRS 141	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new MFRSs and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

Notes to the Financial Statements

30 June 2022

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

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

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following is the judgement made by accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Notes to the Financial Statements

30 June 2022

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") asset

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU asset based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU asset would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU asset. The carrying amount at the reporting date for property, plant and equipment and ROU asset are disclosed in Notes 4 and 5 to the financial statements.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7 to the financial statements.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables including trade and other receivables and amount due from subsidiaries at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's and Company's past history and existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 8, 9 and 10 to the financial statements.

Notes to the Financial Statements

30 June 2022

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 16 to the financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Impairment of investment in subsidiaries

The Company reviews its investments in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investments in subsidiaries is disclosed in Note 6 to the financial statements.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(iv) Loss of control

Upon the loses control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, including any goodwill, and non- controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is remeasured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company. It is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separate from equity attributable to owners of the Company.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even though it may result in deficit to non- controlling interests.

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computer equipment	20%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

As lessee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment on non-financial assets.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office building	Over the lease terms
Motor vehicle	Over five years

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

As lessee (Cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without financing component) is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company determine the classification of their financial assets at initial recognition, and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial assets (Cont'd)

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(a) Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

(iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group and the Company have not designated any financial assets as FVTPL.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value and determined using First-in First-out (FIFO) method.

Cost of inventories consists of the expenditure incurred in bringing the inventories to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets

(i) Non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Share capital (Cont'd)

(ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(iii) Warrants

Warrants are classified as equity instruments and its value is allocated based on the Trinomial pricing model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants. Upon exercise of warrants the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is recognised in the profit or loss net of any reimbursement.

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to customers for which the Group has received consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(p) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Sales of goods

The Group produces and sells the goods in local markets. Revenue from sales of goods is recognised when control of the products has transferred, being the products are delivered to the customers.

Following delivery of the goods to the customers' location, the customers have full discretion over the manner of distribution and price to sell the goods, and bear the risk of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of cash term to 90 days, which is consistent with market practice.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(b) Renders of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for their intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period.

Notes to the Financial Statements

30 June 2022

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income taxes (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(s) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(t) Contingencies

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

(u) Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) The entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group.
- (viii) The entity, or any member of a company of which it is a party, provides key management personnel services to the Group.

Notes to the Financial Statements

30 June 2022

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Group Cost					
At 1 January 2020	572,096	320,481	260,415	241,374	1,394,366
Additions	44,390	25,069	19,169	12,681	101,309
Disposals of a subsidiary	(185,150)	–	–	–	(185,150)
At 31 December 2020	431,336	345,550	279,584	254,055	1,310,525
Additions	980,502	31,234	68,115	4,798	1,084,649
At 30 June 2022	1,411,838	376,784	347,699	258,853	2,395,174
Accumulated depreciation					
At 1 January 2020	122,821	37,562	60,195	4,023	224,601
Charge for the financial year	102,367	67,459	53,293	48,568	271,687
Disposals of a subsidiary	(33,190)	–	–	–	(33,190)
At 31 December 2020	191,998	105,021	113,488	52,591	463,098
Charge for the financial period	341,482	110,605	96,843	76,950	625,880
At 30 June 2022	533,480	215,626	210,331	129,541	1,088,978
Carrying amount					
At 31 December 2020	239,338	240,529	166,096	201,464	847,427
At 30 June 2022	878,358	161,158	137,368	129,312	1,306,196
Company Cost					
At 1 January 2020/31 December 2020/30 June 2022				2,000	2,000
Accumulated depreciation					
At 1 January 2020/31 December 2020/30 June 2022				2,000	2,000
Carrying amount					
At 1 January 2020/31 December 2020/30 June 2022				–	–

Notes to the Financial Statements

30 June 2022

(Cont'd)

5. RIGHT-OF-USE ASSETS

	Office building RM	Motor vehicle RM	Total RM
Group Cost			
At 1 January 2020	515,374	–	515,374
Additions	41,271	–	41,271
Disposal of a subsidiary	(64,422)	–	(64,422)
At 31 December 2020	492,223	–	492,223
Additions	1,334,652	324,271	1,658,923
Expiration of lease contract	(450,952)	–	(450,952)
At 30 June 2022	1,375,923	324,271	1,700,194
Accumulated depreciation			
At 1 January 2020	195,488	–	195,488
Charge for the financial year	197,204	–	197,204
Disposal of a subsidiary	(33,322)	–	(33,322)
At 31 December 2020	359,370	–	359,370
Charge for the financial period	545,211	5,405	550,616
Expiration of lease contract	(450,952)	–	(450,952)
At 30 June 2022	453,629	5,405	459,034
Carrying amount			
At 31 December 2020	132,853	–	132,853
At 30 June 2022	922,294	318,866	1,241,160

The motor vehicle of the Group is pledged as securities for the related lease liabilities as disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

30 June 2022

(Cont'd)

6. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2022	31.12.2020
	RM	RM
Unquoted shares, at cost	19,091,810	17,417,706
Less: Allowance for impairment losses	(17,547,280)	(15,973,705)
	1,544,530	1,444,001

The movements of the allowance for impairment losses are as follows:

	Company	
	30.6.2022	31.12.2020
	RM	RM
Brought forward	15,973,705	16,001,990
Additions	1,573,575	1
Written off	–	(5)
Disposal of a subsidiary	–	(28,281)
Carried forward	17,547,280	15,973,705

The Company has recognised impairment losses on its investment in subsidiaries, namely Comm Zed Sdn. Bhd., MBP Solutions Sdn. Bhd., Agensi Pekerjaan O2U Solutions Sdn. Bhd. and SoftFac Technology Sdn. Bhd., to their respective recoverable amount. The impairment losses were recognised as a result of these subsidiaries are making losses or having deficit in shareholders equity.

The recoverable amounts of these investment in subsidiaries were estimated based on their respective fair value less costs of disposal, which is within Level 3 of the fair value hierarchy. The fair value less costs of disposal was estimated based on net asset of the respective investee, and adjusted for the percentage of holding held in the investee by the Company.

The impairment losses were recognised in other expenses in the statements of profit or loss and other comprehensive income.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		30.6.2022	31.12.2020	
Comm Zed Sdn. Bhd. ("CZSB")	Malaysia	100	100	Providing network security, IT solution, hardware and software maintenance.
MBP Solutions Sdn. Bhd. ("MBPS")	Malaysia	100	100	Providing consulting and services ancillary to mobile telecommunication and Fintech products and services and investment holding.
Agensi Pekerjaan O2U Solutions Sdn. Bhd. ("O2U")	Malaysia	100	100	Carry on business as Private Employment Agency to recruit and place worker(s) to another employer.
SBOne Solutions Sdn. Bhd.	Malaysia	100	100	Providing ERP consulting and implementation of SAP products.
SoftFac Technology Sdn. Bhd.	Malaysia	100	100	Providing Human Capital Resource Management (HCRM) solutions.
Onecent Sdn. Bhd. ("OSB")	Malaysia	80	80	Providing a mobile fintech platform and cashless eco system that allow members to make payment, settlement of bill and mobile airtime reload.
One Gold Sdn. Bhd. ("OGSB")	Malaysia	60	–	Dormant.
Saba Ezpay Sdn. Bhd. ("SESB")	Malaysia	100	–	Dormant.
Subsidiary company of Comm Zed Sdn. Bhd.				
Comm Zed Solution Sdn. Bhd. ("CZSSB")	Malaysia	100	51	Dormant.
Subsidiary company of MBP Solutions Sdn. Bhd.				
Jejak Semangat Sdn. Bhd. ("JSSB") *	Malaysia	75	75	Dormant.

* Subsidiary not audited by TGS TW PLT

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries

Set out below are the Group's subsidiaries that have material non-controlling interests ("NCI"):

Name of company	Proportion of ownership interest and voting rights held by NCI		Loss allocated to NCI		Accumulated NCI	
	30.6.2022	31.12.2020	2022	2020	30.6.2022	31.12.2020
	%	%	RM	RM	RM	RM
OSB	20	20	(125,653)	(33,816)	(159,269)	(33,616)
OGSB	40	–	(3,782)	–	(3,778)	–
CZSSB	–	49	–	(187)	–	48,834
JSSB	25	25	(32,044)	(14,595)	113,197	(54,759)
			(161,479)	(48,598)	(49,850)	(39,541)

Summarised financial information for each subsidiary that has non-controlling interest that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Summarised statements of financial position

	OSB RM	OGSB RM	CZSSB RM	JSSB RM	Total RM
30.6.2022					
Non-current assets	189,605	–	–	–	189,605
Current assets	160,247	–	–	466,048	626,295
Non-current liabilities	(69,835)	–	–	–	(69,835)
Current liabilities	(1,076,362)	(9,445)	–	(13,260)	(1,099,067)
Net (liabilities)/assets	(796,345)	(9,445)	–	452,788	(353,002)
31.12.2020					
Non-current assets	90,822	–	–	–	90,822
Current assets	3,414,079	–	106,194	1,610	3,521,883
Non-current liabilities	(19,205)	–	–	–	(19,205)
Current liabilities	(3,653,776)	–	(6,532)	(220,647)	(3,880,955)
Net (liabilities)/assets	(168,080)	–	99,662	(219,037)	(287,455)

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Material partly-owned subsidiaries (Cont'd)

Summarised statements of profit or loss and other comprehensive income

	OSB RM	OGSB RM	CZSSB RM	JSSB RM	Total RM
30.6.2022					
Revenue	4,076,881	–	–	–	4,076,881
Loss for the financial period, representing total comprehensive loss for the financial period	(628,265)	(9,455)	–	(128,175)	(765,895)
31.12.2020					
Revenue	2,816,141	–	–	–	2,816,141
Loss for the financial year, representing total comprehensive loss for the financial year	(169,080)	–	(5,273)	(58,379)	(232,732)

Summarised statements of cash flows

	OSB RM	OGSB RM	CZSSB RM	JSSB RM	Total RM
30.6.2022					
Cash flows (used in)/from operating activities	(411,317)	(5,471)	–	(392,452)	(809,240)
Cash flows used in investing activities	(15,048)	–	–	–	(15,048)
Cash flows from financing activities	272,413	5,461	–	800,000	1,077,874
Net changes in cash and cash equivalents	(153,952)	(10)	–	407,548	253,586
31.12.2020					
Cash flows from/(used in) operating activities	175,360	–	1,053	(30)	176,383
Cash flows (used in)/from investing activities	(55,109)	–	5,000	–	(50,109)
Cash flows from financing activities	44,015	–	–	–	44,015
Net changes in cash and cash equivalents	164,266	–	6,053	(30)	170,289

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Additional investment in subsidiaries

On 13 December 2021, MBPS, a wholly-owned subsidiary of the Company, acquired additional 600,000 newly issued shares of JSSB at RM1 each, for a total cash consideration of RM600,000, which did not result in changes in effective equity interest.

On 26 April 2022, the Company acquired additional 1,673,998 newly issued shares of CZSB at RM1 each, for a total cash consideration of RM 1,673,998, which did not result in changes in effective equity interest.

(c) Incorporation of subsidiaries

On 13 February 2020, the Company acquired 80% equity interest in OSB for a total cash consideration of RM800.

On 10 February 2021, the Company acquired 60% equity interest in OGSB for a total cash consideration of RM6.

On 8 June 2021, the Company acquired 100% equity interest in SESB for a total cash consideration of RM100.

(d) Reduction in stake without loss of control

On 31 August 2020, CZSB, a wholly-owned subsidiary of the Company, disposed 49% equity interest in CZSSB for a total cash consideration of RM1, which decreased the equity ownership from 100% to 51%.

(e) Disposal of a subsidiary

On 14 May 2020, the Company entered into a Shares Sale and Purchase Agreement with a third party for the disposal of the entire shareholding of the Company in TFP Soft Sdn. Bhd., a wholly-owned subsidiary of the Company.

The effect of the disposal on the financial position of the Group was as follows:

	RM
Fair value of consideration received	1
Property, plant and equipment	151,960
Right-of-use assets	31,100
Other receivables	2,782
Cash and bank balances	46
Trade payables	(106,304)
Other payables	(20,485)
Lease liabilities	(31,816)
Fair value of identifiable net assets	27,283
Loss on disposal of subsidiary	(27,282)

Notes to the Financial Statements

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Disposal of a subsidiary (Cont'd)

The effect of the disposal on the cash flows of the Group is as follows:

	RM
Fair value of consideration received	1
Cash and cash equivalents disposed	(46)
Net cash outflows arising from disposal of subsidiary	(45)

There was no disposal in the current financial period.

(f) Acquisition of shares from NCI

On 11 February 2020, the Company acquired the remaining 49% equity interest in O2U for a total cash consideration of RM1, which increased the equity ownership from 51% to 100%. Accordingly, O2U became a wholly-owned subsidiary of the Company.

On 2 February 2021, CZSB, a wholly-owned subsidiary of the Company, acquired the remaining 49% equity interest in CZSSB for a total cash consideration of RM1, which increased the equity ownership from 51% to 100%. Accordingly, CZSSB became a wholly-owned subsidiary of CZSB and an indirect wholly-owned subsidiary of the Company.

The effect of changes in the equity interest in CZSSB that is attributable to owners of the Company:

	RM
Carrying amount of NCI acquired	48,834
Consideration paid to NCI	(1)
Increase in parent's equity	48,833

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7. INVENTORIES

	30.6.2022 RM	Group 31.12.2020 RM
At cost		
Finished goods	179,136	210,828
Recognised in profit or loss		
Inventories recognised as cost of sales	170,718	271,704
Inventories written off	103,144	67,816

8. TRADE RECEIVABLES

	30.6.2022 RM	Group 31.12.2020 RM
Trade receivables	1,078,683	4,551,323
Less: Allowance for ECLs	(220,024)	(99,809)
	858,659	4,451,514

Trade receivables are non-interest bearing and the credit term granted to customers are generally from cash term to 90 days (31.12.2020: 0 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables is an amount of RM65,824 (31.12.2020: RM3,147,780) due from a company in which one of the Directors has an interest.

The movements in allowance for ECLs of trade receivables are as follows:

	30.6.2022 RM	Group 31.12.2020 RM
Brought forward	99,809	234,575
Additions	144,717	20,065
Reversals	(24,502)	(154,831)
Carried forward	220,024	99,809

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8. TRADE RECEIVABLES (CONT'D)

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
30.6.2022			
Not past due	492,178	–	492,178
Past due:			
Less than 30 days	47,679	–	47,679
31 to 60 days	9,479	–	9,479
61 to 90 days	2,996	–	2,996
More than 90 days	306,327	–	306,327
	858,659	–	858,659
Credit impaired:			
Past due more than 90 days	220,024	(220,024)	–
	1,078,683	(220,024)	858,659
31.12.2020			
Not past due	3,657,938	–	3,657,938
Past due:			
Less than 30 days	48,893	–	48,893
31 to 60 days	147,039	–	147,039
61 to 90 days	195,567	–	195,567
More than 90 days	402,077	–	402,077
	4,451,514	–	4,451,514
Credit impaired:			
Past due more than 90 days	99,809	(99,809)	–
	4,551,323	(99,809)	4,451,514

Notes to the Financial Statements

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9. OTHER RECEIVABLES

	Group		Company	
	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
Non-trade receivables	1,133,697	211,001	13,805	44,390
Less: Allowance for ECLs	(46,258)	–	(11,227)	–
	1,087,439	211,001	2,578	44,390
Deposits	407,394	135,291	–	–
Prepayments	605,855	750,889	66,721	319,268
	2,100,688	1,097,181	69,299	363,658

Included in the deposits of the Group is an amount of RM84,000 (31.12.2020: RM58,800) and RM39,750 (31.12.2020: RMNil), represent rental deposit paid to one of the Directors for leases of office building and rental deposit paid to a company in which one of the Directors has an interest for leases of office building, respectively.

Included in the non-trade receivables of the Group is an amount of RM968,890 (31.12.2020: RM42,000) and RM28,645 (31.12.2020: RMNil) due from companies in which one of the Directors has an interest and a Director, respectively. The amount is unsecured, non-interest bearing and repayable on demand.

The movements in allowance for ECLs of other receivables are as follows:

	Group		Company	
	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
Brought forward	–	–	–	–
Additions	46,258	–	11,227	–
Carried forward	46,258	–	11,227	–

10. AMOUNT DUE FROM/(TO) SUBSIDIARIES

Included in the amount due from subsidiaries are unsecured loan of RM18,976,942 (31.12.2020: RM7,031,738) due from subsidiaries, which bears interest at the rate of 3.10% (31.12.2020: 3.10%) per annum and repayable on demand.

Included in the amount due to subsidiaries are unsecured loan of RMNil (31.12.2020: RM372,167) due to subsidiaries, which bears interest at the rate of 3.10% (31.12.2020: 3.10%) per annum and repayable on demand.

The remaining outstanding amounts are in respect of advances and payments made on behalf, which are unsecured, interest free and repayable on demand.

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11. DEPOSITS WITH LICENSED BANKS

	Group		Company	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM	RM	RM	RM
Fixed deposits	6,351,556	1,836,629	2,000,000	1,500,000
Repo deposits	–	5,000,000	–	5,000,000
	6,351,556	6,836,629	2,000,000	6,500,000

The interest rate of deposits with licensed banks of the Group and of the Company ranged from 1.50% to 2.15% (31.12.2020: 1.50% to 1.70%) per annum and 1.50 to 1.70% (31.12.2020: 1.50% to 1.70%) per annum, respectively.

The fixed deposits with licensed banks of the Group amounted to RM277,562 (31.12.2020: RM266,558) are pledged to licensed banks as securities for bank guarantee granted to a third party.

12. SHARE CAPITAL

	Group and Company		Amount	
	Number of ordinary shares		30.6.2022	31.12.2020
	30.6.2022	31.12.2020	RM	RM
	Unit	Unit		
Issued and fully paid up				
Brought forward	459,393,690	208,012,945	22,637,442	10,058,985
Issuance of shares				
- Private placement	41,347,100	20,673,000	6,015,986	6,201,900
- Rights issue	–	227,406,945	–	6,822,208
- Exercise of warrants	85,134,100	3,300,800	2,554,023	99,024
Share issuance expenses	–	–	(33,498)	(544,675)
Carried forward	585,874,890	459,393,690	31,173,953	22,637,442

During the financial period ended 30 June 2022, the Company increased its issued paid-up share capital from 459,393,690 to 585,874,890 by way of:

- (a) 20,673,000 new ordinary shares through private placements at an issue price of RM0.161 per ordinary shares;
- (b) 20,674,100 new ordinary shares through private placements at an issue price of RM0.130 per ordinary shares;
- (c) 85,134,100 new ordinary shares through exercise of warrant 2020/2025 at an exercise price of RM0.03 per ordinary shares.

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12. SHARE CAPITAL (CONT'D)

During the financial year ended 31 December 2020, the Company increased its issued paid-up share capital from 208,012,945 to 459,393,690 by way of:

- (a) 20,673,000 new ordinary shares through private placements at an issue price of RM0.30 per ordinary shares;
- (b) 227,406,945 new ordinary shares through rights issue at an issue price of RM0.03 per ordinary shares; and
- (c) 3,300,800 new ordinary shares through exercise of warrant 2020/2025 at an exercise price of RM0.03 per ordinary shares.

The new ordinary shares issued during the financial period/year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

13. TREASURY SHARES

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 24 June 2016, approved the Company's plan to purchase its own shares. The Directors are committed to enhancing the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

The details of the shares purchased from the open market using internally generated funds and held as treasury shares during the financial period are as follows:

	Group and Company			
	Number of ordinary shares		Amount	
	30.6.2022 Unit	31.12.2020 Unit	30.6.2022 RM	31.12.2020 RM
Brought forward/Carried forward	1,279,000	1,279,000	178,991	178,991
Average unit cost (RM)			0.14	0.14

As at the reporting date, the Company held 1,279,000 (31.12.2020: 1,279,000) of the Company's shares and the number of ordinary shares in issue after setting off against treasury shares is 584,595,890 (31.12.2020: 458,114,690).

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14. RESERVES

	Note	Group 30.6.2022 RM	31.12.2020 RM	Company 30.6.2022 RM	31.12.2020 RM
Non-distributable					
Warrant reserve	(a)	4,766,741	7,686,841	4,766,741	7,686,841
Accumulated losses		(21,151,412)	(14,096,618)	(7,679,042)	(8,048,355)
		(16,384,671)	(6,409,777)	(2,912,301)	(361,514)

(a) Warrant reserve

The Warrants 2020/2025 were constituted by the Deed Poll dated 13 August 2020.

During the financial year 31 December 2020, the Company had allotted and issued 227,406,945 new ordinary shares together with 227,406,945 free new detachable warrants on the basis of one (1) right share together with one (1) warrant for every one (1) existing Company's share held at an issue price of RM0.03 per right share. The reserves were arrived based on the theoretical fair value of RM0.0343 per warrant determined based on the "Trinomial" pricing model.

The salient features of the Warrants are:

- (i) The warrants may be exercised at any time within the exercise period expiring on 28 August 2025. Warrants not exercise period will thereafter lapse and become null and void;
- (ii) Subject to the provision of the Deed Poll, each warrant will entitle its registered holder to subscribe for one (1) new ordinary share in the Company at the exercise price at any time during the exercise period;
- (iii) The Exercise Price of the warrant is RM0.03 each. The exercise price and the number of outstanding warrants shall however be subject to the adjustment in accordance with the terms and provisions of the Deed Poll during the exercise period;
- (iv) The warrants are tradable in board lots of 100 units carrying rights to subscribe for 100 new ordinary shares of the Company at any time during the exercise period or such other number of units as maybe prescribed by Bursa Securities;
- (v) The warrants holders are not entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of issuance and allotment of the new ordinary shares of the Company upon the exercise of the warrants. The warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such warrants holders exercise their warrants into new ordinary shares of the Company;

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14. RESERVES (CONT'D)

(a) Warrant reserve (Cont'd)

The salient features of the warrants are: (Cont'd)

- (vi) The registered holders of the warrants are required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price for the new ordinary shares of the Company subscribed for by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia; and
- (vii) Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then:
 - (a) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the warrant holder (or some person designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the warrant holders; and
 - (b) in any other case, every warrant holder shall be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or the granting of the court order approving the compromise or arrangement (as the case may be), to exercise their warrants by submitting the exercise form duly completed authorising the debiting of his warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the exercise rights to the extent specified in the exercise form(s) and had on such date been the holder of the new ordinary shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

As at 30 June 2022, the total numbers of warrants that remain unexercised were 138,972,045 (31.12.2020: 224,106,145) units.

15. LEASE LIABILITIES

	Group	
	30.6.2022 RM	31.12.2020 RM
Non-current	698,366	19,205
Current	488,400	116,973
	<hr/> 1,186,766	<hr/> 136,178

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15. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities at the end of the reporting period:

	30.6.2022 RM	Group 31.12.2020 RM
Within 1 year	528,865	122,400
Between 2 to 5 years	620,856	19,800
More than 5 years	135,355	–
	1,285,076	142,200
Less: Future finance charges	(98,310)	(6,022)
Present value of lease liabilities	1,186,766	136,178

The Group leases various office buildings and motor vehicle. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

16. DEFERRED TAX LIABILITY

	30.6.2022 RM	Group 31.12.2020 RM
Brought forward	9,600	–
Recognised in profit or loss	(3,740)	9,600
Over provision in prior financial years	(1,200)	–
Carried forward	4,660	9,600

The deferred tax liability arose from taxable temporary differences on accelerated capital allowances over the depreciation of property, plant and equipment.

Unrecognised deferred tax assets

Deferred tax assets (stated at gross) have not been recognised in respect of the following items:

	Group 30.6.2022 RM	Group 31.12.2020 RM	Company 30.6.2022 RM	Company 31.12.2020 RM
Unabsorbed tax losses	18,661,682	10,888,707	807,000	807,000
Unutilised capital allowances	1,107,499	621,141	–	–
Others	(51,371)	(25,834)	–	–
	19,717,810	11,484,014	807,000	807,000

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

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17. TRADE PAYABLES

The normal credit terms granted by suppliers to the Group ranged from cash term to 60 days (31.12.2020: 0 to 60 days) depending on the term of the contracts.

Included in the trade payables is an amount of RM459,054 (31.12.2020: RM3,261,764) due to a company in which one of the Directors has an interest.

18. OTHER PAYABLES

	Group		Company	
	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
Non-trade payables	349,371	444,276	29,514	249,866
Accruals	843,469	934,323	156,908	258,447
Deposits paid	562,427	42,480	–	–
Sales and service tax ("SST") payable	76,586	116,403	–	–
	1,831,853	1,537,482	186,422	508,313

Included in the non-trade payables of the Group is an amount of RMNil (31.12.2020: RM1,373) due to a company in which one of the Directors has an interest.

19. CONTRACT LIABILITIES

	Group	
	30.6.2022 RM	31.12.2020 RM
Brought forward	365,426	74,484
Add: Advanced received/Billing issued	1,032,162	365,426
Less: Recognised as revenue	(833,932)	(74,484)
Carried forward	563,656	365,426

The contract liabilities relate to unfulfilled performance obligations arising from advances from customers to the Company and is expected to be recognised as revenue within 1 year.

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20. REVENUE

	Group	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Revenue from contract with customers:		
Sales of goods	4,972,562	3,606,541
Maintenance services and installation ("MSI")	3,236,202	3,617,811
Implementation and customisation, training, outsourcing and other services ("ICTO")	358,306	1,270,904
	8,567,070	8,495,256
Timing of revenue recognition:		
At a point in time	5,330,868	4,877,445
Over time	3,236,202	3,617,811
	8,567,070	8,495,256
Geographical market:		
Malaysia	8,567,070	8,495,256

Breakdown of the Group's revenue from contracts with customers:

	Major goods and services			
	Sales of goods RM	MSI RM	ICTO RM	Total RM
1.1.2021 to 30.6.2022				
Business Management Solutions	529,280	3,236,202	342,267	4,107,749
Fintech	4,443,282	–	16,039	4,459,321
	4,972,562	3,236,202	358,306	8,567,070
1.1.2020 to 31.12.2020				
Business Management Solutions	538,483	3,617,811	1,208,939	5,365,233
Fintech	3,068,058	–	61,965	3,130,023
	3,606,541	3,617,811	1,270,904	8,495,256

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21. FINANCE COSTS

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Interest expenses				
- Advances from subsidiaries	–	–	2,921	11,039
- Lease liabilities	46,737	13,131	–	–
	46,737	13,131	2,921	11,039

22. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Auditors' remuneration				
- Current year	94,250	93,200	40,000	42,400
- Over provision in prior year	(2,500)	–	–	–
- Non-audit fee	6,000	6,000	6,000	6,000
Allowance for ECLs on:				
- Trade receivables	144,717	20,065	–	–
- Other receivables	46,258	–	11,227	–
Bad debts written off	1,000	52,884	–	722,193
Depreciation of:				
- Property, plant and equipment	625,880	271,687	–	–
- Right-of-use assets	550,616	197,204	–	–
Directors' fee				
- Executive Directors	106,500	35,000	106,500	35,000
- Non-executive Directors	290,000	210,000	290,000	210,000
Impairment losses on investment in subsidiaries	–	–	1,573,575	1
Interest income:				
- Advances to subsidiaries	–	–	(524,949)	(263,633)
- Fixed deposits	(161,828)	(10,482)	(58,535)	–
- Repo deposits	(25,069)	(16,405)	(25,069)	(16,405)
- Others	–	(1,192)	–	(1,192)
Inventories written off	103,144	67,816	–	–
Lease expenses relating to:				
- Short-term leases (a)	19,200	27,600	–	–
Loss on disposal of:				
- Subsidiary	–	27,282	–	36,999
(Gain)/Loss on foreign exchange				
- Realised	(3,135)	245	–	–
- Unrealised	–	2,545	–	–
Reversal of allowance for ECLs:				
- Trade receivables	(24,502)	(154,831)	–	–
Wages subsidies (b)	(223,580)	(99,600)	–	–

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22. LOSS BEFORE TAX (CONT'D)

- (a) The Group leases a number of properties with contract terms of not more than one year. These leases are short-term. The Group has elected to apply the recognition exemption for short-term lease under MFRS 16 Leases.
- (b) Certain subsidiaries of the Group were entitled to a wage subsidy programme introduced by the government of Malaysia in response to the COVID-19 pandemic.

23. TAXATION

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial period/year provision	14,000	38,000	–	–
Under provision in prior financial years	15,248	–	–	–
	29,248	38,000	–	–
Deferred tax liabilities				
Origination and reversal of temporary differences	(3,740)	9,600	–	–
Over provision in prior financial years	(1,200)	–	–	–
	(4,940)	9,600	–	–
Total tax expense	24,308	47,600	–	–

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23. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to loss before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Loss before tax	(10,160,898)	(3,625,447)	(2,550,787)	(1,069,065)
At Malaysian statutory tax rate of 24% (31.12.2020: 24%)	(2,438,616)	(870,107)	(612,189)	(256,576)
Expenses not deductible for tax purposes	473,773	410,960	612,189	256,576
Income not subject to tax	(1,008)	(175,701)	–	–
Movement of deferred tax assets not recognised	1,976,111	682,448	–	–
Under provision of tax expense in prior financial year	15,248	–	–	–
Over provision of deferred tax in prior financial year	(1,200)	–	–	–
	24,308	47,600	–	–

The Group and the Company have unabsorbed tax losses and unutilised capital allowances for carry forward to offset future taxable profits as follows:

	Group		Company	
	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
Unabsorbed tax losses	18,661,682	10,888,707	807,000	807,000
Unutilised capital allowances	1,107,499	621,141	–	–
	19,769,181	11,509,848	807,000	807,000

In accordance with the provision of Finance Act 2018, the unabsorbed business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unabsorbed business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unabsorbed business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

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24. LOSS PER SHARE

(a) Loss per share

The basic loss per share is calculated based on the consolidated loss for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group 1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Loss attributable to owners of the Company	(10,023,727)	(3,624,449)
Weighted average number of ordinary shares (unit)	543,347,929	272,351,104
Basic loss per ordinary shares (sen)	(1.84)	(1.33)

(b) Diluted loss per share

The diluted loss per share is calculated based on the adjusted consolidated loss for the financial period/year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group 1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Loss attributable to owners of the Company	(10,023,727)	(3,624,449)
Weighted average number of ordinary shares (unit)	543,347,929	272,351,104
Effect of warrants outstanding (unit)	106,901,573	162,986,287
	650,249,502	435,337,391
Diluted loss per ordinary shares (sen)	(1.54)	(0.83)

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25. STAFF COSTS

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Salaries, wages and other emoluments	6,454,009	3,523,788	270,000	1,280
Social security contributions	75,116	36,102	1,385	–
Defined contribution plans	681,041	338,708	32,400	–
Other benefits	236,599	93,654	46,013	7,568
	7,446,765	3,992,252	349,798	8,848

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the Company during the financial period/year as below:

	Group		Company	
	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Directors of the Company				
<u>Executive Directors</u>				
Salaries and other emoluments	1,062,000	529,280	270,000	1,280
Social security contributions	1,770	–	1,385	–
Defined contribution plans	127,440	63,360	32,400	–
	1,191,210	592,640	303,785	1,280
Directors of the subsidiaries				
<u>Executive Directors</u>				
Salaries and other emoluments	392,034	56,535	–	–
Social security contributions	1,924	–	–	–
Defined contribution plans	18,720	–	–	–
	412,678	56,535	–	–
Total	1,603,888	649,175	303,785	1,280

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26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	30.6.2022 RM	Group 31.12.2020 RM
Lease liabilities		
At beginning of the period/year	136,178	326,592
Drawdown	1,584,652	41,271
Repayment	(534,064)	(199,869)
Disposal of a subsidiary	–	(31,816)
At end of the period/year	1,186,766	136,178

27. RELATED PARTY DISCLOSURE

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	1.1.2021 to 30.6.2022 RM	Group 1.1.2020 to 31.12.2020 RM
Transactions with companies in which one of the Directors of the Company has interest		
- Sales commission	19,455	11,657
- Sales	180,507	812,034
- Purchases	29,528,027	12,348,803
- Lease rental	159,000	–
Transactions with one of the Directors		
- Lease rental	403,200	200,400

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27. RELATED PARTY DISCLOSURE (CONT'D)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Company	
	1.1.2021	1.1.2020
	to	to
	30.6.2022	31.12.2020
	RM	RM
Transactions with subsidiaries		
- Interest income on advances to subsidiaries	524,949	263,633
- Interest expense on advances from subsidiaries	2,921	11,039

(c) Compensation of key management personnel

Remuneration of Executive Directors and Non-Executive Directors which represent key management personnel are disclosed in Notes 22 and 25 to the financial statements.

28. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Business Management Solutions ("BMS")	: Providing software solutions to businesses in the private and public sectors.
Fintech	: Providing services ancillary to mobile telecommunication and Fintech products and services to promote the digital lifestyle and digital wallet.
Others	: Management services, enterprise systems solutions, investment holding and sales of mobile prepaid starter packs.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

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28. SEGMENT INFORMATION (CONT'D)

Group	Note	BMS RM	Fintech RM	Others RM	Total Segments RM	Eliminations RM	Consolidated RM
1.1.2021 to 30.6.2022							
External customer		4,107,749	4,459,321	-	8,567,070	-	8,567,070
Inter-segment		-	288,335	-	288,335	(288,335)	-
Total revenue		4,107,749	4,747,656	-	8,855,405	(288,335)	8,567,070
Results							
Interest income		47,944	104,783	608,553	761,280	(574,383)	186,897
Finance costs		(109,933)	(502,229)	(8,960)	(621,122)	574,385	(46,737)
Depreciation of property, plant and equipment		(128,051)	(497,829)	-	(625,880)	-	(625,880)
Depreciation of right-of-use assets		(282,649)	(267,967)	-	(550,616)	-	(550,616)
Taxation		(24,308)	-	-	(24,308)	-	(24,308)
Other material non-cash items	A	(105,052)	(153,338)	(12,227)	(270,617)	-	(270,617)
Segment loss		(1,809,504)	(7,346,641)	(2,750,568)	(11,906,713)	1,721,507	(10,185,206)
Assets							
Included in the measurement of segment assets are:							
Capital expenditure	B	670,865	2,072,707	-	2,743,572	-	2,743,572
Segment assets	C	5,011,210	9,052,913	28,834,849	42,898,972	(23,817,408)	19,081,564
Liabilities							
Segment liabilities	D	3,698,398	22,385,474	209,127	26,292,999	(21,771,876)	4,521,123

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28. SEGMENT INFORMATION (CONT'D)

Group	Note	BMS RM	Fintech RM	Others RM	Total Segments RM	Eliminations RM	Consolidated RM
1.1.2020 to 31.12.2020							
External customer		5,365,233	3,130,023	-	8,495,256	-	8,495,256
Inter-segment		-	284,649	-	284,649	(284,649)	-
Total revenue		5,365,233	3,414,672	-	8,779,905	(284,649)	8,495,256
Results							
Interest income		43,674	1,291	281,230	326,195	(298,116)	28,079
Finance costs		(61,491)	(237,900)	(11,856)	(311,247)	298,116	(13,131)
Depreciation of property, plant and equipment		(81,636)	(190,051)	-	(271,687)	-	(271,687)
Depreciation of right-of-use assets		(159,942)	(37,262)	-	(197,204)	-	(197,204)
Taxation		(47,600)	-	-	(47,600)	-	(47,600)
Other material non-cash items	A	(123,904)	(74,795)	(759,192)	(957,891)	942,130	(15,761)
Segment loss		(448,545)	(2,150,514)	(1,132,717)	(3,731,776)	58,729	(3,673,047)
Assets							
Included in the measurement of segment assets are:							
Capital expenditure	B	6,166	136,414	-	142,580	-	142,580
Segment assets	C	4,020,263	8,467,307	23,140,818	35,628,388	(13,680,444)	21,947,944
Liabilities							
Segment liabilities	D	2,568,895	14,398,634	1,156,724	18,124,253	(12,185,442)	5,938,811

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28. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

Inter-segment revenues are eliminated on consolidation.

A. Other non-cash items consist of the following:

	Group 1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Other material non-cash items:		
Bad debts written off	(1,000)	(52,884)
Allowance for expected credit losses		
- trade receivables	(144,717)	(20,065)
- other receivables	(46,258)	-
Inventories written off	(103,144)	(67,816)
Loss on disposal of a subsidiary	-	(27,282)
Reversal of allowance for expected credit losses		
on trade receivables	24,502	154,831
Unrealised loss on foreign exchange	-	(2,545)
	(270,617)	(15,761)

B. Additions to non-current assets other than financial instruments consist of:

	Group 30.6.2022 RM	31.12.2020 RM
Property, plant and equipment	1,084,649	101,309
Right-of-use assets	1,658,923	41,271
	2,743,572	142,580

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28. SEGMENT INFORMATION (CONT'D)

Adjustments and eliminations (Cont'd)

- C. The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position.

	Group	
	30.6.2022 RM	31.12.2020 RM
Segment assets	18,805,403	21,758,597
Tax recoverable	276,161	189,347
Total assets	19,081,564	21,947,944

- D. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	Group	
	30.6.2022 RM	31.12.2020 RM
Segment liabilities	3,329,697	5,793,033
Deferred tax liabilities	4,660	9,600
Lease liabilities	1,186,766	136,178
Total liabilities	4,521,123	5,938,811

Geographic information

Segment information by geographical segment is not provided as the activities of the Group are located principally in Malaysia.

Major customers

The following is the major customers with revenue equal or more than 10% of the Group's total revenue:

		Group	
		1.1.2021 to 30.6.2022 RM	1.1.2020 to 31.12.2020 RM
Segment			
- Customer A	BMS	1,828,075	2,165,473

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29. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	30.6.2022	31.12.2020	30.6.2022	31.12.2020
	RM	RM	RM	RM
At amortised cost				
Financial assets				
Trade receivables	858,659	4,451,514	–	–
Other receivables	1,494,833	346,292	2,578	44,390
Amount due from subsidiaries	–	–	20,232,242	7,257,645
Deposits with licensed banks	6,351,556	6,836,629	2,000,000	6,500,000
Cash and bank balances	6,768,008	8,182,165	4,367,781	7,160,143
	15,473,056	19,816,600	26,602,601	20,962,178
At amortised cost				
Financial liabilities				
Trade payables	934,018	3,890,125	–	–
Other payables	1,755,267	1,421,079	186,422	508,313
Amount due to subsidiaries	–	–	–	177,891
	2,689,285	5,311,204	186,422	686,204

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk arises principally from the trade receivables, other receivables, deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from the other receivables, amount due from subsidiaries, deposits with licensed banks and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides financial guarantees to third parties for supplies of goods and services to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period/year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and third parties for supplies of goods and services to certain subsidiaries.

There are no significant changes as compared to previous financial year.

As at the end of the financial period/year, the Group has 2 (31.12.2020: 1) major customers and accounted for approximately 25% (31.12.2020: 69%) of the trade receivables outstanding. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
30.6.2022					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	934,018	—	—	934,018	934,018
Other payables	1,755,267	—	—	1,755,267	1,755,267
Lease liabilities	528,865	620,856	135,355	1,285,076	1,186,766
	3,218,150	620,856	135,355	3,974,361	3,876,051
Financial guarantee *	260,074	—	—	260,074	
31.12.2020					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Trade payables	3,890,125	—	—	3,890,125	3,890,125
Other payables	1,421,079	—	—	1,421,079	1,421,079
Lease liabilities	122,400	19,800	—	142,200	136,178
	5,433,604	19,800	—	5,453,404	5,447,382
Financial guarantee *	255,113	—	—	255,113	

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29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
30.6.2022					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	186,422	–	–	186,422	186,422
Financial guarantee *	3,500,000	–	–	3,500,000	
31.12.2020					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	508,313	–	–	508,313	508,313
Amount due to subsidiaries	177,891	–	–	177,891	177,891
	686,204	–	–	686,204	686,204
Financial guarantee *	3,500,000	–	–	3,500,000	

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides unsecured financial guarantee to third parties in for supplies of goods and services to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial period/year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks is exposed to a risk of change in their fair value due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing financial instruments by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	30.6.2022	31.12.2020
	RM	RM
Fixed rate instruments		
<u>Financial asset</u>		
Deposits with licensed banks	6,351,556	6,836,629
<u>Financial liability</u>		
Lease liabilities	(1,186,766)	(136,178)
	5,164,790	6,700,451
	Company	
	30.6.2022	31.12.2020
	RM	RM
Fixed rate instruments		
<u>Financial assets</u>		
Amount due from subsidiaries	18,976,942	7,031,738
Deposits with licensed banks	2,000,000	6,500,000
<u>Financial liability</u>		
Amount due to subsidiaries	–	(372,167)
	20,976,942	13,159,571

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Notes to the Financial Statements

30 June 2022

(Cont'd)

29. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial period and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

30. FINANCIAL GUARANTEE

	Group		Company	
	30.6.2022 RM	31.12.2020 RM	30.6.2022 RM	31.12.2020 RM
<u>Unsecured</u>				
Corporate guarantee issued to third parties for supplies of goods and services to subsidiaries	–	–	3,500,000	3,500,000
<u>Secured</u>				
Bank guarantee issued in favour of third parties for performance bond secured by deposit with a licensed bank	260,074	255,113	–	–
	260,074	255,113	3,500,000	3,500,000

Notes to the Financial Statements

30 June 2022

(Cont'd)

31. CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company have no borrowings from financial institutions. The debt-to- equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial period/year.

32. COMPARATIVE INFORMATION

- (a) The financial year end of the Group and of the Company was changed from 31 December to 30 June. Accordingly, the current financial statements are prepared for eighteen months from 1 January 2021 to 30 June 2022. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not comparable.
- (b) Certain comparatives were reclassified to conform with current financial period's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2020.
- (c) The financial statements of the Group and of the Company for the financial year ended 31 December 2020 were audited by another firm of Chartered Accountants.

33. SUBSEQUENT EVENT

On 23 September 2022, the Company announced to undertake a proposed share capital reduction of RM24,000,000 pursuant to Section 117 of the Companies Act 2016 in Malaysia. The corresponding credit of RM24,000,000 arising from such cancellation will be used to offset against the accumulated losses of the Company while the balance will be credited to the retained earnings. This proposal has yet to be completed as of the date of this report.

34. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 October 2022.

ANALYSIS OF SHAREHOLDINGS

as at 30 September 2022

SHARE CAPITAL

Total Number of Issued Shares	:	585,874,890 (including 1,279,000 Treasury Shares as per Record of Depositors as at 30 September 2022)
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Size of Holding	No. of shareholders	No. of Shares #	% of shares
1 - 99	11	428	0.00
100 - 1,000	177	81,428	0.02
1,001 - 10,000	718	3,508,850	0.60
10,001 - 100,000	708	29,255,300	5.00
100,001 - 5% *	287	354,968,094	60.72
5% AND ABOVE **	2	196,781,790	33.66
Total	1,903	584,595,890	100.00

Remark:

* - Less than 5% of Issued Holdings

** - 5% and above of Issued Holdings

Excluding a total of 1,279,000 ordinary shares bought back by the Company and retained as Treasury Shares as per Record of Depositors as at 30 September 2022

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows: -

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Milan Premier Sdn. Bhd.	84,694,594	14.49	—	—
2	Rapportrans Sdn. Bhd.	124,679,790	21.33	—	—
3	Dato' Hussian @ Rizal Bin A. Rahman	—	—	124,679,790 *	21.33 *
4	Datuk Seri Syed Ali Bin Abbas Alhabshee	—	—	84,694,594 **	14.49 **

* Deemed interest through Rapportrans Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

** Deemed Interest through Milan Premier Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

Analysis of Shareholdings as at 30 September 2022 (Cont'd)

DIRECTORS' SHAREHOLDINGS

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

No.	Name of Directors	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Dato' Hussian @ Rizal Bin A. Rahman	—	—	124,679,790 *	21.33 *
2	Datuk Seri Syed Ali Bin Abbas Alhabshee	—	—	84,694,594 **	14.49 **
3	YM Puteri Munawarah Syammiyah binti Munir	—	—	—	—
4	Kong Wei Peng	—	—	—	—
5	Noor Shahwan Bin Saffwan	—	—	—	—
6	Yeong Siew Lee	—	—	—	—
7	Datuk Chu Boon Tiong	8,255,900	1.41	—	—

* Deemed interest through Rapportrans Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

** Deemed Interest through Milan Premier Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 SEPTEMBER 2022)

No.	Name of Shareholders	No. of Shares	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAPPORTRANS SDN BHD	112,087,196	19.13
2	MILAN PREMIER SDN BHD	84,694,594	14.46
3	ONE TRANZACT SDN BHD PLEDGED SECURITIES ACCOUNT FOR AURUM RESOURCES SDN BHD	26,511,400	4.53
4	LING AH CHAI @ LING SIEW HUA	24,871,300	4.25
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA (7007201)	20,717,500	3.54
6	SHOO KIM LOOI	19,217,500	3.28
7	DERRICK CHIA KAH WAI	13,182,700	2.25
8	LIM LIEW HONG	13,000,000	2.22
9	RAPPORTRANS SDN BHD	12,592,594	2.15
10	KOH CHEE MENG	9,000,000	1.54
11	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR WONG WAI CHOONG	8,255,600	1.41
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	8,150,300	1.39
13	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,019,800	1.03
14	YAP YOON WAH	5,200,000	0.89
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR WONG KONG CHOONG @ LEONG KONG CHOONG	4,900,000	0.84
16	LOW LEEK LOON	4,300,300	0.73
17	NG SUI PING	4,295,100	0.73

Analysis of Shareholdings as at 30 September 2022 (Cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D) (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 SEPTEMBER 2022)

No.	Name of Shareholders	No. of Shares	%
18	RAYMOND SELVARAJ A/L VICTOR BENJAMIN	4,293,900	0.73
19	CHAN CHOOI FOON	4,189,100	0.72
20	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)	4,100,000	0.70
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGE SECURITIES ACCOUNT FOR TEH ENG HUAT (M01)	4,069,500	0.69
22	LEONG SIEW THENG	4,000,000	0.68
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGE SECURITIES ACCOUNT FOR TEH ENG HUAT (E-TAI)	3,745,800	0.64
24	DERRICK CHIA KAH WAI	3,740,000	0.64
25	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU BOON TIONG	3,700,000	0.63
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW SIEW LIAN	3,500,000	0.60
27	APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHEE MENG (MARGIN)	3,500,000	0.60
28	GAN BOON KAT	3,500,000	0.60
29	SHAHIDOL KOFLI BIN SALIM	3,200,000	0.55
30	TAN AH LEE	2,930,000	0.50

ANALYSIS OF WARRANTS HOLDINGS

as at 30 September 2022

SHARE CAPITAL

Total Number of Issued Shares	:	138,972,045 free detachable warrants issued pursuant to the Renounceable Rights Issue with Warrants exercise)
Number of Warrants Holders	:	277

DISTRIBUTION OF WARRANTS HOLDINGS AS AT 30 SEPTEMBER 2022

Size of Holding	No. of Warrants holders	No. of Warrants #	% of Warrants
1 - 99	7	436	0.00
100 - 1,000	23	6,920	0.01
1,001 - 10,000	95	450,700	0.32
10,001 - 100,000	97	4,237,000	3.05
100,001 - 5% *	53	32,538,797	23.41
5% AND ABOVE **	2	101,738,192	73.21
Total	277	138,972,045	100.00

Remark:

* - Less than 5% of Issued Holdings

** - 5% and above of Issued Holdings

Analysis of Warrants Holdings as at 30 September 2022 (Cont'd)

DIRECTORS' INTERESTS IN WARRANTS AS AT 30 SEPTEMBER 2022

No.	Name of Directors	No. of Warrants held		No. of Warrants held	
		Direct	%	Indirect	%
1	Dato' Hussian @ Rizal Bin A. Rahman	—	—	62,339,895 *	44.86 *
2	Datuk Seri Syed Ali Bin Abbas Alhabshee	—	—	45,694,594 **	32.88 **
3	YM Puteri Munawarah Syammiah binti Munir	—	—	—	—
4	Kong Wei Peng	—	—	—	—
5	Noor Shahwan Bin Saffwan	—	—	—	—
6	Yeong Siew Lee	—	—	—	—
7	Datuk Chu Boon Tiong	—	—	—	—

* Deemed interest through Rapportrans Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

** Deemed Interest through Milan Premier Sdn. Bhd., who in turn holds shares in TFP Solutions Berhad

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 SEPTEMBER 2022)

No.	Name of Warrants Holders	No. of Warrants	%
1	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAPPORTRANS SDN BHD	56,043,598	40.33
2	MILAN PREMIER SDN BHD	45,694,594	32.88
3	RAPPORTRANS SDN BHD	6,296,297	4.53
4	MUI KAR WAI	3,200,400	2.30
5	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR WONG WAI CHOONG	3,169,200	2.28
6	EU TECK YEE	2,259,900	1.63
7	TANG CHIN CHUAI	1,844,100	1.33
8	ANISMAWATI BINTI HARUN	900,000	0.65
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH WEE MENG (MY3393)	868,000	0.62
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHIOU HAN (E-KTU)	800,000	0.58
11	EU TECK YEE	780,700	0.56
12	APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEAN GIN KENG (STA 1)	739,700	0.53
13	GOH WEI XIANG	700,000	0.50
14	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GT-M SIGN SDN BHD (M&A)	700,000	0.50
15	CHONG KOK HOOI	574,000	0.41
16	BEH SEET FONG	533,000	0.38
17	LEE YAN LIN	500,000	0.36

Analysis of Warrants Holdings as at 30 September 2022 (Cont'd)

LIST OF TOP 30 LARGEST WARRANTS HOLDERS (CONT'D) (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 30 SEPTEMBER 2022)

No.	Name of Warrants Holders	No. of Warrants	%
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK HENG	491,000	0.35
19	GAN CHU GEE	460,000	0.33
20	CHAN PAK KEE	450,000	0.32
21	GOH MENG KEONG	436,700	0.31
22	HLIB NOMINEES (TEMPATAN) SDN BHD PCB ASSET MANAGEMENT SDN BHD FOR LUMAYAN MENAWAN SDN BHD	400,000	0.29
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEE LEE (E-KPG)	349,000	0.25
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR WONG KONG CHOONG @ LEONG KONG CHOONG	341,600	0.25
25	GAN HENG	300,000	0.22
26	M & A NOMINEE (TEMPATAN) SDN BHD FOR CHAN CHUI PEN (STA)	290,000	0.21
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO FANG YEE (E-BBB)	260,000	0.19
28	BAHARIN BIN ZAKARIA	250,000	0.18
29	HASANAH BINTI JUSOH	248,900	0.18
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KOK HOOI (E-PKG/BBT)	236,000	0.17

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth (15th) Annual General Meeting (“AGM”) of TFP Solutions Berhad (“the Company”) will be held at TFP Experience Center, Ground Floor, Wisma LMS, No. 6, Jalan Abd Rahman Idris, Off Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur on Tuesday, 29 November 2022 at 2.00 p.m. or at any adjournment thereof, for the following purposes:-

AS ORDINARY BUSINESS

- | | | |
|----|--|--|
| 1. | To receive and adopt the Audited Financial Statements for the financial period from 1 January 2021 to 30 June 2022 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note 1</i> |
| 2. | To approve the payment of Directors’ fees up to RM500,000 to be divided amongst the Directors in such manner as the Directors may determine in respect of the period from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company. | <i>Ordinary Resolution 1</i> |
| 3. | To approve the payment of other benefits up to RM200,000 in respect of the period from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company. | <i>Ordinary Resolution 2</i> |
| 4. | To re-elect the following Directors who are to retire by rotation pursuant to Clause 125 of the Company’s Constitution and being eligible, have offered themselves for re-election:

I. Datuk Seri Syed Ali Bin Abbas Alhabshee

II. Dato’ Hussian @ Rizal Bin A. Rahman | <i>Ordinary Resolution 3</i>

<i>Ordinary Resolution 4</i> |
| 5. | To re-appoint Messrs. TGS TW PLT as Auditors of the Company and to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 5</i> |

AS SPECIAL BUSINESS

To consider and if thought fit, with or without modifications to pass the following resolutions: -

- | | | |
|----|--|-------------------------------------|
| 6. | AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“ THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 15 and Clause 16 of the Company’s Constitution. | <i>Ordinary Resolution 6</i> |
|----|--|-------------------------------------|

Notice of Fifteenth Annual General Meeting (Cont'd)

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. **PROPOSED NEW AND RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RRPTs MANDATE")**

"**THAT**, subject to the provisions of the AMLR of Bursa Securities, approval be and is hereby given for the Proposed New and Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in the Circular to Shareholders dated 31 October 2022 provided that such transactions are:-

Ordinary Resolution 7

- (a) undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until :-

- (a) the conclusion of the next AGM of the Company following this AGM at which such Shareholders' Mandate is passed, at which it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must 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 a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed RRPTs Mandate."

Notice of Fifteenth Annual General Meeting (Cont'd)

8. To transact any other business of which due notice has been given in accordance with the Act.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482/ SSM PC NO. 202208000250)
THIEN LEE MEE (LS0010621/SSM PC No. 201908002254)
Company Secretaries

Selangor
Date: 31 October 2022

Notes:

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 November 2022 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting.
- (2) A member is entitled to appoint one (1) or more proxies to attend and vote in his place. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- (3) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the Meeting.
- (4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing and in the case of a corporate member, either under its common seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Company's Share Registrar Office, Aldpro Corporate Services 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 for holding the Meeting or any adjournment thereof.
- (7) Pursuant to Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will put to vote by way of poll.

Notice of Fifteenth Annual General Meeting (Cont'd)

Explanatory Note to Ordinary and Special Business: -

1. Audited Financial Statements for the financial period from 1 January 2021 to 30 June 2022

The Agenda 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 & 2 : To approve the payment of Directors' Fees and other benefits payable

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable comprises of meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 15th AGM until the next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Ordinary Resolution 3 & 4 : Re-election of Directors who retire by rotation in accordance with Clause 125 of the Company's Constitution

Clause 125 of the Company's Constitution states that an election of Directors shall take place each year during the annual general meeting. At the first annual general meeting of the Company, all the Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third ($\frac{1}{3}$) shall retire from office such that each Director shall retire from office once in every three (3) years, and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.

Datuk Seri Syed Ali Bin Abbas Alhabshee and Dato' Hussian @ Rizal Bin A. Rahman are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 15th AGM, the Nomination Committee has considered and recommended Datuk Seri Syed Ali Bin Abbas Alhabshee and Dato' Hussian @ Rizal Bin A. Rahman for re-election as Directors pursuant to Clause 125 of the Company's Constitution.

4. Ordinary Resolution 6 - Authority to Allot Shares Pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 6 is the renewal of the general mandate from the shareholders at the 14th Annual General Meeting ("AGM") held on 3 September 2021 ("the Previous Mandate").

The proposed Ordinary Resolution 6, if passed, is a renewal of general mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund-raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The general mandate, unless revoked or varied at general meeting, will expire at the next Annual General Meeting of the Company.

Notice of Fifteenth Annual General Meeting (Cont'd)

Explanatory Note to Ordinary and Special Business: - (Cont'd)

4. Ordinary Resolution 6 - Authority to Allot Shares Pursuant to Sections 75 and 76 of the Act (Cont'd)

Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, the Company did not issue any shares pursuant to the Previous Mandate granted to the Directors at the 14th AGM.

5. Ordinary Resolution 7 – Proposed New and Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature ("Proposed RPPTs Mandate")

The proposed Ordinary Resolution 7, if passed, will provide a renewal mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Related Parties 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 the Group's day-to-day operations. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at general meeting.

Please refer to the Circular to Shareholder dated 31 October 2022 for information on the recurrent related party transactions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

There are no individuals standing for election/appointment as Directors at the 15th AGM.

The Directors who are standing for re-election at the 15th AGM are Datuk Seri Syed Ali Bin Abbas Alhabshee and Dato' Hussian @ Rizal Bin A. Rahman whose profiles are set out in the section under Board of Directors' Profile of the Annual Report 2022.

The Company will seek shareholders' approval at the AGM for issue of securities in accordance with Rule 6.04(3) of the AMLR of Bursa Securities. Please refer to the Proposed Ordinary Resolution 6 as stated in the Notice of the 15th AGM of the Company for details.

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

PROXY FORM

No. of shares held	
CDS Account No.	

I/We (Full Name in Block Letters) _____

NRIC/Passport/Company No. _____

of _____

being a *member/members of TFP Solutions Berhad ("TFP" or "the Company"), hereby appoint

Proxy 1

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

* and/or

Proxy 2

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or *failing him/her, the CHAIRMAN OF THE MEETING as *my/our Proxy to vote for *me/us and act on *my/our behalf at the Fifteenth (15th) Annual General Meeting of the Company to be held at TFP Experience Center, Ground Floor, Wisma LMS, No. 6, Jalan Abd Rahman Idris, Off Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur on Tuesday, 29 November 2022 at 2.00 p.m. and at any adjournment thereof.

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

No.			* For	* Against
1.	To approve the payment of Directors' fees up to RM500,000 to be divided amongst the Directors in such manner as the Directors may determine in respect of the period from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 1		
2.	To approve the payment of other benefits up to RM200,000 in respect of the period from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 2		
3.	To re-elect Datuk Seri Syed Ali Bin Abbas Alhabshee as Director.	Ordinary Resolution 3		
4.	To re-elect Dato' Hussian @ Rizal Bin A.Rahman as Director.	Ordinary Resolution 4		
5.	To re-appoint Messrs. TGS TW PLT as Auditors of the Company.	Ordinary Resolution 5		
6.	As Special Business: - Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 6		
7.	Proposed New and Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature	Ordinary Resolution 7		

* Strike out whichever not applicable.

Dated this _____ day of _____ 2022

(Signature(s)/Common Seal of Shareholder)



Notes:

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 November 2022 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting.
- (2) A member entitled to attend, participate, speak and vote at the meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote on his/her behalf. Where a member appoints more than one (1) proxy, the appointment shall not be invalid unless he specifies the proportions of his/her shareholdings to be represented by each proxy.
- (3) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the Meeting.
- (4) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") as defined under the Securities Industry (Central Depositories) Act 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing and in the case of a corporate member, either under its common seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy together with the power of attorney (if any) or a certified copy thereof must be deposited at the Company's Share Registrar Office, Aldpro Corporate Services 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 for holding the Meeting or any adjournment thereof.
- (7) Pursuant to Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar of
TFP SOLUTIONS BERHAD
c/o. of ALDPRO CORPORATE SERVICES SDN. BHD.
Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Selangor Darul Ehsan

2nd Fold Here

Fold This Flap For Sealing



TFP Solutions Berhad

TFP Solutions Berhad

(Registration No. 200701015543 (773550-A))

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