www.tcsgroup.com.my

TCS GROUP HOLDINGS BERHAD
(Registration No. 201901004613 (1313940-W))

No. 1 & 3, Bangunan TCS,
Jln SP 1/1, Bandar Saujana Putra,
42610 Jenjarom, Selangor.
Tel : +603 5103 8888
Email: general@tcsgroup.com.my

TCS GROUP HOLDINGS BERHAD (Registration No. 201901004613 (1313940-W))

ANNUAL REPORT 2023

Passion to Build

TCS GROUP HOLDINGS BERHAD
(Registration No. 201901004613 (1313940-W))

ANNUAL REPORT 2023

ABOUT US

TCS Group Holdings Berhad ("TCS" or "the Group") is an established building and infrastructure construction services provider with more than 20 years of track record and was listed on ACE Market of Bursa Securities Malaysia Berhad since 23 July 2020. The Group has four subsidiaries namely, wholly-owned TCS Construction Sdn Bhd ("TCSC"), wholly-owned TCS Infra Sdn Bhd ("TCSI"), 60%-owned TCS Amona Consortium Sdn Bhd ("TCSA") and 65%-owned TCS SS Precast Construction Sdn Bhd ("TCSS").

Our construction services are mainly for buildings, infrastructure, civil and structural works in Malaysia. Over the years, we have completed various types of residential buildings such as terrace houses, bungalows, high rise apartments and condominium, as well as commercial buildings such as shop offices, a shopping complex and purpose-built buildings. Our services also include civil works such as roads, water and sewerage treatment plants, electrical substations, water tanks and reticulation systems for townships.

TCSC is accredited with ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems by the Standard and Industrial Research Institute of Malaysia ("SIRIM"). TCSC has also attained the SHASSIC safety certificates with 5-star rating, the High QLASSIC and Best QLASSIC Achievement Awards for its projects.

All TCSC, TCSI and TCSA are registered with the Construction Industry Development Board of Malaysia ("CIDB") as Grade G7 contractors, which allow us to tender for construction projects with unlimited values. In addition, TCSC has also obtained the Sijil Perolehan Kerja Kerajaan to participate in tenders for Government projects with contract value exceeding RM10.0 million.

VISION

To be the premier construction company in the country, delivering the best quality of work, timely completion, highest health and safety standards and stringent environmental management services.

MISSION

TCS mission is to provide value-added construction services to our Clients by creating successful partnership with them throughout the construction process and to establish lasting relationship by exceeding their expectations and gaining their trusts.

Our goal is to ensure the continuance of our company through repeat and referral business achieved by Clients' satisfaction in all areas including timeliness and quality of work.

We strive to maintain the highest levels of professionalism, integrity, honesty and fairness in our relationships with our suppliers, sub-contractors, associates and Clients.

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Corporate Information

BOARD OF DIRECTORS

TAN SRI DATO' SRI IZZUDDIN BIN DALI
Independent Non-Executive Chairman

DATO' IR. TEE CHAI SENG
Managing Director

WONG CHOO LEONG
Executive Director

DATO' SERI IR MOHAMAD OTHMAN BIN ZAINAL AZIM
Independent Non-Executive Director

OOI GUAN HOE
Independent Non-Executive Director

SHARON CHEW MUN HOONG
Independent Non-Executive Director

AUDIT COMMITTEE

Ooi Guan Hoe (Chairman)
Dato' Seri Ir Mohamad Othman bin Zainal Azim (Member)
Sharon Chew Mun Hoong (Member)

REMUNERATION COMMITTEE

Dato' Seri Ir Mohamad Othman bin Zainal Azim (Chairman)
Ooi Guan Hoe (Member)
Sharon Chew Mun Hoong (Member)

NOMINATION COMMITTEE

Dato' Seri Ir Mohamad Othman bin Zainal Azim (Chairman)
Ooi Guan Hoe (Member)
Sharon Chew Mun Hoong (Member)

RISK MANAGEMENT COMMITTEE

Dato' Seri Ir Mohamad Othman bin Zainal Azim (Chairman)
Dato' Ir. Tee Chai Seng (Member)
Ooi Guan Hoe (Member)

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC NO. 202208000250 & MAICSA 7045482)

Ang Wee Min
(SSM PC NO. 202208000334 & MAICSA 7076022)

PRINCIPAL PLACE OF BUSINESS

No. 1 & 3, Bangunan TCS
Jalan SP 1/1, Bandar Saujana Putra
42610 Jenjarom
Selangor Darul Ehsan
Tel : 603 - 5103 8888
Fax : 603 - 5103 7366
Email : general@tcsgroup.com.my
Website : www.tcsgroup.com.my

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Tel No. : +603-9770 2200
Fax No. : +603-2201 7774

SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd.
(202101043817 (1444117-M))
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Tel No. : +603 9770 2200
Fax No. : +603 2201 7774

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
Malayan Banking Berhad
UOB Bank (M) Berhad
RHB Bank Berhad
Public Bank Berhad
MBSB Bank Berhad
Kuwait Finance House (Malaysia) Berhad

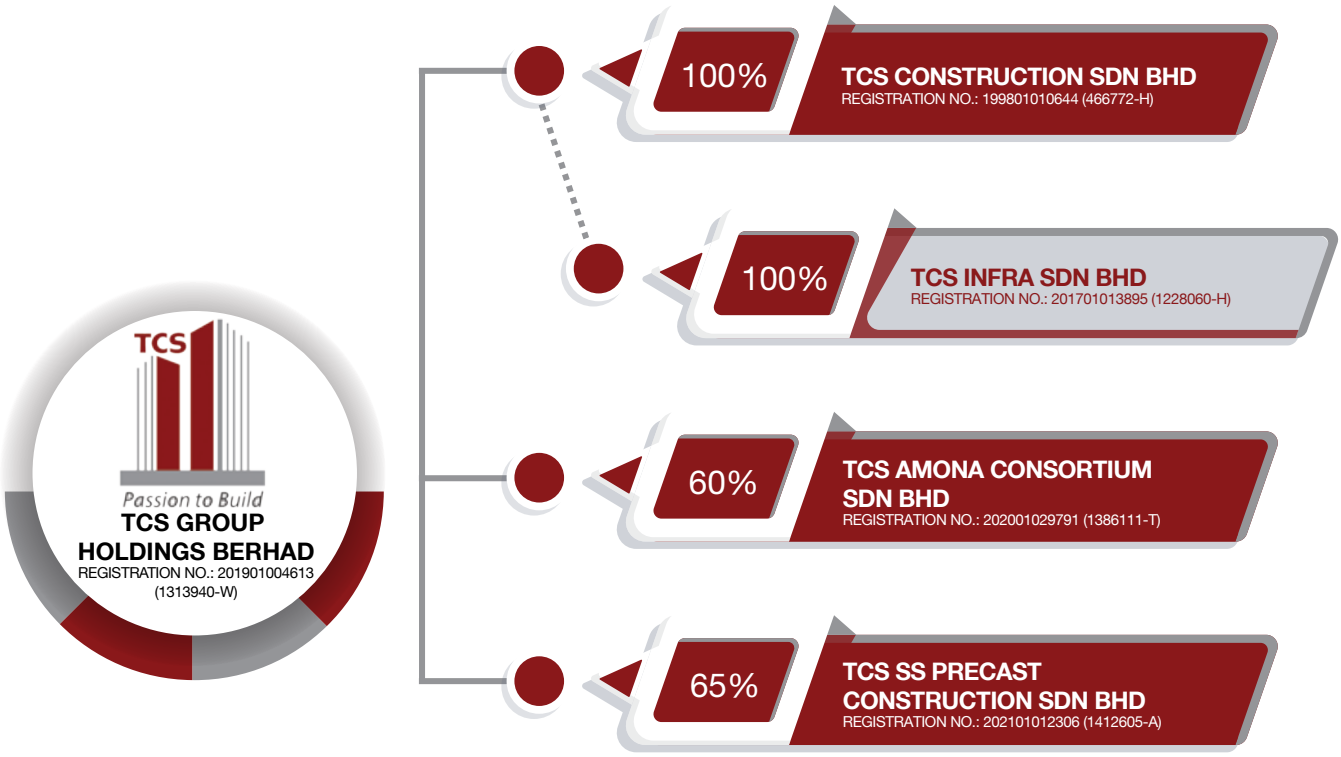
AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : 603 - 2692 4022
Fax No. : 603 - 2732 5119

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : TCS
Stock Code : 0221

Corporate Structure



COMPANIES	PRINCIPAL ACTIVITIES
TCS Group Holdings Berhad	Investment holding and provision of management services to its subsidiaries.
TCS Construction Sdn Bhd	Provision of construction services for buildings, infrastructure, civil and structural works and other transportation support activities.
TCS Infra Sdn Bhd	Provision of construction services for buildings, infrastructure, civil and structural works.
TCS Amona Consortium Sdn Bhd	Dormant.
TCS SS Precast Construction Sdn Bhd	Dormant.

Five-Year Financial Highlights

Financial Year Ended 31 December	2023	2022	2021	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCIAL RESULTS					
Revenue	374,481	261,591	204,047	242,643	358,424
(Loss)/Profit Before Taxation	(31,745)	(2,067)	7,351[3]	23,148	21,912
(Loss)/Profit After Taxation ("LAT")/PAT	(32,885)	(3,397)	2,473	16,169	15,657
FINANCIAL POSITION					
Total Assets	246,390	226,187	181,711	180,092	161,370
Total Borrowings	52,667	43,547	25,683	21,664	18,571
Total Equity	57,650	83,301	86,222	74,787	41,886
Cash and Cash Equivalents	5,049[4]	16,577[4]	31,921	48,105	15,020
FINANCIAL RATIOS					
(LAT)/PAT Margin (%)	(8.78)	(1.30)	1.21	6.66	4.37
Basic (Loss)/Earnings Per Share [1] *(sen)*	(8.13)	(0.87)	0.67	4.49	5.80
Gearing Ratio *(times)*	0.91	0.52	0.30	0.29	0.44
Net assets Per Share [2] *(sen)*	14.27	21.36	22.11	20.77	15.51

Notes:

(1) Calculated based on ("LAT")/ PAT over the issued share capital of 403,964,384 (2022: 390,000,000; 2021: 390,000,000; 2020:360,000,000; 2019:270,000,000) shares.

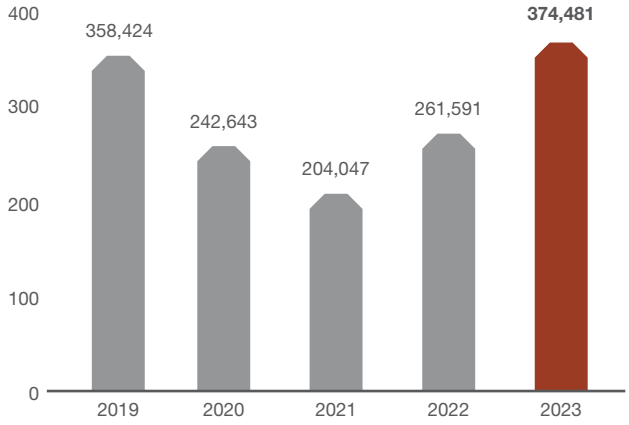
(2) Calculated based on Total Equity over the issued share capital of 403,964,384 (2022: 390,000,000; 2021: 390,000,000; 2020:360,000,000; 2019:270,000,000) shares.

(3) Adjusted for one-off impairment of financial assets amounting to RM4.135 million.

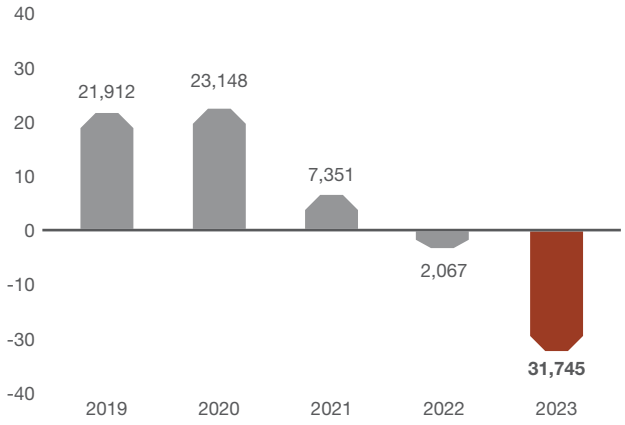
(4) Adjusted for bank overdraft amounting to RM9.568 million (2022: 11.499 million).

Five-Year Financial Highlights
(Cont'd)

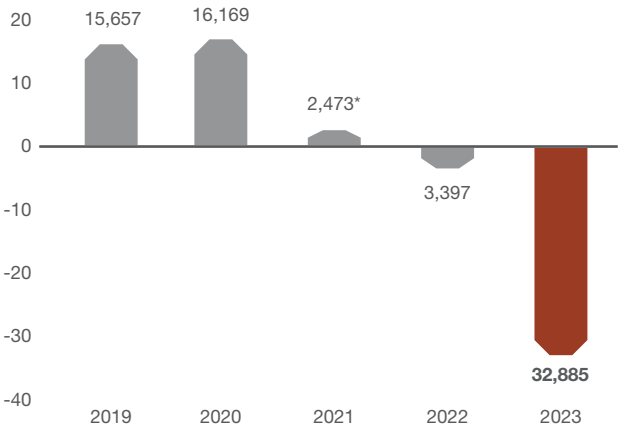
Revenue
(in RM '000)



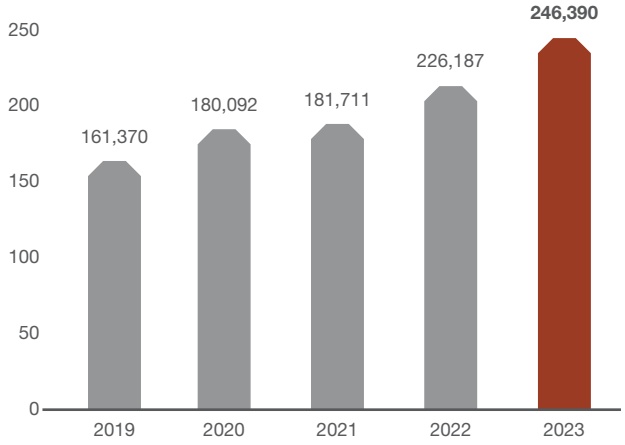
(Loss)/Profit Before Taxation
(in RM '000)



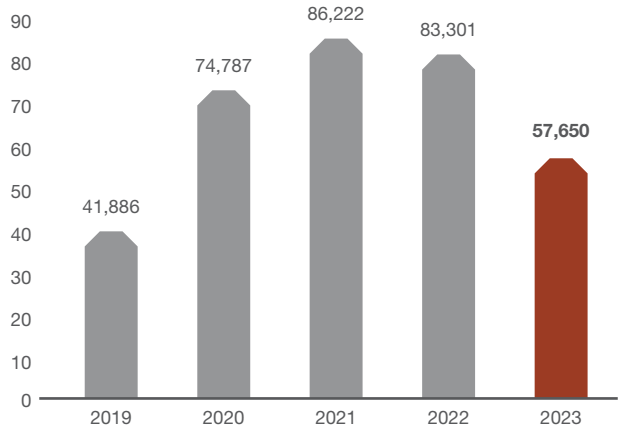
(Loss)/Profit After Taxation ("LAT")/PAT
(in RM '000)



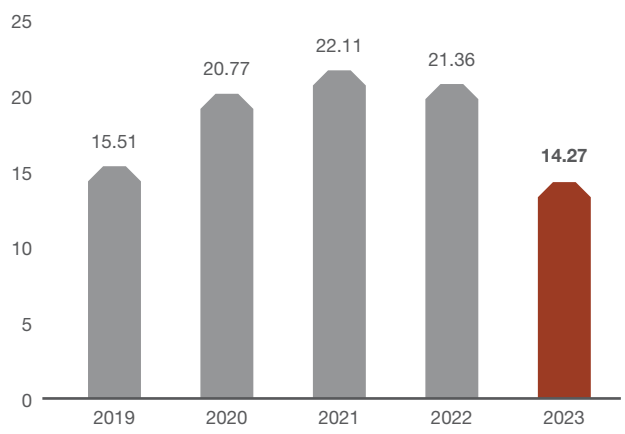
Total Assets
(in RM '000)



Total Equity
(in RM '000)



Net Asset Per Share
(in RM '000)



* Adjusted for one-off impairment of financial assets amounting to RM4.135 million

Directors' Profiles

Tan Sri Dato' Sri Izzuddin bin Dali

Independent Non-Executive Chairman

Malaysian *Male* *75 years old*

Tan Sri Dato' Sri Izzuddin bin Dali ("**Tan Sri Dato' Sri Izzuddin**") was appointed as our Independent Non-Executive Chairman on 30 May 2019.

Tan Sri Dato' Sri Izzuddin graduated with a Bachelor of Economics (Hons) in Public Administration from Universiti Malaya in March 1972. He later obtained a Master of Arts in Economics from Western Michigan University, USA in August 1983.

He served in the public sector for 35 years in various ministries which began in March 1972 as an Assistant Secretary in the Administration Division of the Ministry of Finance ("**MoF**"). He worked on matters relating to the Government's financial control and procedures. He was then transferred to the Budget Division in 1975 followed by the Finance and Loans Division in 1981 where he was responsible for coordinating loans for the Federal Government from bilateral sources. In 1982, he went to further his education and obtained a Master's degree under a Government training program. Upon completion, he joined the Economics and International Division in September 1983 as a Principal Assistant Secretary where he was responsible for monitoring and analysing the Federal Government's financial position. He returned to the Budget Division in 1987 as a Senior Assistant Director and was responsible for the preparation of the budgets for the Ministry of Works ("**MoW**") and Ministry of Transport.

In 1993, he was seconded by the MoF to serve as the General Manager of KLIA Berhad (currently known as KLIA Premier Sdn Bhd). He returned to the MoF in June 1999 as the Director of the Budget Division, responsible for the preparation and formulation of the Federal Government's budget. He was later appointed as the Secretary-General of the MoW in 2003 where he was responsible for the formulation of the ministry's policies. He returned to the MoF in 2004 to serve as the Secretary-General where he coordinated the overall formulation of policies under the ministry until his retirement in March 2007.

During his tenure in government service from 1999 to 2007, he sat on the boards of several government-linked companies and organisations, which included Lembaga Hasil Dalam Negeri, UDA Holdings Berhad, Bank Negara Malaysia, Malaysian Airline System Berhad and Petroliam Nasional Berhad (Petronas).

Currently, he does not hold directorship in any public listed companies.

He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

Directors' Profiles
(Cont'd)

Dato' Ir Tee Chai Seng
Managing Director

Malaysian *Male* *64 years old*

Dato' Ir Tee Chai Seng ("**Dato' Ir Tee**") was appointed as our Managing Director on 30 May 2019. He is a member of our Risk Management Committee. Dato' Ir Tee is responsible for the business direction and strategic development of the Group along with the business development activities.

Dato' Ir Tee graduated from the University of Texas, Arlington, USA in May 1984 with a Bachelor of Science in Civil Engineering (High Honours). He is a registered Professional Engineer with the Board of Engineers Malaysia, a corporate member of the Institute of Engineers, Malaysia, and a member of the Association of Consulting Engineers in Malaysia. He is also a member of the Institution of Engineers, Australia.

He has accumulated over 40 years of working experience in the construction industry including design and supervision of several major projects, project management services, construction, and property development. He began his career with Amoy Construction & LGB Joint Venture Sdn Bhd in early 1984 as a Site Engineer. He left the role in August 1986 and spent the next 4 years in Sabah working as a Resident Engineer with Wang Haron Sdn Bhd and subsequently a Project Manager with Takada Construction Sdn Bhd. He returned to Kuala Lumpur in September 1990 as a Structural Engineer at Zaidun-Leeng Sdn Bhd and in 1991, he joined Minconsult Sdn Bhd as an Infrastructure Engineer.

He began taking on more supervisory responsibilities after joining H.S. Liao Sdn Bhd in May 1992 as an Executive Engineer. A year later, he joined Abletask Construction Sdn Bhd as a General Manager before leaving in May 1995. In June 1995, he started a civil and structural consulting practice where he oversaw projects including the design & planning of townships, mixed development and buildings, infrastructure, as well as civil and structural works, such as highway, water supply & sewerage projects.

In November 1998, he acquired Projek Bumi Bina Sdn Bhd, which is involved in providing civil and structural construction services and the company subsequently changed its name to TCS Construction Sdn Bhd ("**TCS Construction**") on 23 January 2013. In September 2005, he co-founded Pembinaan Tuju Setia Sdn Bhd with two partners, serving as its Executive Director and the company was involved in the provision of construction services for buildings and civil works. Subsequently, he left Pembinaan Tuju Setia Sdn Bhd in February 2014 to focus on TCS Construction. Since then, he has successfully overseen the completion of several residential and commercial buildings as well as an international school, shopping malls and hotel under our Group.

Dato' Ir Tee has no conflict of interest with the Group other than those disclosed in the Company's Circular to Shareholders dated 26 April 2024 and Dato' Ir Tee is the spouse of Datin Koh Ah Nee, the major shareholder of the Company.

Currently, he does not hold directorship in any public listed companies.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

Directors' Profiles
(Cont'd)

Wong Choo Leong
Executive Director

Malaysian *Male* *32 years old*

Mr Wong Choo Leong ("**Mr Wong**") was appointed as our Executive Director on 1 December 2021.

Mr Wong graduated from Universiti Tunku Abdul Rahman Malaysia in May 2015 with a Bachelor's (Hons) degree in Civil Engineering.

He began his career in July 2015 with TCS Construction Sdn Bhd as a Site Engineer and was subsequently promoted to Project Manager and Project Director in May 2018 and August 2019 respectively. He is a director of subsidiaries of TCS Group, namely TCS Construction Sdn Bhd, TCS Amona Consortium Sdn Bhd and TCS SS Precast Construction Sdn Bhd.

Mr Wong is primarily responsible for overseeing, planning and managing TCS Group's construction projects. He has more than 8 years of experience in project planning and management, sites coordination and supervision as well as liaison with other stakeholders such as local authorities, project consultants and clients.

Currently, he does not hold directorship in any public listed companies. Mr Wong has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

Directors' Profiles
(Cont'd)

Dato' Seri Ir Mohamad Othman bin Zainal Azim

Independent Non-Executive Director

Malaysian *Male* *70 years old*

Dato' Seri Ir Mohamad Othman bin Zainal Azim ("**Dato' Seri Ir Othman**") was appointed as our Independent Non-Executive Director on 30 May 2019. He is the Chairman of our Remuneration Committee, Nomination Committee, Risk Management Committee and a member of our Audit Committee.

Dato' Seri Ir Othman graduated with a Bachelor of Science (Hons) in Civil Engineering from the University of Southampton, United Kingdom in July 1977. He later received a Master of Science (Engineering) in Highway and Traffic Engineering from the University of Birmingham, United Kingdom, in July 1988.

He is a registered Professional Engineer with the Board of Engineers Malaysia since August 1988. With a career spanning over 20 years in the Ministry of Works, he commenced as a District Engineer with the Negeri Sembilan Public Works Department in August 1977 where he was responsible for the development and maintenance of all federal and state building works. In 1980, he was transferred to the Road Design Unit (Standards and Specifications) and Highway Planning Unit, taking on the role of Senior Executive Engineer where he conducted regional development studies and infrastructure network development of the National Highway Network Plan. He left the position in 1986 to pursue a Master's degree and resumed his position a year later.

In November 1992, he was promoted to Deputy Director of Perak Public Works Department. In 1998, he was appointed as a Superintending Engineer for the Road Design Unit at the Kuala Lumpur headquarters. He was responsible for, among others, the design of the federal roads throughout Malaysia. In July 2000, he joined Putrajaya Corporation as a Director of City Development Department where he oversaw the public utilities and infrastructure developments in Putrajaya. Two years later, he was recruited by Putrajaya Holdings Sdn Bhd. During his time as Chief Executive Officer, he was instrumental in the residential and commercial development of Putrajaya.

In July 2006, he left Putrajaya Holdings Sdn Bhd to form Straits Consulting Engineers Sdn Bhd, a company specializing in civil and structural consulting works. In January 2008, he took on the role of Senior Vice President for the Infrastructure Department of the Northern Corridor Implementation Authority ("**NCIA**"). A year later, he joined the Project Management Unit under the Ministry of Finance ("**MoF**") as the Chief Operating Officer where he implemented the government's Economic Stimulus Package. After his tenure with the MoF, he served as Chief Executive Officer at A.T.E.S. Sdn Bhd, a traffic system management company from 2013 to 2016.

Dato' Seri Ir Othman currently sits on the board of several private and public listed companies which include Perak Corporation Berhad and Universiti Sultan Azlan Shah.

He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

Directors' Profiles
(Cont'd)

Ooi Guan Hoe
Independent Non-Executive Director

Malaysian | *Male* | *49 years old*

Mr Ooi Guan Hoe ("**Mr Ooi**") was appointed as our Independent Non-Executive Director on 30 May 2019. He is the Chairman of our Audit Committee, and a member of our Remuneration Committee, Nomination Committee and Risk Management Committee.

Mr Ooi graduated from University Putra Malaysia in August 1999 with a Bachelor's (Hons) degree in Accountancy. In June 2011, he completed an executive education program co-organised by Harvard Business School and Tsinghua University and obtained a certificate in Private Equity and Venture Capital - China.

He is a member of the Malaysian Institute of Accountants since 2002. He began his career in May 1999 when he joined Arthur Andersen Malaysia as an Audit Assistant. He left the firm in November 2002 to join CIMB Investment Bank as an Executive in the corporate finance department. After several promotions, his last position was Senior Manager in July 2008. During his tenure with the bank, he was responsible for marketing, originating and implementing corporate proposals for various corporate exercises. In October 2009, he left the investment bank and has since been involved in providing financial advisory work to listed companies and companies preparing for listing in his own personal capacity.

From 2010 to July 2017, he was the Director and Management Board member of various listed companies in Malaysia and Germany. He was the Chief Financial Officer of MOG Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited from 1 January 2019 to 31 March 2022. Currently, he is the Chief Financial Officer of Swang Chai Chuan Limited, which is listed on The Stock Exchange of Hong Kong Limited.

Currently, he sits on the Board of Techbond Group Berhad as Independent Non-Executive Director since January 2018.

He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

Directors' Profiles
(Cont'd)

Sharon Chew Mun Hoong
Independent Non-Executive Director

Malaysian *Female* *52 years old*

Ms Sharon Chew Mun Hoong ("**Ms Sharon**") was appointed as our Independent Non-Executive Director on 26 April 2023. She is a member of our Audit Committee, Remuneration Committee and Nomination Committee.

She holds a bachelor's degree from Universiti Malaya and boasts over 26 years of experience in the Financial Services and Capital Market Industry. Throughout her career, she has worked with various global and local financial institutions.

Ms. Sharon's professional journey includes roles at HSBC, where she managed Custody and Asset Services Operations for Asia Pacific markets. She also served as the Head of Global Securities Operations at Deutsche Bank (Malaysia) Berhad, overseeing business units related to Local & Global Settlements, Corporate Actions, and Custody Support. Subsequently, she held the position of Head of Operations at RHB Asset Management Berhad, managing Asset Management Operations before transitioning to Corporate Trustee and Custody services.

Currently, Ms. Sharon does not hold any directorship in other public companies or listed issuers.

She has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

Furthermore, she has a clean record, with no convictions other than traffic offenses within the past five (5) years, and no public sanctions or penalties imposed by relevant regulatory bodies.

Key Management Profile

MR LIEW KOK YOONG
Chief Financial Officer

Mr Liew Kok Yoong, male, a Malaysian, aged 35, has been serving as our Group Accountant since April 2015 and subsequently promoted to Chief Financial Officer in July 2022. He is responsible for the company financial planning and review, cash flow management and financial reporting. He has more than 12 years of experience in accounting, finance, corporate finance, taxation and treasury and auditing specializing in property development, construction, engineering consultancy and investment property.

He graduated with a Bachelor (Hons) Degree in Applied Accounting from Oxford Brookes University, UK in September 2010. He is a Fellow Member of Chartered Certified Accountants ("ACCA") since March 2019. He is also a Registered Chartered Accountant with the Malaysian Institute of Accountants ("MIA") since July 2014.

He has no relationship with any Directors and/or any major shareholder of TCS and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

MR WAYNE HO CHEE WOEI
Senior Contract Manager

Mr Wayne Ho Chee Woei, male, a Malaysian, aged 37 is our Senior Contract Manager since May 2016. He is responsible for overseeing the company's post-contract works which include subcontract awarding, monitoring of material delivery schedule, prepare progress claim to clients, tender submissions and contract-related matters.

He has more than 14 years of experience in monitoring pre and post contract duties in property development and construction industries.

He graduated with a Diploma in Quantity Surveying from INTI International University, Malaysia in February 2009.

He has no relationship with any Directors and/or any major shareholder of TCS and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

MDM JENNY KOO YOKE PING
Corporate Affairs Manager

Mdm Jenny Koo Yoke Ping, female, a Malaysian, aged 56, is our Corporate Affairs Manager since 2008. She is responsible for overseeing the company's corporate affairs and performing administrative duties.

She has close to 32 years of working experience undertaking roles pertaining to the secretarial, human resources and administration functions.

She has no relationship with any Directors and/or any major shareholder of TCS and has no conflict of interest with the Group. She does not hold directorship in any public listed companies. She has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

Key Management Profile
(Cont'd)

MDM NG LEE FOONG
Procurement Manager

Mdm Ng Lee Foong, female, a Malaysian, aged 45 is our Procurement Manager since June 2016. She is responsible for overseeing the company's purchasing and procurement activities.

She has more than 18 years of experience in administrative and clerical tasks in companies that are primarily engaged in civil and structural engineering, property development and building construction.

She graduated with a Bachelor (Hons) Degree in Business Administration from University Utara Malaysia in September 2003.

She is the niece of Dato' Ir Tee Chai Seng, the Managing Director of TCS. She has no conflict of interest with the Group and does not hold directorship in any public listed companies. She has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

MR LO WEN JET
Assistant Project Director

Mr Lo Wen Jet, male, a Malaysian, aged 29 joined our Group as Assistant M&E Engineer since 2018 and was subsequently promoted to Assistant Project Director in 2022. He is responsible to assist our Executive Director on overseeing and managing the overall daily operations at our project sites and assist our Managing Director with site coordination works.

He graduated with a Diploma of Science in Mechanical Engineering from Infrastructure University Kuala Lumpur in 2017.

He has no relationship with any Directors and/or any major shareholder of TCS and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

MDM MASYITAH BINTI YAMAN
QESH Manager

Mdm Masyitah Binti Yaman, female, a Malaysian, aged 36 is our QESH Manager since 2019. She is responsible for the development, implementation, monitoring, control and maintenance of all policies, activities, procedures, instructions as relevant and required by our Group's QESH management system. She also ensures the integrity of our QESH management system at all times.

She graduated with a Bachelor's Degree in Civil Engineering from University Tun Hussein Onn, Malaysia in June 2014 and she has 5 years experiences in construction environment with knowledge of the best safety and health practices.

She has no relationship with any Directors and/or any major shareholder of TCS and has no conflict of interest with the Group. She does not hold directorship in any public listed companies. She has not been convicted of any offences other than traffic offences (if any) in the past 5 years.

Chairman's Statement

Dear Valued Shareholders,

As the Chairman of TCS Group Holdings Berhad and its subsidiaries ("TCS" or the "Group"), I am delighted to share with you TCS' annual report and audited financial statements for the financial year ended 31 December 2023 ("FY2023").

INDUSTRY AND BUSINESS OVERVIEW

The financial year under review presented significant challenges, characterised by heightened market uncertainties arising from various macroeconomic factors such as geopolitical tensions, inflationary pressures, rising interest rates and concerns of an economic downturn.

Global economic growth moderated to 3.0% in 2023 from 3.5% in the previous year according to statistics from International Monetary Fund ("IMF"). Domestically, Malaysia's gross domestic product ("GDP") growth normalised to 3.7% in 2023 versus the high base of 8.7% the year before according to the Ministry of Finance ("MoF").

These uncertainties have further burdened the existing challenging environment of the construction industry. Elevated raw material costs caused by supply chain disruptions arising from the aftereffects of the pandemic and hike in minimum wage have been the major headwinds for the sector and the Group.

TCS has been undertaking a cautious and prudent approach to manage the situation. Proactive management of the ongoing challenges was paramount for the Group to navigate through these obstacles combined with our emphasis on quality execution and timely delivery of all our projects. The support of our healthy balance sheet played an important role during these demanding times as well. At the end of the financial year under review, our total outstanding order book stood at RM901.97 million.

Chairman's Statement (Cont'd)

FINANCIAL HIGHLIGHTS

Despite the taxing landscape, the Group's FY2023 revenue rose 43.2% year-on-year ("YoY") to RM374.48 million. This was higher than the RM261.59 million posted in the prior year on the back of more advanced stage of construction from our on-going projects. The improvement was not translated to our bottom-line due to the aforementioned hike in raw material costs resulting from the lingering consequences of the pandemic, which led to disturbances in the supply chain for building materials. The Group reported a net loss of RM32.89 million for the financial year under review.

FORGING AHEAD

The global economy is expected to remain soft in 2024 as market uncertainties are anticipated to persist. IMF estimates 2024 global growth to remain subdued at 3.1%, similar to 2023 growth. This is largely driven by elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity and low underlying productivity growth. Back home, the MoF forecasted the 2024 GDP growth to be between 4.0% to 5.0% versus 3.7% in 2023.

On a brighter note, Malaysia's construction industry is expected to expand by 6.8% in 2024 according to MoF. This is supported by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road, the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021-2025 ("Twelfth Malaysian Plan"). Furthermore, the rollout of major projects such as Mass Rapid Transit Line 3, Penang Light Rail Transit and flood mitigation projects to name a few, certainly augurs well for the sector and the Group.

The Group is positive on the outlook of the industry premised upon the aforementioned factors. With that, our team continues to pursue opportunities and bidding for projects in the fields of residential and commercial buildings, infrastructure and institutional building construction. On that note, we are also pleased to share that TCS had in March 2024, secured a RM140.27 million contract from KLK Retail Centre Sdn. Bhd. ("KLKRC"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLK") for a commercial complex in Bandar Seri Coalfields, Selangor. This enhanced our current order book and providing us with healthy earnings visibility in the coming years.

All in all, we continue to be cautiously optimistic on the prospects of the Group while being mindful of the challenging environment. TCS' commitment remains on delivering exceptional quality while ensuring timely completion for all our projects and prioritizing the health and safety of our employees.

APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to the management and staff at TCS for their commitment and hard work especially during such demanding times.

My heartfelt thanks also go to all our stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers, suppliers for their support and patience.

Next, I would like to extend a warm welcome to Ms. Sharon Chew Mun Hoong who joined us as our Independent Non-Executive Director in FY2023. Her extensive experience and expertise in the financial services and capital market industry have certainly enhance the diversity and strength of the Board. On the same note, I would like to offer my profound gratitude to Datin Koh Ah Nee, who has relinquished her role as Executive Director from the Board in April 2023, for her immense efforts and contribution to the Group.

To my fellow Board members, your collective wisdom, insightful counsel and guidance have been essential in navigating through the obstacles. It has truly been a pleasure to work alongside each of you and I hope we will continue this successful collaboration to further grow TCS in the future.

Tan Sri Dato' Sri Izzuddin Bin Dali
Independent Non-Executive Chairman

Management Discussion and Analysis

OVERVIEW

FY2023 was a demanding year for us at TCS Group Holdings Berhad and our subsidiaries ("TCS" or the "Group") as global economic uncertainties persisted in the financial year under review. This, coupled with higher labour and raw material costs arising from the lingering effects of the pandemic, placed further pressure on the challenging business operating landscape. Nevertheless, we leveraged on our experience and prudent approach to manage the situation and ensured the continued timely delivery of high-quality projects.

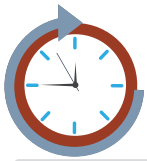
BUSINESS OVERVIEW

The financial year under review saw surging inflation become a major challenge for global economies. Central banks responded aggressively with interest rate hikes, but this has fuelled fears of recession and increased market uncertainty both globally and domestically. However, towards the end of 2023, the pace and magnitude of interest rate hikes have somewhat slowed down while some central banks are taking a pause, as inflationary pressures appear to have moderated. These uncertainties have added further complexities to the taxing operating conditions and placed additional strain on the construction industry, exacerbating existing challenges with elevated labour and material costs. Players across the construction sector, including TCS, had to navigate through these upheavals. On a brighter note, while prices of some raw materials trended upwards, the movement has been gradual and less erratic.

Management Discussion and Analysis (Cont'd)

Despite these headwinds that we have been proactively managing, TCS' commitment remains on our three key focus areas for all our projects:

Delivering Exceptional Quality



Timely Completion

Priority on Health & Safety at Work

In FY2023, the Group secured a RM10.70 million contract for the construction and completion of a sales gallery in Subang Jaya, Selangor. On that note, we are pleased to share that the Group's order book as of 31 December 2023 was at RM901.97 million. This provides TCS with clear earnings visibility for the coming financial years.

Outstanding Order Book

as at 31 December 2023

RM901.97 Million

CORPORATE DEVELOPMENTS

Proposed Rights Issue with Warrants

TCS had in December 2023 announced the proposed renounceable rights issue of up to 243.60 million new ordinary shares ("TCS Shares")("Rights Shares") at an issue price of RM0.12 per Rights Shares on the on the basis of 2 Rights Shares for every 5 existing TCS Shares held as at an entitlement date to be determined and announced later by the Board, together with up to 146.16 million free detachable warrants ("Warrants B") on the basis of 3 Warrants B for every 5 Rights Shares subscribed for ("Proposed Rights Issue with Warrants").

The Proposed Rights Issue with Warrants enable the Group to raise funds and channel towards the working capital for TCS' existing projects. Furthermore, this exercise provides the opportunity for the entitled shareholders to participate in equity offering on a pro rata basis, which will not have a dilutive effect on their shareholdings. Apart from that, it also gives rise to the opportunity to acquire TCS shares at a discount and monetise their rights of allotment to the Rights Shares in the open market.

This exercise is expected to be completed in the second quarter of 2024 barring any unforeseen circumstances and subject to the relevant approvals being obtained.

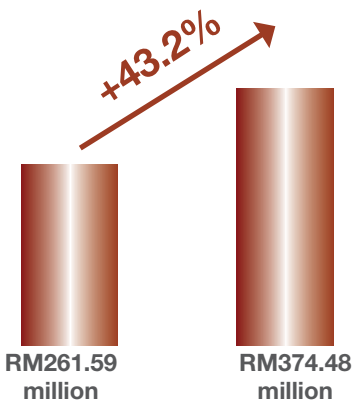
Private Placement

Subsequently in February 2024, the Group completed a private placement exercise of up to 10% of the total number of issued shares of TCS ("Private Placement"). We successfully raised RM7.78 million from the issuance of 39.00 million new TCS Shares. The proceeds were fully utilised for working capital related to our Group's construction projects and for expenses associated with the private placement exercise.

FINANCIAL REVIEW

Revenue

TCS' revenue for the fiscal year under review rose by 43.2% year-on-year ("YoY") to RM374.48 million as compared to RM261.59 million a year ago. The healthy improvement was largely driven by higher progress billings on the back of more advanced stage of construction from our on-going projects.



Bottom-Line

The top-line improvement was, however, not reflected at the bottom-line as profitability was affected by high war material costs resulting from the aftereffects of the pandemic, which led to disturbances in the supply chain for building materials. The Group posted a net loss of RM32.89 million for FY2023 versus a net loss of RM3.40 million in the previous year.

Management Discussion and Analysis (Cont'd)

Capital Structure & Capital Resources

As of 31 December 2023, TCS' total assets increased by RM20.20 million to RM246.39 million vis-à-vis RM226.19 million in the prior year.

On the other hand, the Group's total equity amounted to RM57.65 million at the close of the financial year under review. Meanwhile, total liabilities stood at RM188.74 million at the end of FY2023.

Net Gearing

At the close of the financial year under review, TCS' net gearing was at 0.91 times.

Balance Sheet Highlights As At 31 December 2023

Total Assets
RM246.39 million

Total Equity
RM57.65 million

Net Assets
RM0.14
per Share

RM million	FY2023	FY2022
Total Assets	246.39	226.19
Cash & Cash Equivalent	5.05	16.58
Total Equity	57.65	83.30
Total Liabilities	188.74	142.89
Current Ratio (x)	1.15	1.44
Net Assets per Share (RM)	0.14	0.21
Net Gearing	0.91x	0.52x

ANTICIPATED AND KNOWN RISKS

The Group is confident on our solid business foundation and established track record as a construction services provider. However, we remain vigilant of industry risks that could potentially impact our value creation for stakeholders. Below are key anticipated risks and their corresponding mitigation strategies:

Competitive Landscape

The construction industry is highly competitive as there are over 100,000 CIDB-registered contractors and more than 8,500 in our Grade G7 category. This intense competition could hinder our ability to secure new contract, potentially impacting our future earnings.

For us at TCS, we continue to reply on our proven track record, extensive experience and technical competency to preserve our competitive edge. Our goal is to become the preferred construction services provider for our clients while ensuring healthy long-term financial performance. Additionally, we remain committed to upholding excellence across all projects by delivering exceptional quality, timely completion and prioritizing health and safety at work.

Management Discussion and Analysis (Cont'd)

Raw Material Price Volatility

Managing the raw material cost fluctuations is part and parcel of the construction industry. These fluctuations could disrupt procurement and profitability. We have implemented measures and contingency plans to mitigate supply chain risks and counterbalance cost changes. Our extensive industry experience and long-standing relationships with a broad supplier network allow us to secure competitive pricing while ensuring a consistent supply of essential materials.

Operational Disruptions

The Group's ability to deliver projects on time relies on smooth construction site operations. Unexpected shutdowns or disruptions could adversely affect our performance. Additionally, external factors beyond our control – such as pandemics, natural disasters or civil unrest – may impact our operational and financial performance as well. As part of our efforts to manage the risk, we prioritise a strong network of trusted subcontractors with whom we have long-standing relationships, offering flexibility and resource support to maintain operational continuity.

Political, Economic, and Regulatory Risks

Our financial and business prospects are tied to the cyclical nature of the construction industry, including risks from political changes, economic downturns and regulatory changes. To mitigate these risks, we employ prudent management practices and adapt our investment strategies in response to economic cycles. Additionally, we maintain proactive communication with relevant authorities, ensuring continuous compliance with government policies, rules, and regulations.

OUTLOOK AND PROSPECTS

Market uncertainties are anticipated to persist, contributing to a soft global economic outlook. Back home, the situation is slightly rosier with MoF forecasting a 2024 GDP growth to be between 4.0% to 5.0% for 2024 versus 3.7% in 2023.

Zooming into the construction sector, a growth of 6.8% in 2024 is estimated by MoF following an expansion of 6.3% in the previous year. The civil engineering subsector remains buoyed by ongoing projects like the Central Spine Road and the Pan Borneo Sabah Highway, along with the accelerated implementation of projects under the Twelfth Malaysian Plan. On top of that, New Industrial Master Plan 2030 ("NIMP 2030") is expected to further strengthen the performance of non-residential buildings subsector as the Twelfth Plan will provide a platform to attract more investments into the country.

This outlook certainly bodes well for the Group as we see opportunities and are bidding for projects in residential and commercial buildings, infrastructure projects as well as institutional buildings.

The Group had in March 2024, clinched a RM140.27 million contract from KLKRC, a wholly-owned-subsidiary of KLK, who is also a returning client, for main building works for a proposed commercial complex known as Bandar Seri Coalfields Retail Park in Bandar Seri Coalfields, Selangor. This enhances our order book and strengthens our earnings visibility.

At the same time, we are also mindful of the demanding business operating landscape particularly the aforementioned elevated raw material costs situation. Our utmost priority continues to be on ensuring quality execution and timely delivery of all our projects as we manoeuvre through these headwinds. On balance, the long-term outlook of the Group continues to be positive underpinned by our healthy order book and prudent management.

Management Discussion and Analysis (Cont'd)

ACKNOWLEDGEMENT

In closing, I would like to commend the team at TCS for an exceptional display of grit, adaptability and competency this year. I am proud of all achievements the team managed in FY2023, especially against such a challenging environment.

To our valued customers, shareholders, business partners, associates, suppliers and the respective regulatory authorities – thank you for your unwavering support.

I also wish to take this opportunity to welcome Ms. Sharon Chew Mun Hoong as our Independent Non-Executive Director. She brings with her a wealth of valuable knowledge and experience, which has been contributing positively to the Group. Next, my heartfelt appreciation goes to Datin Koh Ah Nee, who is also my wife, for her invaluable contribution to the Group as she relinquished her role as Executive Director.

To my fellow Board members, I would like to record my appreciation to my fellow Board members for their professionalism and for being such a joy to work with. I am confident that with the stewardship of the Board and out team, TCS will sail past the challenges and emerge stronger than before.

Dato' Ir. Tee Chai Seng
Managing Director

Sustainability Statement

TCS Group Holdings Berhad ("TCS") is pleased to present our Sustainability Statement, outlining our approach to sustainability in the Economic, Environmental and Social ("EES") contexts for the financial year ended 31 December 2023 ("FY2023").

The Group's sustainability initiatives reflect our continuous efforts towards maximising opportunities and strengthening our capabilities for solid growth as well as optimum operational efficiency in line with TCS's vision and mission.

OUR COMMITMENT

At TCS, we perceive corporate sustainability as our commitment to create long-term value for the Group's stakeholders in the EES aspects through innovation and overall operational excellence. We understand our choices today have an impact on our stakeholders i.e. customers and suppliers, and the success of their businesses in the future. Our business imperative is to carry out our activities responsibly and with integrity. Our people are expected to behave in an ethical manner in accordance with our policies, Code of Conduct and guidelines.

Mindful of the need to be a responsible corporate entity, the Group undertook various steps towards contributing to the welfare of the society and communities in the surrounding environment where it operates. The Group recognises that for long-term sustainability, its strategic orientation will need to look beyond the financial parameters.

Within the ESS, we have defined our commitment to corporate sustainability across three material areas:

ECONOMIC IMPACT

Corporate Governance and Ethical Behaviour

TCS is continuously committed in promoting and maintaining transparency, accountability as well as ethics in the conduct of its business and operations with stakeholders, including the Government and Authorities, the Group's Shareholders and Investors, Customers, Suppliers, Employees and Communities. This includes the implementation of internal control systems such as a financial authority framework and risk management framework within the Group. As such, the Company's Board and Management periodically review these internal control systems together with recommendations from Internal and External Auditors, to ensure relevancy and effectiveness.

We have consistently communicated the importance of good governance to all interested parties and have received positive support. The Group has established the following policies and code as a guide to all employees and our interested parties:

- Whistle-blowing Policy
- Internal Control and Risk Management Policy
- Code of Ethics and Conduct
- Anti-Bribery and Corruption Policy

We have also adhered to the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and equipped the Group with adequate procedures to prevent any activity that may lead to corruption by or of the person associated with the Company.

Procurement Practices

We recognise that our subcontractors and suppliers are the Group's strategic partners with whom we intend to establish long-term good working relationship with. In this respect, we adhere to procurement procedures in assessing and evaluating TCS' subcontractors and suppliers, based on their track record, quality and pricing of their products and services. The procedures to ensure fair and transparent procurement practices includes:

- Open tender and transparent evaluation of quotations;
- Fair selection and appointment; and
- Performance monitoring and evaluation on regular basis.

Sustainability Statement (Cont'd)

Customer Satisfaction – Delivery of Quality and Excellence

The Group constantly strives to meet its standard of excellence by ensuring delivery of quality products and services in our project execution with the aim of meeting customer deliverables as detailed in our contracts. We adopt and implement quality workmanship for various elements of building construction works such as structural, architectural, mechanical as well as electrical as well as external works.

As a demonstration to our commitment towards quality and excellence, our subsidiary TCS Construction Sdn Bhd was awarded the prestigious 5 Star SCORE Award by the Construction Industry Development Board (CIDB) for 4 consecutive years between 2019 to 2023.

We are committed in adhering to the ISO 9001:2015 Quality Management System international standard to enhance the quality of workmanship in our projects. This includes an annual internal Quality Management System Audit conducted to ensure the standards are upheld in a consistent manner. Our ISO 9001:2015 Certifcation was obtained and maintained since year 2018.

SIRIM ISO 9001:2015
Quality Management Systems

IQNet ISO 9001:2015

SIRIM AWARD ISO 9001:2015

We have also participated in QLASSIC assessment for our projects according to the requirements of QLASSIC standard CIS 7:2006 (First Edition) and CIS 7:2014 (Revised Edition), as part of the Group's efforts to ensure the high standards of workmanship as well as to meet our customers' QLASSIC score requirements. This certification reflects on our good performance and effectiveness in maintaining the recognised quality management system.

Our following projects have consistently achieved a high QLASSIC Score above 80%. This shows our commitment towards delivering quality and excellence across our projects.

Project Name	Assessment Year	QLASSIC Score %
Albury I, Mahkota Hills (UM Land)	2017	83
Albury II, Mahkota Hills (UM Land)	2018	81
GEMS International School, Tropicana Metropark	2017	82
Tropicana Urban Homes, Tropicana Aman	2019	84
Hermington & Kuchaimas, Aset Kayamas	2021	85
Elmina Green Phase 3A (Sime Darby)	2023	80
Vista Sentul Residences, Platinum Victory	2023	80

Sustainability Statement (Cont'd)

Customer Satisfaction – Delivery of Quality and Excellence (Cont'd)

Sustainability Statement (Cont'd)

ENVIRONMENTAL IMPACT

CAMPAIGN FOR ENVIRONMENT

We are pleased to state that TCS' processes are accredited with ISO 14001:2015 Environmental Management System from SIRIM QAS International since year 2019 which is a testament of our commitment towards sound environmental management and practices.

SIRIM ISO 14001:2015
Environmental Management Systems

IQNet ISO 14001:2015

SIRIM AWARD ISO 14001:2015

While striving for growth, we recognize the importance on resources conservation in our day-to-day business activities and have fostered creating environmental awareness among our employees by proactively encouraging them through communication and displaying signages within the Group's premises, to support the following measurements:

Energy Saving Practices

- Create awareness on energy efficiency benefits by encouraging exemplary behaviours such as reducing air-conditioning and lighting usage during operational hours to reduce carbon emission.

- The last employee who leaves the office premise is responsible to ensure all the electricity equipment and fixtures are switched off.

In our effort to mitigate climate change, our Group strives to optimise energy efficiency and to reduce power consumption in both our existing and new operations. After the initial implementation and commencement of operations, scheduled checking and verification are conducted through performance monitoring and analysis.

As we collect energy data from Group-wide operations, we constantly monitor our energy consumption and the performance of our business units. Improved energy efficiency and choice of energy sources help reduce operational costs and minimise GHG emissions.

In FY2023, the Group consumed 1,483 MWh of energy collectively which was purchased electricity from the grid used by our business operations.

Across the Group's project sites and head office, we have set energy consumption intensity reduction targets:

- 8% from FY2022 to FY2025, with FY2022 as the base year
- 10% by FY2028, with FY2022 as the base year

Sustainability Statement (Cont'd)

ENVIRONMENTAL IMPACT (Cont'd)

CAMPAIGN FOR ENVIRONMENT (Cont'd)

Renewable Energy

We are committed to using renewable energy including solar power to reduce the Group's reliance on fossil fuel-generated electricity. We have solar panels installed at our head office. The solar panels that were installed at our head office has generated 3.25MWh of solar power in FY2023, equivalent to a carbon emissions reduction of 9,220 kg-CO2e/year and equivalent to 13 trees planted.

Water Consumption Minimisation

Our employees are encouraged to practise water-saving habits which include the following:

- Minimising wastage of water in pantries and washrooms.
- Turning off water taps when not in use.
- Avoiding repeated or unnecessary flushing.
- Minimising water wastage during irrigation and cleaning of common areas.
- Avoiding over-irrigation where possible.
- Avoiding repeated cleaning and water overflow.
- Speeding up repair work turnaround time for pipe leakages.

Sustainability Statement (Cont'd)

ENVIRONMENTAL IMPACT (Cont'd)

CAMPAIGN FOR ENVIRONMENT (Cont'd)

Waste Management

- Minimising environmental degradation through the reuse and recycling of waste materials including waste paper, plastic, metal and glass products.

- Implement proper construction scheduled waste management in terms of generation, storage, collection, treatment and re-use of recyclables prior sending to authorized landfills.

- Advocating the use of paperless of documents, minimising the need for email printouts, encouraging double-sided printing and photocopying, where printing or photocopying is necessary, only the exact number of copies required should be made.

We believe the Group's environmental care culture and initiatives will foster a positive impact to the surrounding environment in the long-run.

Promoting Building Material Efficiency

We adopt system formwork and self-climbing protection system in the construction of high-rise buildings. The utilisation of system formwork in construction which allows for multiple reuses, and the formwork material is recyclable. System formwork is commonly used at high-rise tower blocks exceeding 10 storeys excluding podiums, facility decks, basements, or standalone structures such as guard houses and refuse centres.

Sustainability Statement (Cont'd)

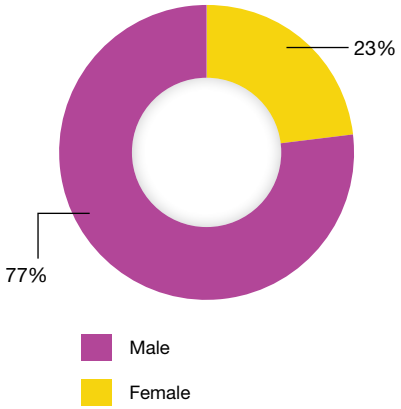
SOCIAL IMPACT

OUR PEOPLE

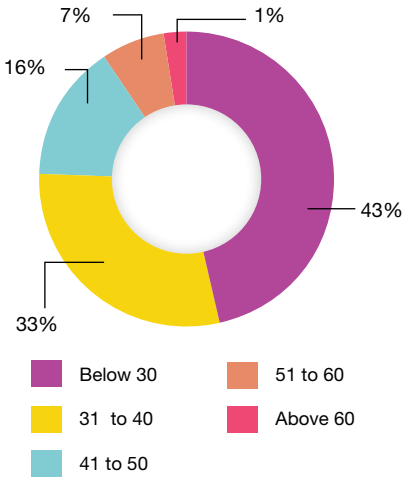
At TCS, we believe our employees are the Group's greatest asset to the sustainability and success of the Group. We are dedicated to attracting and retaining a highly skilled workforce while prioritising the well-being of our people.

The Group recognises the value of workforce diversity as our key competitive edge, as such, there is no discrimination against employees or applicants in terms of gender, age and ethnicity, among others. The Group acknowledges and values employees who have displayed outstanding performance or achievement in their career with the Group and may appropriately reward such employees.

GENDER DISTRIBUTION



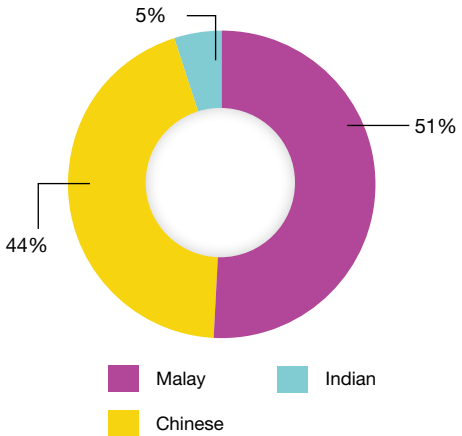
AGE DISTRIBUTION



Gender Distribution	
Female	34
Male	113

Age Distribution	
Below 30	63
31 – 40	49
41 – 50	23
51 – 60	11
Above 60	2

ETHNIC DISTRIBUTION



Ethnic Distribution	
Malay	75
Chinese	65
India	7
Others	0

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH

The Group is accredited with ISO 45001:2018 Occupational Health and Safety Management System and has attained SHASSIC safety certificates with 5-star rating for our projects. These certifications indicate TCS' dedication towards providing a safe and healthy working environment for the employees and customers while striving to minimize any preventable accidents and health hazards that may occur in any of the business premises and construction sites.

SIRIM ISO 45001:2018 Occupational Health and Safety Management Systems

IQNet ISO 45001:2018

SIRIM AWARD ISO 45001:2018

The SHASSIC Safety Awards which we have obtained include the following:

Project Name	Assessment Year	SHASSIC Score %
Riana South, Manda'rina (IJM Land)	2019	96
Suria Pantai, Pantai Sentral Park (IJM Land)	2019	93
Tropicana Urban Homes, Tropicana Aman	2019	93
Hermington & Kuchaimas, Aset Kayamas	2020	97
Woodbury, Mahkota Hills (UM Land)	2020	96
Elmina Green Phase 3A (Sime Darby)	2022	96.52
Vista Sentul Residences (Platinum Victory)	2022	99.61

On the Safety, Health, Environment and Quality (SHEQ) Day held by CIDB on 19th September 2023, we were also awarded with the prestigious award of Highest SHASSIC Score in Malaysia for the private sector project at Vista Sentul Residences for year 2022.

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

Vista Sentul – Anugerah Pencapaian Tertinggi 2022 (SHEQ DAY 2023)

Vista Sentul – Anugerah Kecemerlangan (Kategori Project Swasta) (SHEQ DAY 2023)

Vista Sentul – 99.61%

Sime Darby EG3A - 96.52%

Hermington & KuchaiMas – 97%

During the year, we conducted safety awareness and prevention programmes:

1. Weekly Toolbox Meetings

A weekly training and meeting is provided for construction employees at all constructions sites to keep them informed of all safety matters and regulations, and to ensure control measures are implemented to mitigate risks that will impact the construction works.

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

2. On Site Safety

We provide continuing education and training to our construction and engineering personnel to maintain high level of safety and health at the work sites. All our sites officers conduct monthly inspections to ensure the Group's sites are in compliance with relevant safety regulations and policy.

We conduct Emergency Fire Drills within the first 3 months of the commencement of the projects operations and thereafter on a minimum 6 month basis. The purpose is to provide appropriate training on building evacuation in case of emergency and also guidance on the use of the safety equipments such as fire extinguisher, fire alarms and smoke detector at the workplace.

Fire drill

3. On Site Safety Training/ campaign

ESH Induction for new workers

Working at Height Training

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

3. On Site Safety Training/ campaign

First Aider Training

Rigger and lifting briefing

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

4. On Site Safety campaign

No Plastic Campaign Award

5. On Site Safety Inspection

Inspection of Fire Extinguisher

Backhoe Inspection – weekly/ monthly

Crawler Kren Inspection – weekly/ monthly

Sustainability Statement (Cont'd)

SOCIAL IMPACT (Cont'd)

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

6. Periodic Fogging for Aedes Prevention

Our Group supports the Health Ministry initiative in the 4S programme to control dengue infections among the population. 4S stands for "Search and Destroy" mosquito breeding places, "Secure Self Protection" from mosquito bites, "Seek Early Consultation" when signs and symptoms of dengue occur, and "Support Fogging/spraying" only in hotspot areas where increase in cases is registered for two consecutive weeks to prevent an impending outbreak.

We conduct Fogging and larviciding activity twice a week at all our project sites to prevent dengue infections among the staff/workers at the workplace.

Fogging activity

Sustainability Statement (Cont'd)

TRAINING AND DEVELOPMENT

The Group ensures and encourages the personal growth, development and progression of employees by providing development opportunities through training, seminar and workshops. We believe in enhancing our employees with relevant knowledge to raise their competency levels and skill sets for the benefit of the employees as well as for the Group as a whole. The following are the trainings undertook by the employees in FY2023:

No	Course Title	Duration / Period
1	First Aider Competency Training (Amal Medik)	30 & 31 January 2023 (2 days)
2	MBAM Webinar on Building Defect and QLASSIC (Master Builders Association Malaysia)	14 February 2023 (1 day)
3	Tendering Process and Contract Management (MTI Legacy Sdn Bhd)	2 & 3 May 2023 (2 Days)
4	Working at Height Competency Training (Skill Solutions Sdn Bhd)	8 & 9 May 2023 (2 days)
5	QLASSIC Assessor Course (Sysnovate Solutions Sdn Bhd)	8 & 9 May 2023 (2 days)
6	Construction Project Management (MIK Teguh Resources)	10 & 11 May 2023 (2 days)
7	Introduction to Risk Management in Construction (WH Skill Training Sdn Bhd)	12 May 2023 (1/2 Day)
8	MBAM Annual Safety and Health Conference (Master Builders Association Malaysia)	17 & 18 May 2023 (2 days)
9	Hazard Identification, Risk Assessment & Risk Control (HIRARC) (MIK Teguh Resources)	18 May 2023 (1 Day)
10	Makaing a better world with WEBER (Saint-Gobain)	18 May 2023 (1 Day)
11	Law & Safety Compliance for Electrical Works (WH Skill Training Sdn Bhd)	27 May 2023 (1 Day)
12	SIRIM Lead Auditor (Integrated Management System) (IMS) (SIRIM QAS)	12 – 16 June 2023 (5 days)
13	Employment Act Training Programme (Pertubuhan Keselamatan Sosial) (PERKESO)	18 July 2023 (1 day)
14	Construction Law 101 (Society of Construction Law Malaysia)	9 & 23 September 2023 (2 Days)
15	Floor Measurement (Premier Concrete Equipment)	5 December 2023 (1 Day)
16	TaxPOD Webinar on tax planning (TaxPOD)	Online on-demand

Sustainability Statement (Cont'd)

CSR PROGRAMMES

As responsible corporate citizen, TCS has been consistently aware of its social obligations to the community and remains fully committed to this cause. We feel privileged to be able to support communities in need and make a difference in their lives. During the year under review, the Group initiated several community activities through contributions and donations as follows:

1. Majlis Berbuka Puasa

As one of Group's initiative to foster a close-knit relationship with the comumunity, we have sponsored the Majlis Berbuka Puasa event in Setapak. This program is one of our efforts to support the local community surrounding our projects.

2. Donation to MediCOM Malaysia

MediCOM Malaysia is a Non-Governmental Organisation (NGO) which supports local communities with donations both in cash and in kind. Their events include educational contributions to underprivileged students, donations to clinics, assisting victims of natural disasters such as floods and many more. We are honoured to contribute to them which will ensure those who require help are supported.

3. Contribution to Master Builders Association Malaysia (MBAM)

Our Group is a member of Master Builders Association Malaysia (MBAM) and has contributed to various events and activities held by the Association such as Annual Dinner, sports tournaments such as futsal and ping-pong. We have also participated in events and dialogues held by the Association.

Corporate Governance Overview Statement

The Board of Directors ("**the Board**") of TCS Group Holdings Berhad ("**TCS**" or the "**Company**") believes that good corporate governance is essential to ensure long term sustainability and good business performance of the organization. The Board remains committed by maintaining the highest standards of corporate governance within TCS and its subsidiaries (the "**Group**") and adhering to the principles and best practices of Corporate Governance, by observing the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Board is pleased to report on an overview of the application of the recommended practices of the Malaysian Code on Corporate Governance ("**MCCG**") as required under the MCCG and the ACE Market Listing Requirements ("**AMLR**") of Bursa Securities during the financial year ended 31 December 2023 ("**FYE 2023**").

The application of each Practice set out in the MCCG during FYE 2023 is disclosed in the Company' Corporate Governance Report which is available on the Company's website at www.tcsgroup.com.my as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Leadership

Board's Roles and Responsibilities

The Board is responsible for overseeing and managing the overall performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board's key roles amongst other, are charting the strategic direction, development and control of the Group which involve overseeing corporate governance, ensuring financial sustainability, and providing guidance to the executive leadership for effective implementation of business initiatives while the Managing Director takes on primary responsibility for managing the Group's businesses and resources.

The Board has formalised and adopted a Board Charter which serves as a source of reference and primary induction literature, providing insights to existing and prospective Board members to assist the Board in the performance of their fiduciary duties as Directors of the Company. The Board Charter is available on the Company's website at www.tcsgroup.com.my.

Broadly, the responsibility of the Board is including but not limited to the following: -

- Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances;
- Oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- To ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- Identify principal risks and ensure the implementation of appropriate systems to manage these risks; and
- Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits Document.

The Board delegates certain responsibilities and confers some authority to the Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee in order to enhance business and operational efficiency and effectiveness. At each Board meeting, the Chairman of the relevant Board Committees reports to the Board on key issues deliberated at their respective meetings. The Terms of Reference of the Board Committees can be found at the Company's website at www.tcsgroup.com.my.

Separation of positions of the Chairman and Managing Director

The roles of the Chairman and Managing Director are separately held by Tan Sri Dato' Sri Izzuddin Bin Dali and Dato' Ir Tee Chai Seng respectively. Each of them has a clear and distinct division and responsibilities to ensure the balance of control, power and authority. The roles and responsibilities of the Chairman and Managing Director are clearly stated in the Board Charter.

The Chairman of the Board is primarily responsible for orderly conduct and effective function of the Board and represents the Board to the shareholders and other stakeholders whilst the Managing Director is responsible for the business direction and development of the operating units, organizational effectiveness and implementation of the Board's policies and decisions with the management team as well as oversees the Group's day-to-day operations.

Corporate Governance Overview Statement (Cont'd)

Chairman of the Board should not be a member of the Board Committees

The Board took recognisance that having the same person assumes the position of Chairman of the Board and member of other Board Committees poses the risk of self-review and may impair the objectivity of both the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

On 30 August 2023, the Chairman of the Board, Tan Sri Dato' Sri Izzuddin Bin Dali relinquished his membership in the Board Committees. Currently, he does not hold any position as a member or chairman in any Board Committee. It is a move to enhance the objectivity of the Board which reflects the Company's commitment to foster impartiality and strengthen the overall objectivity of the Board's decision-making processes.

Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with AMLR, relevant laws and regulations.

The Company Secretaries attend all meetings of the Board and Board Committees and ensure that all meetings are properly convened, and proper records of proceedings and resolutions passed are recorded and maintained in the statutory register.

Supply and Access of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties. At each Board meeting, the Managing Director briefs the Board on the Group's current activities and operations. This includes in-depth updates on key strategic initiatives, financial performance, market trends, and any significant developments or challenges faced by the organization. The detailed presentation by the Managing Director ensures that the Board is well-informed and equipped to make informed decisions regarding the overall direction and management of the Company. Directors also have access to the advice and services of the Company Secretaries and where necessary, obtain independent professional advice at the Group's expense.

Board Delegation

a) Audit Committee ("AC")

The AC is instrumental in upholding the company's financial integrity, which includes but not limited to reviews and evaluates the audit plan and internal control systems proposed by the internal auditors, assesses the performance and independence of external auditors and ensure the effectiveness of internal audit functions. The AC also reviews, comments and presents the quarterly and year-end financial results for Board's approval.

b) Nomination Committee ("NC")

The NC is tasked with reviewing and recommending nomination policies for key leadership positions, encompassing the Chairman, Managing Director, Directors, and Senior Management. This involves recommending candidates for directorships based on criteria specified in the Company's Fit and Proper Policy, as nominated by shareholders or the Board. Additionally, the NC recommends to the Board, the candidates to fill seats on the Board or Board Committees following a thorough assessment. The NC also reviews annually the requisite skills, experience, and other qualities that Non-Executive Directors should bring to the Board. Last but not least, the NC is responsible for assessing the effectiveness of the Board as a whole and evaluates the individual contribution of each Director on an annual basis.

c) Remuneration Committee ("RC")

The RC holds the responsibility of establishing a formal and transparent procedure to develop policies related to executive remuneration within the organization. This involves creating a structured framework for determining the remuneration packages of individual Directors. The committee meticulously considers factors such as performance, market benchmarks, and industry standards to ensure that the remuneration policies are fair, competitive, and aligned with the company's strategic objectives. Through this, the RC aims to foster accountability, attract and retain top talent, and uphold the principles of good governance in the remuneration practices of the organization.

Corporate Governance Overview Statement (Cont'd)

Board Delegation (cont'd)

d) Risk Management Committee ("RMC")

The RMC oversees and approves the enterprise risk management framework, tailoring it to the Company's complexity. This includes ensuring appropriate risk appetite and tolerance for each business line, establishing policies and procedures for comprehensive risk management governance, and implementing processes for identifying and reporting enterprise-wide risks. The RMC also monitors compliance, enforces corrective actions for risk management deficiencies, and integrates risk management objectives into management goals and the company's compensation structure.

Board Composition

The Board currently consists of six (6) members, comprising of one (1) Independent Non-Executive Chairman, one (1) Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. The present composition of the Board is in compliance with Rule 15.02 of the AMLR of having at least two (2) or one third (1/3) of the Board comprising independent directors. In the event of any vacancy on the Board, resulting in non-compliance with Rule 15.02 of AMLR, the Company will fill the vacancy within three (3) months.

No individual or group of individuals dominates the Board's decision making. Independent Directors constitute more than one third of the Board and the interest of significant shareholder are fairly represented on the Board. The present Directors bring a wide range of experience and skills relevant to the business of the Group. Brief descriptions of the background of each Director are set out in this Annual Report.

The current size and composition of the Board are considered adequate to provide the optimum skills and experience required to manage affairs. The Board also endeavours to fulfil the gender diversity provided by the latest MCCG. At this stage, the Board believes that the current composition and size of the Board is adequate to discharge its duties and responsibilities efficiently and competently.

Board Meetings

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. The Board will conduct additional meetings on an ad-hoc basis as and when necessary to consider business issues that require urgent decisions of the Board.

During the FYE 2023, eight (8) board meetings were held and the attendance of each Directors is shown as below:

	Name of Directors	Attendance
a)	Tan Sri Dato' Sri Izzuddin bin Dali	7/8
b)	Dato' Ir. Tee Chai Seng	8/8
c)	Dato' Seri Ir. Mohamad Othman bin Zainal Azim	8/8
d)	Mr Ooi Guan Hoe	6/8
e)	Mr Wong Choo Leong	8/8
f)	Ms Sharon Chew Mun Hoong (appointed on 26 April 2023)	5/5
g)	Datin Koh Ah Nee (resigned on 26 April 2023)	2/2

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the above section.

Board Independence

The Board recognises the importance of independence and objectivity in its decision-making process which is in line with the MCCG. The assessment of Independence for the Independent Non-Executive Directors for the Group is conducted annually and incorporated in the questionnaires tailored for Independent Non-Executive Directors.

The independence of all Independent Non-Executive Directors of the Company remains valid as they are not involved in any business, transactions or other relationships with the Group that jeopardizes the exercise of independent judgement and opinion.

Corporate Governance Overview Statement (Cont'd)

Tenure of Independent Directors

In accordance with the Board Charter, the tenure of an independent director should not exceed a term limit of nine (9) years. In the event that the Board intends to retain the independent director beyond the nine (9) years, the Board should provide justification and seek annual shareholders' approval through a Two-tier Voting Process and the manner to obtain the shareholders' approval on the resolution shall follow the recommendation of MCCG.

Currently, none of the Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

Gender Diversity

The Board supports gender boardroom diversity as recommended under the MCCG and commits to evaluating the appropriate ratio of female to male Directors when appointing new Directors to the Board. Apart from gender diversity, the Board also recognises diversity in ethnicity and age. When consider the appointment of new Directors, the Board will review the appropriate distribution of the age groups and ethnicities among its Board members.

Appointments to the Board

The decision on a new appointment of directors' rests with the Board, after considering the recommendation of the NC. In evaluating the suitability of candidates to the Board, the NC will consider criteria specified in the Company's Fit and Proper Policy as well as certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected.

Company's Policies

Code of Conduct and Ethics

The Code of Conduct and Ethics serves as a road map to guide the Board and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. The Group has also in place the Code of Conduct & Ethics for its employees which comprised all aspects of its day-to-day business operations.

Directors and employees of the Group are expected to perceive high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations. The Code of Conduct and Ethics are available on the Company's website at www.tcsgroup.com.my.

Whistleblowing Policy

The Group has in place a Whistleblowing Policy designed to create a positive environment in which employees or external parties can raise genuine concerns without fear of recrimination and enable prompt corrective action to be taken where appropriate. The whistleblowing policy can be assessed at the Company's website at www.tcsgroup.com.my.

Anti-Bribery and Anti-Corruption Policy

The Group is committed to conduct business in an ethical and honest manner while upholding zero tolerance position on bribery and corruption and hence has adopted an Anti-Bribery and Anti-Corruption Policy. The policy can be assessed at the Company's website at www.tcsgroup.com.my.

Directors' Fit and Proper Policy

Following the amendments to the AMLR of Bursa Securities, the Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.tcsgroup.com.my.

Corporate Governance Overview Statement (Cont'd)

Governing Sustainability

The following are the five (5) pronged approaches applied by the Company in achieving business sustainability:-

(a) Strengthen balance sheet to enable business expansion;
(b) Build capital and liquidity with implementation of aggressive cost control measures;
(c) Drive sustainability-led initiatives group-wide, prioritising health and safety above all else;
(d) Accelerate adoption of digitalisation initiatives; and
(e) Prioritise talent development capable of leading a high-performance organization.

As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthened the Environmental, Social and Governance integration into the group wide operations with a particular focus on environmental and social dimensions.

The Company has engaged with stakeholders in a variety of ways which involve both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions, while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.

The Sustainability Statement is set out in this Annual Report.

Directors' Trainings

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities and to be apprised of the changes to regulatory requirements and the impact such regulatory requirements will have on the Group.

During FYE 2023, the Directors have attended training, seminars, and conferences which they considered vital in keeping abreast with changes in laws and regulation, business environment, and corporate governance development.

Details of the training programmes attended/ participated by the Directors are as follows:

Name of Director	Seminars/Conferences/Training Programmes Attended
Dato' Ir. Tee Chai Seng	• Seminar on policy and mechanism of Rumah Selangorku Scheme 3.0 held by Lembaga Perumahan Dan Hartanah Selangor on 14 February 2024 • Technical Presentation for Project PV Idaman Sejiwa
Ooi Guan Hoe	• Taxation On Foreign Source Income on 5th January 2023 • MIA Webinar Series: preparation and presentation of Consolidated Financial Statements on 7th – 8th June 2023
Wong Choo Leong	• Training On Kursus Integriti Dan Kota Etika Kontraktor on 14th July 2023
Sharon Chew Mun Hoong	• Training on Mandatory Accreditation Programme on 5th & 6th July 2023

Apart from the aforementioned Directors, the remaining Board members were unable to attend training seminars during FYE 2023 due to their demanding work schedules. Nonetheless, they were diligently kept informed of the latest rule developments, particularly concerning AMLR and accounting standards, by the Company Secretaries or external auditors.

Nomination Committee

The NC is comprised of the following Independent Non-Executive Directors:-

- Dato' Seri Ir. Mohamad Othman bin Zainal Azim (Chairman)
- Ooi Guan Hoe (Member)
- Sharon Chew Mun Hoong (Member)

Corporate Governance Overview Statement (Cont'd)

Nomination Committee (cont'd)

During FYE 2023, the NC had undertaken the following activities:

- Assessed existing structure, size, composition and effectiveness of the Board as a whole and Board Committees.
- Conducted an annual assessment of the performance of the Board as a whole and the Independent Directors prior to making its recommendation to the Board;
- Reviewed the profile of Ms Sharon Chew Mun Hoong and nominated her for appointment as director in the Company; and
- Reviewed and recommended to the Board for approval, the re-election and retirement by rotation of Directors at the 4th Annual General Meeting.

Annual Assessment

The NC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires. All assessments and evaluations carried out by the NC in discharge of its functions were properly documented.

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities, composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman of the respective Board Committees.

Based on the annual assessment conducted during the financial year, the NC was satisfied with the existing Board composition and concluded that each Directors has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review.

Re-election of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors are subject to retirement for re-election by rotation at least once in every three (3) years at each Annual General Meeting ("**AGM**"). Retiring Directors may offer themselves for re-election.

Director who is appointed during the financial period is, in accordance with the Company's Constitution, required to retire at the AGM following his appointment but is eligible for re-election by the shareholders.

Succession Planning

The Board has put in place succession planning strategy by identifying and fostering younger directors within the Board and senior management. This initiative aims to prepare them for greater responsibilities and diverse roles within the organisation. At the senior management level, promising and designated young executives were selected and exposed to current management practices. Through continuous on-the-job training and mentorship by senior staff, these individuals are being groomed for future leadership roles.

Remuneration Committee

The RC is comprised of the following Independent Non-Executive Directors:-

- Dato' Seri Ir. Mohamad Othman bin Zainal Azim (Chairman)
- Ooi Guan Hoe (Member)
- Sharon Chew Mun Hoong (Member)

During FYE 2023, the RC reviewed and recommended to the Board, the fees and benefits payable to Directors for shareholders' approval at the 4th AGM of the Company pursuant to the Constitution of the Company.

Corporate Governance Overview Statement (Cont'd)

Directors' Remuneration

The Company's remuneration policy for Director is formulated to attract and retain individuals of the necessary calibre relevant to the achievement of the Company's strategic achievements. The remuneration is structured to link with the experience, expertise and level of responsibility undertakings by Directors.

The RC is entrusted with the responsibility to make recommendations to the Board, the remuneration package for the Executive Directors. However, it is the ultimate responsibility of the entire Board to approve the remuneration of the Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on decisions in respect of his own remuneration.

The Directors' remuneration for the FYE 2023 are as follows and the details of which can be found in the Corporate Governance Report:-

	Company (RM)		Group (RM)		
Directors	**Salaries[1] and incentives[2]**	**Fees**	**Salaries[1] and incentives[2]**	**Fees**	**Total**
Executive Directors					
Dato' Ir Tee Chai Seng	-	-	985,313	-	985,313
Wong Choo Leong	-	-	208,573	-	208,573
Datin Koh Ah Nee *(resigned on 26 April 2023)*	-	-	145,780	-	145,780
Non-Executive Directors					
Tan Sri Dato' Sri Izzuddin bin Dali	-	-	-	72,500	72,500
Dato Seri Ir Mohamad Othman bin Zainal Azim	-	-	-	60,500	60,500
Ooi Guan Hoe	-	-	-	60,500	60,500
Sharon Chew Mun Hoong *(appointed on 26 April 2023)*	-	-	-	32,500	32,500

Notes:

1 *Inclusive of contribution to EPF, EIS and SOCSO*

2 *Inclusive of allowances and benefit-in-kind*

Remuneration of Senior Management

Remuneration Band	Number of Senior Management
RM50,001 to RM100,000	3
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-

Due to the confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components in named basis.

The Board is of the view that the disclosure of Senior Management's remuneration components in named basis will not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr Ooi Guan Hoe, who is not the Chairman of the Board. Collectively, the AC members are financially literate, have commercial expertise skills, knowledge and understanding of the matters under the purview of the AC including the principles and developments of financial reporting. They constantly keep abreast of relevant changes to financial reporting standards and issues which have a significant impact on the financial statements through regular updates from the external auditors and the Executive Directors.

The composition of the AC is reviewed annually with the view to uphold its independence and effectiveness which in line with the principles of the MCCG.

The Board took note of Practice 9.2 of the MCCG that the AC to have a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC and has incorporated the said practice in the Terms of Reference of AC. The independence, suitability and appointment/re-appointment of the External Auditors is reviewed by the AC annually.

Details of the activities carried out by the AC for FYE 2023 are set out in the AC Report in the Annual Report.

Relationship with the External Auditors

The Company has established a transparent arrangement with the auditors to meet their professional requirements. The auditors have, from time to time, highlighted to the AC and the Board matters requiring the Board's attention. The AC also meets with the auditors at least once in a year without the presence of the Executive Directors and Management. This is aimed at fostering open and candid discussions, allowing for a thorough examination of financial matters without any potential interference.

Internal Control and Risk Management

The Directors are responsible for the Group's internal control systems and its effectiveness. The primary objective of the internal control systems is to effectively manage financial and business risks that are significant to the achievement of the Group's business objectives. This overarching goal is centered on enhancing the value of shareholders' investment and safeguarding the Group's assets.

The RMC summarises and communicates the key business risks to the AC and Board for consideration and resolution. Internal audit activities are outsourced to a professional firm. The internal audit functions are carried out impartially, proficiently and with due professional care. Reports issued by the internal auditors for the financial year under review were tabled at the AC meetings for deliberation. Management was present at such meetings to provide pertinent clarification or additional information to address questions raised by AC members.

The Statement of Risk Management and Internal Control of the Group are set out in the Annual Report.

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

Financial Reporting

The Board is dedicated to presenting a balanced and comprehensive assessment of the Groups' financial performance and prospect primarily through the annual financial statements and quarterly report as well as announcements to the Bursa Securities. To bolster this effect, the AC assists the Board in scrutinizing information for disclosure to ensure compliance with accounting standards while also prioritizing accuracy, adequacy and completeness in the presented data. This approach guarantees that stakeholders receive a nuanced and reliable understanding of the Group's financial standing.

Corporate Governance Overview Statement (Cont'd)

Corporate Disclosure Policies and Procedures

The Company ensures all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate manner.

The Company's quarterly interim financial results are released within two months of the end of each quarter. The Annual Report, which is the key communication channel between the Company and its shareholders, is published within four months after the financial period ends. The Annual Report provides an insightful analysis of the Group's performance, operations and prospect affecting shareholders' interest.

Relationship between the Company and shareholders

The Board consistently acknowledges the pivotal role of effective communication in sustaining the Group's relationships with stakeholders. Recognizing communication as an indispensable element of the Group's sustainability, the Board actively prioritizes transparent and meaningful engagement with stakeholders. This commitment underscores the importance of fostering trust, promoting understanding, and ensuring that the Group's endeavors are communicated in a clear and impactful manner to all relevant parties.

The stakeholders are informed of all material project updates, business events and risks of the Group in a factual, timely and widely available manner. The Company maintains various methods of dissemination of information to shareholders, stakeholders and the public at large such as announcements via Bursa Link, Annual Reports, General Meetings and investors, analyst and media briefings.

The Company adheres to continuous disclosure policy, whereby making announcements to the Bursa Securities when it becomes aware of information which might materially affect the share price.

Shareholders and/or stakeholders are encouraged to raise queries relating to the Company's business or operation by contacting the Managing Director. The Board is committed to proactively engaging the investing public through briefings and press releases, in accordance with Bursa Securities regulations, to ensure that the public remains well-informed about significant developments. This intention reflects our dedication to transparency and timely communication, aligning with regulatory guidelines to enhance awareness among stakeholders.

Conduct of General Meetings

General Meetings serve as the principal forum for communication with the shareholders of the Company. The Board actively promotes and values the participation of shareholders in these meetings, aiming to foster a heightened sense of accountability and alignment with the Group's strategy and goals. This approach underscores the importance of open dialogue and ensures that shareholders are actively engaged in key decisions and developments pertaining to the Company.

As recommended by the MCCG, the notice of AGM is despatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and consider the resolutions to be resolved, to make the necessary attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a widely circulated local newspaper. The Board ensures that each item of special business included in the notices of the general meeting is accompanied by a full explanation of the proposed resolution effects. In line with Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in the notice of general meeting will be put to vote by poll.

The Company will also appoint an independent scrutineer to validate the vote cast in the general meeting. The Board intentionally allocates time for question-and-answer sessions during General Meetings. The outcome of the general meeting will then be announced to Bursa Securities on the same meeting day while the minutes of the general meeting will be posted on the Company's website no later than 30 business days after the general meeting.

Corporate Governance Overview Statement (Cont'd)

Leverage on Information Technology for Effective Dissemination of Information

The group maintains a corporate website at www.tcsgroup.com.my which serves as a forum for the general public to access information on the corporate information, annual reports, corporate announcements and subsidiary developments. This online resource serves as a comprehensive hub for stakeholders seeking insights into the Group's activities, providing a user-friendly interface for easy navigation and retrieval of pertinent information.

Compliance Statement

Saved as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

This Corporate Governance Overview Statement was approved by the Board on 22 April 2024.

Audit Committee's Report

The Board of Directors ("**Board**") of TCS Group Holding Berhad ("**TCS**" or "**the Company**") is pleased to present the Audit Committee Report for the financial year ended 31 December 2023 ("**FYE 2023**").

Composition

Presently, the Audit Committee ("**AC**") comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of ARMC are as follows: -

Name	Designation
Ooi Guan Hoe *Independent Non-Executive Director*	Chairman
Dato' Seri Ir. Mohamad Othman bin Zainal Azim *Independent Non-Executive Director*	Member
Sharon Chew Mun Hoong *Independent Non-Executive Director* *(appointed as AC member on 30 August 2023)*	Member
Tan Sri Dato' Sri Izzuddin bin Dali *Independent Non-Executive Chairman* *(resigned as AC member on 30 August 2023)*	Member

The AC is chaired by Mr Ooi Guan Hoe, who is a member of the Malaysian Institute of Accountants. The current composition of AC meets the requirement of Rule 15.09 and Rule 15.10 respectively of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") as well as Practice 8.4 of the Malaysian Code on Corporate Governance 2021 ("**MCCG**"). No alternate director is appointed as AC member.

The Company also recognised the need to uphold the independence of its External Auditors and that no possible conflict of interest or whatsoever should arise. Currently, none of the AC members are former audit partners of the External Auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event that any potential candidate who was an audit partner of the External Auditors of the Group is to be appointed as an AC member.

Terms of Reference

The Terms of Reference of the AC which laid down its duties and responsibilities are accessible via the Company's website at www.tcsgroup.com.my.

Attendance of Meetings

The AC held five (5) meetings during the FYE 2023. The details of attendance of the AC members are as follows:

Name	Attendance
Ooi Guan Hoe	5/5
Dato' Seri Ir Mohamad Othman bin Zainal Azim	5/5
Sharon Chew Mun Hoong *(appointed as AC member on 30 August 2023)*	1/1
Tan Sri Dato' Sri Izzuddin bin Dali *(resigned as AC member on 30 August 2023)*	4/4

Audit Committee's Report (Cont'd)

Attendance of Meetings (Cont'd)

The Group Chief Financial Officer was invited to all AC meetings to facilitate direct communications and provide clarification on financial reports. Additionally, other Board members and designated Senior Management members will attend these meetings at the invitation of the AC. This ensures that key decision-makers and those responsible for the organisation's strategic direction are aware of the audit process and can provide information to facilitate the deliberations of meetings.

Both Internal Auditors and External Auditors are also invited to present their audit plan and audit findings respectively. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting.

Summary Activities of the AC

The activities undertaken by the AC during the FYE 2023 included the following:

a) Reviewed the quarterly and year–to-date unaudited financial results with the Management to ensure that the results are in compliance with the Malaysian Financial Reporting Standards and AMLR prior to recommending to the Board for consideration and approval;

b) Reviewed the audited financial statements for the FYE 31 December 2022 of the Group before making recommendation to the Board for approval;

c) Reviewed the External Auditor's scope of work and audit plan;

d) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, non-audit fees & services (if any), audit recommendations and management's response to these recommendations;

e) Evaluated the performance of the External Auditors for the FYE 31 December 2022 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence. Based on the evaluation, the AC being satisfied, considered and recommended the re-appointment of the External Auditors;

f) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

g) Reviewed the internal audit reports presented and considered the major findings of internal audit in the Group's operating subsidiaries, and monitored the action plans recommended by the Internal Auditors for necessary improvement to ensure significant findings were adequately addressed by management;

h) Reviewed the effectiveness of the Group's system of internal control;

i) Reviewed the proposed fees of the External Auditors and Internal Auditors in respect of their audit service and audit scope rendered to the Company and the Group;

j) Reviewed related party transactions and recurrent related party transactions entered into by the Group (if any) on a quarterly basis, to ensure that such transactions are carried out on an arm's length basis;

k) Reviewed and monitored the Company's compliance with the AMLR and applicable Approved Accounting Standards;

l) Reported to the Board on its activities and significant findings and results; and

m) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report.

Audit Committee's Report (Cont'd)

Internal Audit Function

The Group has outsourced its internal audit function to an established professional Internal Audit firm, namely Sterling Business Alignment Consulting Sdn. Bhd. ("**Internal Auditors**"), which reports directly to the AC and assists the AC in reviewing the effectiveness of the internal control systems whilst ensuring an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

The number of resources deployed by the Internal Auditors for each internal audit review ranges from 3 to 4 staff. The internal audit team is led by Mr Cheng Chean who is a Chartered Member of the Institute of Internal Auditors Malaysia and a Fellow Member of the Chartered Certified Accountant and he has 22 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.

The Internal Auditors applied the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis to provide independent assessment of the effectiveness and efficiency of the internal control system and assurance to the AC.

For the FYE 2023, the Internal Auditors reviewed the adequacy of the Company and its subsidiaries in relation to the implementation of the Anti-Bribery and Corruption Management System in accordance with the objective of compliance with the subsection (5) of section 17A under the Malaysian Anti-Corruption Commission Act 2009 and the Environmental, Social and Governance practices of the Group. The Internal Auditors also conducted follow-up status reviews on previously reported audit findings.

The cost of the internal audit for FYE 2023 is RM30,000.

Compliance Statement

This AC Report has been reviewed by the AC and approved by the Board on 22 April 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") of TCS Group Holdings Berhad ("TCS" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of risk management and internal control system of TCS Group Holdings Berhad and its subsidiaries ("the Group") for the financial year ended 31 December 2023. This Statement has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance 2017 and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of the Group system of risk management and internal controls. The system is designed to manage the Group's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives. Accordingly, the system of risk management and internal controls of the Group can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating, managing and monitoring the significant risks faced by the Group, and this process includes enhancing the system of risk management and internal controls as and when there are changes to the business environment or regulatory guidelines.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

The Board is assisted by the Risk Management Committee ("RMC") to provide oversight, direction and counsel to the Group's risk management process by identifying and assessing risks, and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the business operations particularly in respect of key risks which the Group faces on a regular basis.

As part of our Risk Management process, a Risk Management Handbook and Registry of Risk were adopted. The Registry of Risk is maintained to identify principal business risks and key risk areas, their impact, likelihood of occurrence, risk owner and risk control actions and is updated to address changes in risk profiles. The Risk Management Handbook summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in the various work processes and procedures of the respective operational functions.

The key risk categories which have been reviewed by the respective risk owners during the financial year under review encompassed:

- Legal and Regulatory
- Corporate Governance
- Financial
- Operational
- Human Capital
- Environmental, Safety and Health

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

INTERNAL AUDIT FUNCTION

The Board outsourced its internal audit functions to an independent consulting firm to provide an independent evaluation of the system of internal control. The Internal Auditor reports directly to the Audit Committee during the Audit Committee meeting. The Internal Auditor is free from any relationships with the Board and Management or conflict of interest in the operations and activities of the Group, which could impair their objectivity and independence of the internal audit function.

The Internal Auditors uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. The internal audit reviews are conducted in accordance with the risk-based internal audit plan approved by the Audit Committee. The Internal Auditors reviewed the internal control and business processes of key functions or activities of the Group, identified internal control gaps, effectiveness and adequacy of the existing state of internal control and recommended possible improvements to the internal control process.

For the financial year ended 31 December 2023, two (2) internal audit reviews had been carried out by the Internal Auditor:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
1st Quarter (Jan 2023 – Mar 2023)	May 2023	TCS Construction Sdn Bhd	Anti Bribery and Corruption Policy
3rd Quarter (July 2023 – September 2023)	November 2023	TCS Construction Sdn Bhd	Environmental, Social, Governance (ESG) Framework

The total cost incurred for the internal audit function for the financial year ended 31 December 2023 was at RM 30,000.00

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's internal control system include:

1. Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Managing Director, Executive Director and Senior Management;

2. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee;

3. Clearly defined and formalised policies and procedures and guidelines are in place to support the Group in achieving its corporate objectives. These policies and procedures including Anti-Bribery and Anti-Corruption Policy provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;

4. Clearly documented internal procedures in respect of operational processes as set out in the ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 for Quality Management System, Occupational Health and Safety Management System and Environmental Management System;

5. The Management Committee meets regularly to discuss key operational and management issues. Under the purview of the Managing Director, the heads of the respective operational units of the Group are empowered with the responsibilities of managing their respective operations and business.

6. Quarterly financial results were reported to the Audit Committee and Board for approval.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2023. The external auditors have reported to the Board that, based on their review procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

ASSURANCE TO THE BOARD MEMBERS

The Board is of the opinion that the Group's risk management and internal control systems are satisfactory and has no internal control failure nor any significant weaknesses that resulted in any loss to the Group during the financial year under review. The Board is also cognizant that the Group's risk management framework and system of internal control must be continuously reviewed and evolved to meet the changing and challenging business environment. The Group is committed to continuing take all necessary measures to strengthen the risk management and internal control system to further enhance its effectiveness to ensure all identified risks are managed on a timely basis and are within tolerance limits.

The Board is satisfied that the Group's risk management framework and system of internal control are operating adequately and effectively in all material aspects for the financial year ended 31 December 2023.

The Managing Director and Chief Financial Officer of the Group have given the Board the assurance that the Group's risk management and internal control system have been operating adequately and effectively in all critical aspects.

This Statement on Risk Management and Internal Control was approved by the Board on 22 April 2024.

Additional Compliance Information

OTHER DISCLOSURE REQUIREMENTS PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors and a firm affiliated to the External Auditors' firm by the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Audit		
- Financial audit	139,000	28,000
Non-audit		
- Review of Statement on Risk Management and Internal Control	9,000	9,000
- Reporting accountant for the proposed right issue	75,000	75,000
- Tax fee	22,500	2,500
Total	**245,500**	**114,500**

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period.

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

During the financial year ended 31 December 2023, the Company has completed two tranches of the Private Placement involving issuance of 20,000,000 new TCS Shares, at an issue price of RM0.1994 and 19,000,000 new TCS Shares, at an issue price of RM0.1998, raising a total proceeds of RM7.78 million.

The status of the utilisation arising from the total gross proceeds of RM7.78 million raised from the first and second tranches of the 10% Proposed Private Placement, were as below:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation from receipt of placement funds
Working capital for construction projects	7,741	7,613	(128)	-	Within 24 months
Estimated listing expenses	43	171	128	-	Upon receipts of placement funds
Total	7,784	7,784	-	-	

Additional Compliance Information (Cont'd)

RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The RRPT of a Revenue or Trading Nature incurred during the financial year are set out as below:

	Transacting party	Nature of transaction with TCS Group	Details	Names of interested related parties	Tenancy period	Actual aggregated value transacted from 1 Jan 2023 to 31 Dec 2023 (RM)
1	CDB Group Holdings Sdn Bhd TCS Construction Sdn Bhd	Rental of property	No 1&3,1st & 2nd Floor, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor.	Dato' Ir Tee Chai Seng Datin Koh Ah Nee (Resigned w.e.f 26 April 2023)	Oct 2023 to Sep 2024	181,200
2	CDB Group Holdings Sdn Bhd TCS Infra Sdn Bhd	Rental of property	No. 1&3, 3rd Floor, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor.	Dato' Ir Tee Chai Seng Datin Koh Ah Nee (Resigned w.e.f 26 April 2023)	Oct 2023 to Sep 2024	52,800

There was no transaction entered between Saujana Permai Development Sdn Bhd and TCS Construction Sdn Bhd for provision of construction services during the financial year ended 31 December 2023.

Besides, the Company is seeking approval from the shareholders for the proposed renewal shareholders' mandate for the Company to enter into RRPT(s) of a revenue or trading nature pursuant to Rules 10.09 of ACE Market Listing Requirements of Bursa Securities Malaysia Berhad at the forthcoming Annual General Meeting to be convened on Wednesday, 12 June 2024. The details as enclosed in the Circular to Shareholders dated 26 April 2024.

Directors' Responsibility Statement

STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs"), the requirements of the Act in Malaysia and the AMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

(i) Adopted appropriate accounting policies and applied them consistently;
(ii) Made judgements and estimates that are reasonable and prudent; and
(iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

Financial Statements

Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company principally engaged in investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are indicated in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	32,884,742	9,236,103
Attributable to:		
Owners of the Company	32,853,355	9,236,103
Non-controlling interests	31,387	-
	32,884,742	9,236,103

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Company:-
Dato' Ir. Tee Chai Seng* (Managing Director, Non-independent)
Tan Sri Dato' Sri Izzuddin Bin Dali (Independent Non-executive Chairman)
Dato' Seri Ir. Mohamad Othman Bin Zainal Azim (Independent Non-executive Director)
Ooi Guan Hoe (Independent Non-executive Director)
Wong Choo Leong* (Executive Director, Non-independent)
Sharon Chew Mun Hoong (Independent Non-executive Director) (Appointed on 26 April 2023)
Datin Koh Ah Nee (Resigned on 26 April 2023)

* Director of the Company and its subsidiaries

The Directors of the subsidiaries since the beginning of the financial year to the date of this report, not including those Directors listed above are as follows:-

Abd Manaf Bin Ahmad
Che Hasnadi Bin Che Hassan
Gan Yee Hin
Tan Sri Datuk Seri Gan Yu Chai
Tee Chai Kok
Ahmad Syafizan Bin AB Jalil (Appointed on 12 January 2023)
Leong Ting Shen (Resigned on 12 January 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Direct interest				
Dato' Ir. Tee Chai Seng	206,838,377	-	-	206,838,377
Tan Sri Dato' Sri Izzuddin Bin Dali	300,000	-	-	300,000
Dato' Seri Ir. Mohamad Othman Bin Zainal Azim	200,000	-	-	200,000
Ooi Guan Hoe	650,000	-	650,000	-
Wong Choo Leong	303,200	-	-	303,200

Directors' Report
(Cont'd)

DIRECTORS' INTERESTS (CONT'D)

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows (cont'd):-

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Indirect interest				
Dato' Ir. Tee Chai Seng*	36,324,419	-	-	36,324,419

* deemed interest by virtue of the shares held by spouse

By virtue of Dato' Ir. Tee Chai Seng's substantial interest in the ordinary shares of the Company, he also deemed to have interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

	Number of Warrants			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Dato' Ir. Tee Chai Seng	6,819,189	-	-	6,819,189
Tan Sri Dato' Sri Izzuddin Bin Dali	250,000	-	-	250,000
Dato' Seri Ir. Mohamad Othman Bin Zainal Azim	250,000	-	-	250,000
Ooi Guan Hoe	450,000	-	-	450,000
Wong Choo Leong	151,600	-	-	151,600

DIRECTORS' EMOLUMENTS AND BENEFITS

During the financial year, the emoluments received and receivable by the Directors of the Company are as follows:-

	Incurred by the subsidiary/ Group RM
Directors' fee	226,000
Salaries, wages and other emoluments	1,192,000
Defined contribution plan	97,440
Social security contribution	1,902
	1,517,342

The estimated monetary value of Directors' benefits-in-kind is RM48,324.

DIRECTORS' EMOLUMENTS AND BENEFITS (CONT'D)

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (except as disclosed in Notes 23, 26 and 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

ISSUE OF SHARES AND DEBENTURES

On 15 August 2023 and 30 August 2023, the Company issued 20,000,000 and 19,000,000 new ordinary shares at an issue price of RM0.1994 and RM0.1998 per ordinary share for a total cash consideration of RM3,988,000 and RM3,796,200 for pursuant to its private placement exercise.

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

There was no issuance of debentures during the financial year.

WARRANTS 2021/2024

The Warrants 2021/2024 are listed on the ACE Market of Bursa Malaysia Securities Berhad.

Each Warrant carries the right to subscribe for 1 new ordinary share each in the Company at any time from 16 March 2021 up to the expiry date on 15 March 2024, an exercise price of RM0.38 for each new share. Any Warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The Warrant 2021/2024 are constituted by a Deed Poll dated 25 February 2021.

The movement in the Company's Warrants are as follows:-

	Number of Warrants			
	At 1.1.2023	**Exercised**	**Lapsed**	**At 31.12.2023**
Number of unexercised Warrants	180,000,000	-	-	180,000,000

The details and salient terms of Warrants 2021/2024 are disclosed in Note 13 to the financial statements.

Directors' Report
(Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) 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 year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year 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 current financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liabilities insurance for the purpose of Section 289 of the Companies Act 2016, throughout the financial year which provides appropriate insurance coverage for the Directors and Officers of the Company and its subsidiaries. The amount of insurance premium paid and insurance coverage during the financial year are amounted to RM10,610 and RM1,000,000 respectively.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant event during the financial year and subsequent to the reporting period is disclosed in Note 32 to the financial statements.

Directors' Report
(Cont'd)

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the external auditors and its member firm by the Group and the Company for the financial year ended 31 December 2023 amounted to RM245,500 and RM114,500 respectively. Further details are disclosed in Note 23 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2024.

.....)
DATO' IR. TEE CHAI SENG)
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) DIRECTORS
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.....)
WONG CHOO LEONG)

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 71 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 31 December 2023, and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2024.

……..……	……..……
DATO' IR. TEE CHAI SENG	WONG CHOO LEONG

Statutory Declaration

I, Liew Kok Yoong, being the Officer primarily responsible for the financial management of TCS Group Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 71 to 123 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
22 April 2024)

……..……

LIEW KOK YOONG
(MIA No: 38055)
(CHARTERED ACCOUNTANT)

Before me:

Commissioner for Oaths

Independent Auditors' Report
To The Members of TCS GROUP HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCS Group Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 71 to 123.

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 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 Group and 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 current financial year. 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.

Independent Auditors' Report
To The Members of TCS GROUP HOLDINGS BERHAD (Cont'd)

Key Audit Matters (cont'd)

Allowance for expected credit losses of trade receivables

The risk
Refer to Note 9 to the financial statements. We focused on this area because the Group has material amount of trade receivables that are past due but not impaired amounting to RM20,335,284. The key associated risk was the recoverability of billed trade receivables as management judgement is required in determining the completeness of the allowance for expected credit losses of trade receivables and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response
We have obtained an understanding of the Group's controls relating to credit control and approval process, how the Group identifies and assesses the allowance for expected credit losses of trade receivables and how the Group makes the accounting estimates for the allowance. We have also reviewed the ageing analysis of the trade receivables and tested the reliability thereof and assessed the recoverability of the overdue trade receivables through examination of cash receipts subsequent to the year end.

Revenue recognition for construction contracts

The risk
There are significant accounting judgements involved including determining the stage of completion, the timing of revenue recognition and the calculation under the percentage of completion method made by management in applying the Group's revenue recognition policies to construction contracts entered into by the Group. The nature of these judgements resulted in them being susceptible to management bias.

Contract revenue should include the amount agreed in the initial contract, plus revenue from alterations in the original contract work, plus claims and incentive payments that are expected to be collected and that can be measured reliably.

Refer to Note 20 to the financial statements, total revenue from construction contracts was RM374,481,100 which represents 100% of the Group's revenue in this financial year.

Our response
We performed a range of audit procedures which included obtaining samples of contracts or letter of awards, reviewing for change orders or variation orders, reviewing estimated profit and costs to complete and enquiring of key personnel regarding adjustments for job costing and potential contract losses.

We assessed whether the revenue and cost recognition policies are appropriate in accordance with MFRS 15 Revenue from Contracts with Customers.

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 TCS GROUP HOLDINGS BERHAD (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 on the other information that we obtained prior to the date of this auditors' report, 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, IFRS Accounting 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 of 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 intend either to liquidate the Group or 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.

Independent Auditors' Report
To The Members of TCS GROUP HOLDINGS BERHAD (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 skepticism 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.

- Conclude on the appropriateness of 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 or 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 or 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 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 identified during our audit.

We also provided 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.

Independent Auditors' Report
To The Members of TCS GROUP HOLDINGS BERHAD (Cont'd)

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

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 year 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.

Other Matter

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.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
(NO: 03334/11/2025(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
22 April 2024

Statements of Financial Position
AS AT 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	31,789,995	24,466,517	-	-
Investment properties	4	6,070,119	6,205,199	-	-
Investment in subsidiaries	5	-	-	19,275,129	27,662,924
Deferred tax assets	6	-	859,000	-	-
Fixed deposits with licensed banks	7	9,905,739	6,660,417	-	-
Cash and bank balances	8	264,184	2,557,983	-	-
Total non-current assets		48,030,037	40,749,116	19,275,129	27,662,924
Current assets					
Trade receivables	9	119,545,135	122,882,263	-	-
Contract assets	10	65,231,372	37,788,511	-	-
Other receivables	11	7,065,272	5,525,151	1,000	9,360
Amount due from subsidiaries	5	-	-	35,757,439	21,811,367
Tax recoverable		1,468,979	1,036,042	36,663	-
Fixed deposits with licensed banks	7	1,182,578	8,396,287	1,000,000	8,022,100
Cash and bank balances	8	3,866,549	8,181,401	196,228	260,796
Total current assets		198,359,885	183,809,655	36,991,330	30,103,623
Non-current asset classified as held for sale	12	-	1,629,069	-	-
TOTAL ASSETS		246,389,922	226,187,840	56,266,459	57,766,547
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the Company					
Share capital	13	66,163,865	58,475,563	66,163,865	58,475,563
Merger deficit	14	(24,065,424)	(24,065,424)	-	-
Retained earnings/ (Accumulated losses)		14,935,108	47,788,463	(10,019,981)	(783,878)
		57,033,549	82,198,602	56,143,884	57,691,685
Non-controlling interests		616,836	1,102,185	-	-
Total equity		57,650,385	83,300,787	56,143,884	57,691,685

Statements Of Financial Position
As At 31 December 2023
(Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Liabilities					
Non-current liabilities					
Lease liabilities	15	8,101,293	4,747,139	-	-
Borrowings	16	8,167,551	9,573,772	-	-
Total non-current liabilities		16,268,844	14,320,911	-	-
Current liabilities					
Trade payables	17	101,385,320	91,716,512	-	-
Contract liabilities	10	859,871	5,005,868	-	-
Other payables	18	31,827,007	2,610,923	122,575	68,525
Amount due to a Director	19	2,000,000	-	-	-
Lease liabilities	15	7,171,209	5,243,419	-	-
Borrowings	16	29,227,286	23,983,083	-	-
Tax payable		-	6,337	-	6,337
Total current liabilities		172,470,693	128,566,142	122,575	74,862
Total liabilities		188,739,537	142,887,053	122,575	74,862
TOTAL EQUITY AND LIABILITIES		246,389,922	226,187,840	56,266,459	57,766,547

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

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	20	374,481,100	261,590,810	-	-
Cost of sales		(391,665,598)	(250,728,679)	-	-
Gross (loss)/profit		(17,184,498)	10,862,131	-	-
Other income		1,342,873	921,249	-	-
Administrative expenses		(12,329,520)	(12,688,465)	(589,251)	(432,747)
Other expenses		-	(22,026)	(7,898,180)	-
Impairment loss on financial assets		(1,073,351)	-	(861,665)	-
Loss from operations		(29,244,496)	(927,111)	(9,349,096)	(432,747)
Finance income	21	447,756	487,429	116,113	275,911
Finance costs	22	(2,948,140)	(1,627,012)	-	-
Loss before tax	23	(31,744,880)	(2,066,694)	(9,232,983)	(156,836)
Tax expense	24	(1,139,862)	(1,329,887)	(3,120)	(49,252)
Loss for the financial year/ Total comprehensive loss for the financial year		(32,884,742)	(3,396,581)	(9,236,103)	(206,088)
Loss for the financial year/ Total comprehensive loss for the financial year attributable to:-					
Owners of the Company		(32,853,355)	(3,377,960)	(9,236,103)	(206,088)
Non-controlling interests		(31,387)	(18,621)	-	-
		(32,884,742)	(3,396,581)	(9,236,103)	(206,088)
Loss per share attributable to owners of the Company (sen):-	25				
Basic		(8.13)	(0.87)		
Diluted		(8.13)	(0.87)		

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2023

	Non-Distributable		Distributable			
	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
At 1 January 2022	58,475,563	(24,065,424)	51,166,423	85,576,562	645,153	86,221,715
Transactions with owners:-						
Acquisition of a subsidiary	-	-	-	-	230,653	230,653
Subscription share of a subsidiary by non-controlling interest	-	-	-	-	245,000	245,000
Total transactions with owners	-	-	-	-	475,653	475,653
Total comprehensive loss for the financial year	-	-	(3,377,960)	(3,377,960)	(18,621)	(3,396,581)
At 31 December 2022	58,475,563	(24,065,424)	47,788,463	82,198,602	1,102,185	83,300,787
Transactions with owners:-						
Issuance of shares (net of share issuance expenses)	7,688,302	-	-	7,688,302	-	7,688,302
Disposal of a subsidiary	-	-	-	-	(453,962)	(453,962)
Total transactions with owners	7,688,302	-	-	7,688,302	(453,962)	7,234,340
Total comprehensive loss for the financial year	-	-	(32,853,355)	(32,853,355)	(31,387)	(32,884,742)
At 31 December 2023	66,163,865	(24,065,424)	14,935,108	57,033,549	616,836	57,650,385

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2023 (Cont'd)

	Share capital RM	Accumulated losses RM	Total equity RM
Company			
At 1 January 2022	58,475,563	(577,790)	57,897,773
Total comprehensive loss for the financial year	-	(206,088)	(206,088)
At 31 December 2022	58,475,563	(783,878)	57,691,685
Transactions of owners:-			
Issuance of shares (net of share issuance expenses)	7,688,302	-	7,688,302
Total comprehensive loss for the financial year	-	(9,236,103)	(9,236,103)
At 31 December 2023	66,163,865	(10,019,981)	56,143,884

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
OPERATING ACTIVITIES					
Loss before tax		(31,744,880)	(2,066,694)	(9,232,983)	(156,836)
Adjustments for:-					
Bad debt written off		-	7,093	-	-
Depreciation of investment properties		135,080	166,640	-	-
Depreciation of property, plant and equipment		5,368,279	5,020,388	-	-
Gain on disposal of property, plant and equipment		(203,200)	(9,000)	-	-
Gain on disposal of asset held for sales		(70,931)	-	-	-
(Gain)/Loss on disposal of a subsidiary		(17,123)	-	20,385	-
Interest expense		2,948,140	1,627,012	-	-
Interest income		(447,756)	(487,429)	(116,113)	(275,911)
Impairment loss on financial assets		1,073,351	-	861,665	-
Impairment loss on investment in subsidiaries		-	-	7,877,795	-
Goodwill written off		-	14,933	-	-
Operating (loss)/profit before working capital changes		(22,959,040)	4,272,943	(589,251)	(432,747)
Changes in working capital:-					
Receivables		1,055,406	(41,796,981)	8,360	58,990
Contract assets/liabilities		(31,920,608)	(12,211,405)	-	-
Payables		38,893,750	25,739,498	54,050	12,114
Cash used in operations		(14,930,492)	(23,995,945)	(526,841)	(361,643)
Interest paid		(669,773)	(137,558)	-	-
Interest received		33,054	14,753	-	-
Tax paid		(720,136)	(3,787,594)	(46,120)	(88,915)
Net cash used in operating activities		(16,287,347)	(27,906,344)	(572,961)	(450,558)

Statements Of Cash Flows
For The Financial Year Ended 31 December 2023 (Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
INVESTING ACTIVITIES					
Acquisition of subsidiary, net of cash acquired	5.2	-	(227,598)	-	(255,000)
Net cash outflow from disposal of a subsidiary	5.3	(445,697)	-	-	-
Subscription of shares in subsidiaries		-	-	-	(255,000)
Interest received		144,659	306,034	116,113	275,911
Proceeds from disposal of a subsidiary		-	-	489,615	-
Proceeds from disposal of property, plant and equipment		253,100	9,000	-	-
Proceeds from disposal of asset held for sales		1,700,000	-	-	-
Purchase of property, plant and equipment	**A**	(1,215,657)	(1,344,082)	-	-
Advances to subsidiaries		-	-	(14,807,737)	(14,795,361)
Net cash from/(used in) investing activities		436,405	(1,256,646)	(14,202,009)	(15,029,450)
FINANCING ACTIVITIES					
Drawdown of domestic bill of exchange purchased-i		8,255,714	4,926,087	-	-
(Repayment)/Drawdown of multi currency trade financing-i		(932,111)	6,829,131	-	-
Drawdown of term loans		600,000	-	-	-
Interest paid		(2,278,367)	(1,489,454)	-	-
Interest received		270,043	166,642	-	-
Withdrawal/(Placement) of sinking fund pledged		2,293,799	(1,759,873)	-	-
Proceeds from issuance of share capital, net of share issuance expenses		7,688,302	-	7,688,302	-
Subscription of additional equity interest in subsidiaries by non-controlling interests		-	245,000	-	-
Repayment of lease liabilities		(6,244,056)	(6,819,568)	-	-
Repayment of term loans		(2,153,653)	(597,297)	-	-
(Placement)/Withdrawal of fixed deposits pledged		(3,245,322)	819,687	-	-
Advance from a Director		2,000,000	-	-	-
Net cash from financing activities		6,254,349	2,320,355	7,688,302	-

Statements Of Cash Flows
For The Financial Year Ended 31 December 2023
(Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH AND CASH EQUIVALENTS					
Net changes		(9,596,593)	(26,842,635)	(7,086,668)	(15,480,008)
Brought forward		5,078,214	31,920,849	8,282,896	23,762,904
Carried forward	**B**	(4,518,379)	5,078,214	1,196,228	8,282,896

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Total additions	12,741,657	3,527,881	-	-
Purchase through lease arrangements	(11,526,000)	(2,183,799)	-	-
Cash payment	1,215,657	1,344,082	-	-

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise of the following amounts:-

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Fixed deposits with licensed banks	11,088,317	15,056,704	1,000,000	8,022,100
Cash and bank balances	4,130,733	10,739,384	196,228	260,796
Bank overdrafts	(9,567,506)	(11,499,474)	-	-
	5,651,544	14,296,614	1,196,228	8,282,896
Less: Fixed deposits pledged	(9,905,739)	(6,660,417)	-	-
Less: Sinking fund pledged	(264,184)	(2,557,983)	-	-
	(4,518,379)	5,078,214	1,196,228	8,282,896

Statements Of Cash Flows
For The Financial Year Ended 31 December 2023
(Cont'd)

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

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	1 January 2023 RM	Additions RM	Cash flows RM	31 December 2023 RM
Lease liabilities	9,990,558	11,526,000	(6,244,056)	15,272,502
Term loans	10,302,163	-	(1,553,653)	8,748,510
Domestic bill of exchange purchased-i	4,926,087	-	8,255,714	13,181,801
Multi currency trade financing-i	6,829,131	-	(932,111)	5,897,020
Amount due to a Director	-	-	2,000,000	2,000,000
	32,047,939	11,526,000	1,525,894	45,099,833

	1 January 2022 RM	Additions RM	Prepayments RM	Cash flows RM	31 December 2022 RM
Lease liabilities	14,783,343	2,183,799	(157,016)	(6,819,568)	9,990,558
Term loans	10,899,460	-	-	(597,297)	10,302,163
Domestic bill of exchange purchased-i	-	-	-	4,926,087	4,926,087
Multi currency trade financing-i	-	-	-	6,829,131	6,829,131
	25,682,803	2,183,799	(157,016)	4,338,353	32,047,939

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 1 & 3, Bangunan TCS, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor Darul Ehsan.

The Company principally engaged in investment holding and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are indicated in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of material accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.3 Functional and presentation currency

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

2.4 MFRSs

2.4.1 Adoption of new standards and amendments to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards and amendments to MFRSs which are mandatory for the current financial year.

Initial application of the new standards and amendments to the standards did not have a material impact to the financial statements except for:-

Amendments to MFRS 101 - Presentation of financial statements: Disclosure of accounting policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples the explain and demonstrate the application of the 'four step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's disclosures of accounting policies but not on the measurement, recognition on presentation of any items in the Group's financial statements.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards issued but not yet effective

The amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these amended standards, if applicable, when they become effective.

Amendments to MFRSs effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 7* and MFRS 107*	Financial instruments – disclosures and statement of cash flows: Supplier finance arrangements

Amendments to MFRSs effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121*	The effect of changes in foreign exchange rates: Lack of exchangeability

Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128*	Consolidated financial statements and investments in associates and joint ventures - Sale or contribution of assets between an investor and its associate or joint venture

* Not applicable to the Group's and Company's operations.

The initial application of the above amendments are not expected to have any financial impact to the financial statements of the Group and the Company.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the depreciable assets and to be within 3 to 50 years and reviews the useful lives of depreciable assets at end of each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's assets.

Construction contracts

The Group recognises contract revenue based on stage of completion method. The stage of completion is measured by reference to the contract costs incurred up to reporting date as a percentage of total estimated cost for each contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract costs, the profitability of the contracts, including the foreseeable losses, potential claims (variation orders) to owners of the projects and counter claims from subcontractor and liquidated ascertained damages ("LAD") based on expected completion dates of the contracts.

In making this judgement, the Directors took into consideration the current circumstances and replied on input from the Group's project managers, external consultants, where appropriate and past experience. In addition, in determining the provision for LAD to be recorded, the Directors also assessed the ability of the Group to recover from the subcontractors, the potential LAD imposed on the Group by the project owners for delays in projects caused directly by the subcontractor.

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Provision for expected credit losses ("ECLs") of trade receivables and contract assets (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management make assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Income taxes

Significant judgement is involved in determining the Group's and the Company's 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 recognised tax liabilities 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 difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances 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.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Deferred tax assets (cont'd)

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of contract costs, profitability, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

2.5.2 Significant management judgement

The following is significant management judgement in applying the accounting policies of the Group that has the most significant effect on the financial statements:-

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2023

3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building RM	Leasehold shoplots RM	Freehold shoplots RM	Machinery RM	Tools and equipment RM	Construction equipment RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Renovation and cabin RM	Solar PV RM	Total RM
Cost												
At 1 January 2022	770,000	2,955,636	3,365,577	4,242,157	1,779,988	31,275,721	6,004,823	1,534,671	284,046	962,041	-	53,174,660
Additions	-	-	-	131,161	58,148	2,754,085	-	115,925	9,850	458,712	-	3,527,881
Disposals	-	-	-	-	-	-	(58,974)	-	-	-	-	(58,974)
Transfer to investment properties	-	(2,955,636)	(1,682,345)	-	-	-	-	-	-	-	-	(4,637,981)
At 31 December 2022	770,000	-	1,683,232	4,373,318	1,838,136	34,029,806	5,945,849	1,650,596	293,896	1,420,753	-	52,005,586
Additions	-	-	-	-	30,550	12,551,659	-	33,098	10,350	-	116,000	12,741,657
Disposals	-	-	-	(33,333)	-	(59,880)	(1,521,053)	-	-	-	-	(1,614,266)
At 31 December 2023	770,000	-	1,683,232	4,339,985	1,868,686	46,521,585	4,424,796	1,683,694	304,246	1,420,753	116,000	63,132,977
Accumulated depreciation												
At 1 January 2022	46,200	179,335	50,484	1,315,216	662,753	14,421,774	4,821,333	803,920	134,121	347,090	-	22,782,226
Charge for the financial year	15,400	-	33,665	429,905	162,792	3,582,545	465,340	201,399	25,189	104,153	-	5,020,388
Disposals	-	-	-	-	-	-	(58,974)	-	-	-	-	(58,974)
Transfer to investment properties	-	(179,335)	(25,236)	-	-	-	-	-	-	-	-	(204,571)
At 31 December 2022	61,600	-	58,913	1,745,121	825,545	18,004,319	5,227,699	1,005,319	159,310	451,243	-	27,539,069
Charge for the financial year	15,400	-	33,665	426,497	166,493	4,012,153	355,698	198,816	22,636	136,438	483	5,368,279
Disposals	-	-	-	(9,722)	-	(59,880)	(1,494,764)	-	-	-	-	(1,564,366)
At 31 December 2023	77,000	-	92,578	2,161,896	992,038	21,956,592	4,088,633	1,204,135	181,946	587,681	483	31,342,982
Net carrying amount												
At 31 December 2023	693,000	-	1,590,654	2,178,089	876,648	24,564,993	336,163	479,559	122,300	833,072	115,517	31,789,995
At 31 December 2022	708,400	-	1,624,319	2,628,197	1,012,591	16,025,487	718,150	645,277	134,586	969,510	-	24,466,517

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in the net carrying amount of property, plant and equipment are right-of-use assets are as follows:-

	Group	
	2023	2022
	RM	RM
Leasehold land and building	693,000	708,400
Construction equipment	22,892,799	14,241,855
Motor vehicles	325,077	664,882
	23,910,876	15,615,137

The above construction equipment and motor vehicles classified under right-of-use assets are pledged as securities for the related lease liabilities.

Additions to the right-of-use assets of the Group during the financial year amounted to RM12,220,922 (2022: RM2,435,324).

The amounts recognised in profit or loss which related to right-of-use assets are as follows:-

	Group	
	2023	2022
	RM	RM
Gain on disposal of right-of-use assets	(35,378)	-
Depreciation of right-of-use assets	3,904,578	3,139,503
Interest expenses on lease liabilities	636,255	720,049
	4,505,455	3,859,552

The leasehold land and building, freehold and leasehold shoplots are pledged as securities for banking facilities granted to the Group as disclosed in Note 16 to the financial statements.

The cost and the net carrying amount of the leasehold land are not segregated from the building as required details are not available.

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, an only if, it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property, plant and equipment (cont'd)

Material accounting policy information (cont'd)

(b) Depreciation

Depreciation of property, plant and equipment is computed on the straight-line method based on the estimated useful lives of the various assets. The annual rates of depreciation based on the estimated useful lives of the various classes of depreciable assets are as follows:-

Leasehold land and building	Amortised over 50 years
Leasehold and freehold shoplots	2%
Machinery	10%
Tools and equipment	10%
Construction equipment	10% - 33%
Motor vehicles	20%
Office equipment	10% - 20%
Furniture and fittings	10%
Renovation and cabin	10%
Solar PV	5%

4. INVESTMENT PROPERTIES

Group	Leasehold shoplots RM	Freehold shoplot RM	Total RM
Cost			
At 1 January 2022	3,798,373	-	3,798,373
Transfer from property, plant and equipment	2,955,636	1,682,345	4,637,981
Transfer to asset held for sale	-	(1,682,345)	(1,682,345)
At 31 December 2022/ 31 December 2023	6,754,009	-	6,754,009
Accumulated depreciation			
At 1 January 2022	230,875	-	230,875
Transfer from property, plant and equipment	179,335	25,236	204,571
Transfer to asset held for sale	-	(53,276)	(53,276)
Charge for the financial year	138,600	28,040	166,640
At 31 December 2022	548,810	-	548,810
Charge for the financial year	135,080	-	135,080
At 31 December 2023	683,890	-	683,890

4. **INVESTMENT PROPERTIES (CONT'D)**

Group (cont'd)	Leasehold shoplots RM	Freehold shoplot RM	Total RM
Net carrying amount			
At 31 December 2023	6,070,119	-	6,070,119
At 31 December 2022	6,205,199	-	6,205,199

The Group's leasehold shoplots meet the definition of right-of-use assets but are not required to be reclassified to right-of-use assets.

The fair value of the investment properties are RM6,996,000 (2022: RM7,026,000). Fair value estimated by the Directors by reference to the published selling prices for the properties in vicinity locations. The investment properties are classified as Level 3 in the fair value hierarchy.

The leasehold shoplots are pledged as securities for banking facilities granted to the Group as disclosed in Note 16 to the financial statements.

	Group	
	2023 RM	2022 RM
(Income)/Expenses recognised in profit or loss:		
Rental income	(214,500)	(209,000)
Direct operating expenses:		
- Income generating investment properties	9,885	3,664

The investment properties are leased to tenants under operating leases with rental receivables monthly.

The maturity analysis of the total undiscounted lease payments to be received after the reporting date:-

	Group	
	2023 RM	2022 RM
Less than 1 year	163,000	155,000
Between 1 and 2 years	12,000	91,000
	175,000	246,000

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

4. INVESTMENT PROPERTIES (CONT'D)

Material accounting policy information

(a) Recognition and measurement

Investment properties are treated as long-term investment and are measured at cost, including transaction costs less any accumulated depreciation and impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

(b) Depreciation

The principal annual depreciation rate used are as follows:-

Leasehold and freehold shoplots	2%

5. INVESTMENT IN SUBSIDIARIES

5.1 Investment in subsidiaries

	Company	
	2023	2022
	RM	RM
Unquoted shares, at cost	27,152,924	27,662,924
Less: Accumulated impairment losses	(7,877,795)	-
	19,275,129	27,662,924

The movement of accumulated impairment losses during the financial year is as follow:-

	Company	
	2023	2022
	RM	RM
At 1 January	-	-
Impairment loss during the financial year	7,877,795	-
At 31 December	7,877,795	-

The Company assesses whether these is any indicator of impairment at the reporting date. If any such indication exists, the management of the Company assesses the recoverable amount of the investment in subsidiaries and an impairment loss is recognised when the recoverable amount of the investment in subsidiaries is less than their carrying amount.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.1 Investment in subsidiaries (cont'd)

The recoverable amount of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the respective subsidiaries.

The entire impairment loss on non-financial assets is included in other expenses of statement of profit or loss and other comprehensive income of the Company during the financial year due to the decline of their recoverable amount.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair values
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

5.2 Acquisition of subsidiary

2022

On 9 September 2022, the Company acquired 51% equity interest of Quest Energy Sdn. Bhd. comprising 255,000 fully paid-up ordinary shares for a total cash consideration of RM255,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of asset acquired and liabilities assumed at the acquisition date:-

	RM
Fair value of identifiable assets acquired and liabilities assumed	
Other receivables	450,871
Cash and bank balances	27,402
Other payables	(7,553)
Total identifiable net assets	470,720
Net cash outflows arising from acquisition of a subsidiary	
Fair value of consideration	255,000
Less: Cash and cash equivalents acquired	(27,402)
Net cash outflows from acquisition	(227,598)

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.2 Acquisition of subsidiary (cont'd)

2022 (cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of asset acquired and liabilities assumed at the acquisition date (cont'd):-

	RM
Goodwill arising from business combination	
Fair value of consideration transferred	255,000
Non-controlling interest, based on their proportionate interest in the recognised amount of the assets and liabilities of the acquiree	230,653
Fair value of identifiable net assets	(470,720)
Goodwill	14,933
Less: Written off during the financial year	(14,933)
	-

Impact of the acquisition on the consolidation statement of profit or loss and other comprehensive income

From the date of acquisition, the acquired subsidiary has contributed a loss of RM10,691 to the Group's loss for the financial year. If the combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been RM3,399,898.

5.3 Disposal of subsidiary

On 26 July 2023, the Company entered into a Share Sale Agreement to dispose its 510,000 ordinary shares of Quest Energy Sdn. Bhd. ("QESB"), representing 51% of the issued and paid-up share capital of QESB for a total cash consideration of RM489,615.

The effect of the disposal of QESB on the financial position of the Group as at the date of disposal was as follows:-

	RM
Cash and bank balance	935,312
Non-controlling interest	(453,962)
Other payables	(8,858)
Net assets disposed	472,492
Gain on disposal of a subsidiary	17,123
Proceeds from disposal	489,615
Less: Cash and cash equivalents disposed	(935,312)
Net cash outflows from disposal	(445,697)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.4 Additional shares subscribed in the subsidiary

On 15 November 2022, the Company subscribed for an additional 255,000 newly allotted and issued ordinary shares of Quest Energy Sdn. Bhd. at RM1 each, for a total cash consideration of RM255,000. The existing percentage of equity interests remain unchanged.

5.5 Details of subsidiaries

Name of Company	Principal place of business/Country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
Direct interest				
TCS Construction Sdn. Bhd.	Malaysia	100	100	#
TCS Amona Consortium Sdn. Bhd.	Malaysia	60	60	^*
TCS SS Precast Construction Sdn. Bhd.	Malaysia	65	65	^*
Quest Energy Sdn. Bhd.	Malaysia	-	51	@**
Indirect interest				
TCS Infra Sdn. Bhd.	Malaysia	100	100	^

\# Provision of construction services for buildings infrastructure, civil and structural works and other transportation activities.

^ Provision of construction services for buildings, infrastructure, civil and structural works.

@ Provision of operation and maintenance services for solar photovoltaics systems.

* The Company has not commenced its business operation.

** The Company has been disposed off during the financial year.

5.6 Non-controlling interests

The non-controlling interests are not material to the Group. Therefore, the summarised financial information is not presented.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

5.7 Amount due from subsidiaries

Company

	2023 RM	2022 RM
Non-trade in nature	36,619,104	21,811,367
Less: Allowance for ECLs	(861,665)	-
	35,757,439	21,811,367

The movement in the allowance for ECLs is as follows:-

	2023 RM	2022 RM
Addition/Carried forward	861,665	-

The amount due from subsidiaries are non-trade in nature, unsecured, bear no interest and are repayable on demand.

Material accounting policy information

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. DEFERRED TAX ASSETS

The movement of deferred tax assets during the financial year are as follows:-

	Group	
	2023 RM	2022 RM
At 1 January	859,000	628,000
Recognised in profit or loss	(859,000)	231,000
At 31 December	-	859,000

The components of recognised deferred tax assets are made up of temporary differences arising from:-

	Group	
	2023 RM	2022 RM
Property, plant and equipment	(408,423)	(116,000)
Unutilised capital allowances	408,423	961,000
Allowance for ECLs	-	14,000
	-	859,000

6. DEFERRED TAX ASSETS (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in the financial statements as follows (stated at gross):-

	Group	
	2023	2022
	RM	RM
Property, plant and equipment	560,000	951,000
Allowance for ECLs	272,000	-
Unutilised capital allowances	5,217,000	236,000
Unabsorbed business losses	28,097,000	-
	34,146,000	1,187,000

The unutilised capital allowances do not expire under current tax legislation.

Unabsorbed business losses for which no deferred tax assets were recognised expire as follows:-

	Group	
	2023	2022
	RM	RM
Year of assessment 2033	28,097,000	-

Deferred tax assets have not been recognised in respect of these items due to uncertainty of future taxable income of the subsidiaries and the Company.

7. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-current	9,905,739	6,660,417	-	-
Current	1,182,578	8,396,287	1,000,000	8,022,100
	11,088,317	15,056,704	1,000,000	8,022,100

Group

The fixed deposits with licensed banks amounting to RM9,905,739 (2022: RM6,660,417) are pledged as securities for banking facilities granted to the Group, and hence, are not available for general use.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

7. FIXED DEPOSITS WITH LICENSED BANKS (CONT'D)

Group (cont'd)

The effective interest rates on fixed deposits with licensed banks are ranging from 1.45% to 3.50% (2022: 1.45% to 2.85%) per annum.

Company

The effective interest rates on fixed deposits with licensed banks are ranging from 2.45% to 2.75% (2022: 1.62% to 2.50%) per annum.

8. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-current	264,184	2,557,983	-	-
Current	3,866,549	8,181,401	196,228	260,796
	4,130,733	10,739,384	196,228	260,796

Group

The sinking fund amounting to RM264,184 (2022: RM2,557,983) included in cash and bank balances are pledged as securities for banking facilities granted to the Group.

9. TRADE RECEIVABLES

	Group	
	2023	2022
	RM	RM
Trade receivables	67,029,455	81,170,272
Retention sum	57,694,437	46,149,147
	124,723,892	127,319,419
Less: Allowance for ECLs	(5,178,757)	(4,437,156)
	119,545,135	122,882,263

The Group's credit period granted to customers is ranging from 30 days to 60 days (2022: 30 days to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

9. TRADE RECEIVABLES (CONT'D)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at financial year ended which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Allowance for ECLs RM	Net balance RM
Group			
2023			
Current (not past due)	99,213,549	(3,698)	99,209,851
1- 30 days past due	11,013,287	(3,063)	11,010,224
31- 60 days past due	9,002,886	(2,601)	9,000,285
61-90 days past due	24,005	-	24,005
Past due more than 120 days	5,470,165	(5,169,395)	300,770
	124,723,892	(5,178,757)	119,545,135
2022			
Current (not past due)	79,343,360	(3,698)	79,339,662
1- 30 days past due	16,252,739	(3,063)	16,249,676
31- 60 days past due	14,734,232	(2,601)	14,731,631
61-90 days past due	9,713,321	-	9,713,321
91-120 days past due	900,239	-	900,239
Past due more than 120 days	6,375,528	(4,427,794)	1,947,734
	127,319,419	(4,437,156)	122,882,263

The movements in the allowance for ECLs in respect of trade receivables and retention sum for the Group during the year are as follows:-

	Lifetime ECLs RM	Individually impaired RM	Total RM
Group			
At 1 January 2022/31 December 2022	58,159	4,378,997	4,437,156
Addition	741,601	-	741,601
At 31 December 2023	799,760	4,378,997	5,178,757

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

9. TRADE RECEIVABLES (CONT'D)

The retention sums (net of allowance for ECLs) are unsecured, interest-free and expected to be collected as follows:-

	Group	
	2023	2022
	RM	RM
Within 1 year	9,536,905	16,891,786
More than 1 year	43,280,621	25,122,051
	52,817,526	42,013,837

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023	2022
	RM	RM
Contract assets	65,564,914	37,790,303
Less: Allowance for ECLs	(333,542)	(1,792)
	65,231,372	37,788,511
Contract liabilities	(859,871)	(5,005,868)
	64,371,501	32,782,643

The movements in the allowance for ECLs in respect of contract assets for the Group during the year are as follows:-

	Lifetime ECLs	Individually impaired	Total
	RM	RM	RM
Group			
At 1 January 2022/31 December 2022	1,792	-	1,792
Addition	-	331,750	331,750
At 31 December 2023	1,792	331,750	333,542

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed once the subcontractors' works have been inspected by client's quantity surveyor and payment is expected within 30 to 60 days.

The significant increase in contract assets in 2023 is the result of the increase in on-going construction progress at the end of the year.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

10. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

The contract liabilities consists of advance billings in excess of revenue recognised over time during the construction period. The decrease in contract liabilities due to decrease in billings issued in excess of revenue recognised. The contract liabilities were expected to be recognised as revenue over a period of 90 days.

The movement of contract liabilities during the financial year are as follows:-

	Group	
	2023	2022
	RM	RM
Brought forward	(5,005,868)	-
Arising during the financial year	(859,871)	(5,005,868)
Revenue recognised during the financial year	5,005,868	-
	(859,871)	(5,005,868)

11. OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade receivables	2,058,441	257,219	-	-
Deposits	4,874,611	5,140,088	1,000	1,000
Prepayments	128,649	124,273	-	8,360
GST recoverable	3,571	3,571	-	-
	7,065,272	5,525,151	1,000	9,360

Group

In prior financial year, included in non-trade receivables is an amount of RM27,000, RM16,000 and RM3,000 due from individuals connected to a Director, a Director of a subsidiary and a shareholder of a subsidiary respectively. The said amounts are unsecured, bear no interest and are repayable on demand.

Included in deposits are refundable keyman insurance premium paid in respect of the life policy of a Director amounting to RM2,279,327 (2022: RM1,679,327), pledged as securities for banking facilities granted to the Group.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

Group	Freehold shoplot RM
At 1 January 2022	-
Transfer from investment property	1,629,069
At 31 December 2022	1,629,069
Disposal	(1,629,069)
At 31 December 2023	-

In prior financial year, the above freehold shoplot has been pledged as securities for banking facilities granted to the Group as disclosed in Note 16 to the financial statements.

On 9 November 2022, the Group has entered into a sale and purchase agreement with a third party to dispose its freehold shoplot for a cash consideration of RM1,700,000, subject to terms and conditions stipulated in the said agreement.

The transaction has completed during the financial year.

13. SHARE CAPITAL

	Number of ordinary shares 2023 unit	Amount 2023 RM	Number of ordinary shares 2022 unit	Amount 2022 RM
Group and Company				
Issued and fully paid with no par value				
At 1 January	390,000,000	58,475,563	390,000,000	58,475,563
Issuance of shares	39,000,000	7,784,200	-	-
Share issuance expenses	-	(95,898)	-	-
At 31 December	429,000,000	66,163,865	390,000,000	58,475,563

On 15 August 2023 and 30 August 2023, the Company issued 20,000,000 and 19,000,000 new ordinary shares at an issue price of RM0.1994 and RM0.1998 per ordinary share for a total cash consideration of RM3,988,000 and RM3,796,200 for pursuant to its private placement exercise.

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

13. **SHARE CAPITAL (CONT'D)**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Warrants 2021/2024

On 25 February 2021, the Company executed a deed pool ("Deed Poll") pertaining to the 180,000,000 free Warrants issued on the basis of 1 free Warrant for every 2 existing Ordinary Shares held on 11 March 2021.

The Warrants 2021/2024 were listed on the ACE Market of Bursa Malaysia Securities Berhad.

The salient terms of the Warrants 2021/2024 are as follow:

(i) Each Warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price at RM0.38 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;

(ii) The Warrants may be exercised any time within 3 years beginning on the date of issuance on 16 March 2021. Warrants not exercised within the exercise period will therefore lapse and cease to be valid;

(iii) The exercise price is RM0.38 per Warrant. The exercise price and the number of outstanding Warrants shall be subject to adjustments that may be required during the exercise period by the Company, in accordance with the terms and provisions of the Deed Poll;

(iv) The new shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respect with the exiting ordinary shares of the Company in issue except that they will not be entitled to any dividend, rights, allotment or other distributions, the entitlement date of which is before the allotment and issuance of the new shares; and

(v) The persons to whom the Warrants have been granted have no rights to participate in any distribution and/on offer of further securities in the Company unless otherwise resolved by the Company in a general meeting.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
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14. MERGER DEFICIT

The merger deficit arose as and when the combination took place, it comprises the difference between the cost of merger and the nominal value of shares acquired in TCS Construction Sdn. Bhd. and TCS Infra Sdn. Bhd..

15. LEASE LIABILITIES

Lease liabilities included in the statements of financial position are as follows:-

	Group	
	2023	2022
	RM	RM
Current	7,171,209	5,243,419
Non-current	8,101,293	4,747,139
	15,272,502	9,990,558

The Group's future minimum lease payments as at year end are as follows:-

	Group	
	2023	2022
	RM	RM
Within 1 year	7,869,995	5,688,941
After 1 year but not later than 5 years	8,352,836	4,769,108
More than 5 years	216,182	243,134
	16,439,013	10,701,183

The lease liabilities are secured by the underlying assets. Lease liabilities of RM412,014 and RM13,268,730 (2022: RM1,178,035 and RM5,735,792) are secured against the personal guarantee by a Director and corporate guarantee by the Company respectively.

The expenses relating to payments not included in the measurement of lease liabilities is as follows:-

	Group	
	2023	2022
	RM	RM
Low-value assets	2,592	8,311
Short-term leases	11,228,117	9,674,925

The total cash outflow for leases amounted to RM18,111,020 (2022: RM17,222,853).

The lease liabilities bear interest rates ranging from 3.30% to 9.11% (2022: 3.30% to 9.11%) per annum.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

15. LEASE LIABILITIES (CONT'D)

Material accounting policy information

Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or loss and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense a straight-line basis over the lease term.

16. BORROWINGS

	Group	
	2023	2022
	RM	RM
Current		
Secured:-		
Bank overdrafts	7,240,947	9,226,563
Term loans	580,959	728,391
Multi currency trade financing-i	5,897,020	6,829,131
Domestic bill of exchange purchased-i	13,181,801	4,926,087
	26,900,727	21,710,172
Unsecured:-		
Bank overdraft	2,326,559	2,272,911
	29,227,286	23,983,083
Non-current		
Secured:-		
Term loans	8,167,551	9,573,772
	37,394,837	33,556,855
Analysed as:		
- Within 1 year	29,227,286	23,983,083
- Between 1 to 5 years	2,259,298	2,105,249
- More than 5 years	5,908,253	7,468,523
	37,394,837	33,556,855

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

16. **BORROWINGS (CONT'D)**

The borrowings are secured in the following manner:-

(i) Charge and deeds of assignment over the leasehold land and building and freehold and leasehold shoplots of the Group as disclosed in Notes 3, 4 and 12 to the financial statements;
(ii) Deed of assignment of contract proceeds;
(iii) Pledged of fixed deposits with licensed banks of the Group as disclosed in Note 7 to the financial statements;
(iv) Pledged of sinking fund of the Group as disclosed in Note 8 to the financial statements;
(v) Pledged of fixed deposit of a Director of the Company;
(vi) Jointly and several guarantees by a Director of the Company, a former Director and corporate guarantee by the Company; and
(vii) Absolute assignment of life policy of a Director.

The unsecured borrowing is guaranteed by the Company.

The interest of term loans are charged at rates ranging from 3.80% to 7.69% (2022: 3.15% to 6.83%) per annum.

The interest of bank overdrafts are charged at rates ranging from 6.57% to 8.10% (2022: 5.85% to 7.85%) per annum.

The interest of multi currency trade financing-i are charged at rates ranging from 7.35% to 7.60% (2022: 6.85% to 7.35%) per annum.

The interest of domestic bill of exchange purchased-i are charged at rates ranging from 7.35% to 7.60% (2022: 6.35% to 7.35%) per annum.

The repayment term of term loans is by monthly basis.

17. TRADE PAYABLES

	Group	
	2023	2022
	RM	RM
Trade payables	71,858,470	67,801,128
Retention sum	29,526,850	23,915,384
	101,385,320	91,716,512

The average credit term granted to the Group by suppliers are ranging from cash term to 90 days (2022: cash term to 90 days).

The retention sums are unsecured, interest-free and expected to be paid as follows:-

	Group	
	2023	2022
	RM	RM
Within 1 year	14,438,248	14,310,662
More than 1 year	15,088,602	9,604,722
	29,526,850	23,915,384

18. OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade payables	985,537	650,947	94,575	35,525
Deposit received	-	170,000	-	-
Accruals	30,841,470	1,789,976	28,000	33,000
	31,827,007	2,610,923	122,575	68,525

19. AMOUNT DUE TO A DIRECTOR

The amount due to a Director is non-trade in nature, unsecured, subject to interest at 3% (2022: Nil) per annum and is repayable on demand.

Notes to the Financial Statements
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(Cont'd)

20. REVENUE

Disaggregated revenue information

	Group	
	2023	2022
	RM	RM
Types of revenue		
- Construction	374,481,100	261,590,810
Timing and recognition		
- Over time	374,481,100	261,590,810

Performance Obligations

Information about the Group's performance obligations are summarised below:

The Group recognises revenue over time using the input method, which is based on the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

The payment terms for progress billings issued are disclosed in Notes 9 and 10 to the financial statements.

The nature of the services that the Group has promised to transfer to customers are civil construction works for residential houses and commercial units/buildings.

The Group's projects are subject to a Defects Liability Period of generally twenty-four (24) months from the issuance of Certificate of Practical Completion. This requires the Group to rectify any defects which may appear and which are due to design, materials, goods, workmanship or equipment that are not in accordance with the contracts.

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM962,096,076 (2022: RM1,405,065,043). The Group expects to recognise this revenue over the next 18 months to 24 months (2022: 5 months to 29 months).

21. FINANCE INCOME

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Bank interest	33,054	14,753	-	-
Fixed deposit interest	414,702	472,676	116,113	275,911
	447,756	487,429	116,113	275,911

Notes to the Financial Statements
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(Cont'd)

22. FINANCE COSTS

	Group	
	2023	2022
	RM	RM
Bank overdrafts interest	669,773	137,558
Lease liabilities interest	636,255	720,049
Term loans interest	412,804	411,776
Multi currency trade financing-i	1,012,125	122,040
Domestic bill of exchange purchased-i	217,183	235,589
	2,948,140	1,627,012

23. LOSS BEFORE TAX

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Auditors' remuneration related to:				
Statutory audit				
- Grant Thornton Malaysia PLT	139,000	129,500	28,000	22,000
Assurance related services				
- Grant Thornton Malaysia PLT	84,000	8,000	84,000	8,000
Other services				
- Grant Thornton Taxation Sdn. Bhd.	22,500	22,500	2,500	2,500
Directors' fee	226,000	193,000	-	-
Rental income	(544,356)	(1,106,110)	-	-
Bad debt written off	-	7,093	-	-
Goodwill written off	-	14,933	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

24. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expense				
- Current financial year	-	394,000	-	43,000
- Under provision in prior financial year	280,862	1,166,887	3,120	6,252
	280,862	1,560,887	3,120	49,252
Deferred tax				
- Current financial year	921,000	(74,000)	-	-
- Under recognised in prior financial year	(62,000)	(157,000)	-	-
	859,000	(231,000)	-	-
	1,139,862	1,329,887	3,120	49,252

A reconciliation of income tax applicable to loss before tax at the statutory income tax rate to income tax at the effective income tax rate is as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(31,744,880)	(2,066,694)	(9,232,983)	(156,836)
Tax at Malaysian statutory tax rate of 24%	(7,618,772)	(496,007)	(2,215,916)	(37,641)
Tax effects in respects of:-				
Expenses not deductible for tax purposes	646,635	497,287	2,215,916	80,641
Income not subject to tax	(17,023)	-	-	-
Movement of deferred tax assets not recognised	7,910,160	318,720	-	-
Under provision of tax expense in prior financial year	280,862	1,166,887	3,120	6,252
Under recognised of deferred tax assets in prior financial year	(62,000)	(157,000)	-	-
	1,139,862	1,329,887	3,120	49,252

25. LOSS PER SHARE

Basic loss per ordinary share

The calculation of basic loss per share was based on the loss attributable to ordinary equity holders of the Company and weighted average number of ordinary shares issued calculated as follows:-

	Group	
	2023	2022
Loss for the financial year attributable to ordinary equity holders of the Company (RM)	(32,853,355)	(3,377,960)
Weighted average number of ordinary shares at 31 December (units)	403,964,384	390,000,000
Basic loss per share (sen)	(8.13)	(0.87)

Diluted loss per share

The diluted loss per share have not been adjusted for the potential impact arising from the conversion of the warrants to ordinary shares as the average market price of the ordinary share of the Company is lower than exercise price. The effect will be anti-dilutive to the loss per share.

26. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 RM	2022 RM
Staffs' remuneration		
Salaries, wages and other emoluments	10,324,113	11,574,874
Defined contribution plan	1,158,593	1,277,446
Social security contribution	204,935	160,225
	11,687,641	13,012,545
Directors' remuneration		
Salaries, wages and other emoluments	1,192,000	1,381,000
Defined contribution plan	97,440	120,480
Social security contribution	1,902	1,783
	1,291,342	1,503,263
	12,978,983	14,515,808

The estimated monetary value of Directors' benefits-in-kind is RM48,324 (2022: RM55,850)

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

27. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:-

	Group	
	2023	2022
	RM	RM
Rental expenses paid to companies in which certain Directors have interests	234,000	234,000
Disposal of property, plant and equipment to a former Director	35,000	-

(b) Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 5, 11 and 19 to the financial statements.

(c) Key management personnel are 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 and entity that provides key management personnel services to the Group and to the Company.

Key management includes all the Directors of the Company and its subsidiaries and certain members of senior management of the Group and of the Company. The remuneration of the Board of Directors are disclosed in Notes 23 and 26 to the financial statements.

The remuneration of key management personnel of the Group other than the Board of Directors are as follows:-

	Group	
	2023	2022
	RM	RM
Salaries, wages and other emoluments	661,953	633,560
Defined contribution plan	64,944	63,874
Social security contribution	6,239	6,011
	733,136	703,445

The estimated monetary value of key management personnel's benefits-in-kind is RM17,400 (2022: RM15,400).

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial assets				
Trade receivables	119,545,135	122,882,263	-	-
Other receivables	6,933,052	5,397,307	1,000	1,000
Amount due from subsidiaries	-	-	35,757,439	21,811,367
Fixed deposits with licensed banks	11,088,317	15,056,704	1,000,000	8,022,100
Cash and bank balances	4,130,733	10,739,384	196,228	260,796
	141,697,237	154,075,658	36,954,667	30,095,263

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial liabilities				
Trade payables	101,385,320	91,716,512	-	-
Other payables	31,827,007	2,610,923	122,575	68,525
Amount due to a Director	2,000,000	-	-	-
Borrowings	37,394,837	33,556,855	-	-
	172,607,164	127,884,290	122,575	68,525

Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

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(Cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and to the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

The areas where the Group and the Company are exposed to credit risk are as follows:-

Receivables

The net carrying amount of receivables is considered a reasonable approximate of fair value.

With a credit policy in place to ensure the credit risk is monitored on an on-going basis, the management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Receivables (cont'd)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on their customers financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if the Directors deem them uncollectible. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

In respect of trade receivables, the Group is subject to significant credit risk exposure to a single counterparty or a group of counterparties having similar characteristics, as disclosed below:-

	Group			
	2023		2022	
	RM	%	RM	%
Top 3 customers	88,764,800	74	78,344,351	64

Corporate guarantees

Company

The maximum exposure to credit risk amounting to RM70,240,161 (2022: RM61,467,950) represented the outstanding banking facilities of certain subsidiaries as at the end of the reporting year.

The Company provides unsecured financial guarantee to bank in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the certain subsidiaries and repayments made by the certain subsidiaries. As at the end of reporting period, there was no indication that the subsidiaries would default on repayment.

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28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Corporate guarantees (cont'd)

Company (cont'd)

The corporate guarantee does not have a determinable effect on the term of the credit facilities due to the bank requiring the Company's guarantees as a pre-condition for approving the banking facilities granted to certain subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" term and hence the fair value of the credit facilities are equal to the credit facilities amount received by certain subsidiaries. As such, there is no value on the corporate guarantees to be recognised in the financial statements.

Performance bonds

Performance bonds require the Group and the Company to make payments to third parties in the event that the Group do not perform in according to the terms of any related contracts. The maximum exposure to credit risk of the Group and the Company at the reporting date amounted to RM61,963,253 and RM51,798,663 (2022: RM65,034,178 and RM49,467,873) respectively.

Intercompany balances

The Group provides unsecured advances to its subsidiaries and monitors the results of the subsidiaries regularly.

As at the end of the reporting date, there was no indication that the carrying amount of amount due from subsidiaries are not recoverable.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due because of shortage of funds.

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet its liabilities as and when they fall due.

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The liquidity risk arises principally from their payables, lease liabilities and borrowings.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:-

		Current		Non-current	
	Carrying amount	Total contractual cash flows	On demand/ Less than 1 year	1 to 5 years	More than 5 years
	RM	RM	RM	RM	RM
2023					
Group					
Non-derivative financial liabilities					
Secured:-					
Borrowings	35,068,278	38,586,372	27,320,913	3,578,297	7,687,162
Lease liabilities	15,272,502	16,439,013	7,869,995	8,352,836	216,182
Unsecured:-					
Trade payables	101,385,320	101,385,320	101,385,320	-	-
Other payables	31,827,007	31,827,007	31,827,007	-	-
Amount due to a Director	2,000,000	2,000,000	2,000,000	-	-
Borrowings	2,326,559	2,326,559	2,326,559	-	-
	187,879,666	192,564,271	172,729,794	11,931,133	7,903,344
Performance bonds*	-	61,963,253	61,963,253	-	-
Company					
Non-derivative financial liabilities					
Unsecured:-					
Other payables	122,575	122,575	122,575	-	-
Corporate guarantee*	-	70,240,161	70,240,161	-	-
Performance bonds*	-	51,798,663	51,798,663	-	-

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28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):-

			Current	← Non-current →	
	Carrying amount	Total contractual cash flows	On demand/ Less than 1 year	1 to 5 years	More than 5 years
	RM	RM	RM	RM	RM
2022					
Group					
Non-derivative financial liabilities					
Secured:-					
Borrowings	31,283,944	36,483,866	22,154,181	3,956,112	10,373,573
Lease liabilities	9,990,558	10,701,183	5,688,941	4,769,108	243,134
Unsecured:-					
Trade payables	91,716,512	91,716,512	91,716,512	-	-
Other payables	2,610,923	2,610,923	2,610,923	-	-
Borrowings	2,272,911	2,272,911	2,272,911	-	-
	137,874,848	143,785,395	124,443,468	8,725,220	10,616,707
Performance bonds*	-	65,034,178	65,034,178	-	-
Company					
Non-derivative financial liabilities					
Unsecured:-					
Other payables	68,525	68,525	68,525	-	-
Corporate guarantee*	-	61,467,950	61,467,950	-	-
Performance bonds*	-	49,467,873	49,467,873	-	-

* This exposure to liquidity risk is included for illustration purpose only as the related corporate guarantee and performance bonds have not crystallised.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowing is exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowing is exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed rate instruments				
Financial asset				
Fixed deposits with licensed banks	11,088,317	15,056,704	1,000,000	8,022,100
Financial liabilities				
Lease liabilities	(15,272,502)	(9,990,558)	-	-
Borrowings	(19,078,821)	(11,755,218)	-	-
Amount due to a Director	(2,000,000)	-	-	-
Net financial (liabilities)/asset	(25,263,006)	(6,689,072)	1,000,000	8,022,100
Floating rate instrument				
Financial liability				
Borrowings	(18,316,016)	(21,801,637)	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies of the Group and of the Company in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) **Interest rate risk (cont'd)**

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

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, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instrument

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/-25 (2022: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each reporting date, and the financial instruments held at each reporting date that are sensitive to change in interest rates. All other variables are held constant.

	Group	
	2023	2022
	RM	RM
Effect on loss/equity for the year		
+25bp	(45,790)	(54,504)
-25bp	45,790	54,504

Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the Group and of the Company as at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

No fair value hierarchy disclosed as the Group and the Company do not have financial instruments measured at fair value.

29. SEGMENTAL INFORMATION

Information about operating segments had not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single reporting segment, namely building construction works.

Geographical information

The Group's operation is predominantly carried out in Malaysia.

Information about major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

	RM	%
2023		
Customer A	110,921,058	30
Customer B	100,988,192	27
Customer C	86,311,142	23
Customer D	43,064,639	11
	341,285,031	91
2022		
Customer A	74,150,652	28
Customer B	54,874,627	21
Customer C	49,190,673	19
Customer D	46,040,837	18
	224,256,789	86

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

30. MATERIAL LITIGATIONS

(i) **Civil Suit No. BA-22C-27-07/2021 between its wholly-owned subsidiary, TCS Construction Sdn. Bhd. ("TCSCSB") and Dato' Tee (as plaintiffs) and MPM Project Management Sdn. Bhd. ("MPM"), KTCC Mall Sdn. Bhd. ("KTCCMSB"), Tang Yeam Soon, Chan Sang Teck, Tan Swee Guan, Loo Hui Kien, Yap Sing and Y.S. Tang Holdings Sdn. Bhd. (as defendants)**

By way of a Letter of Acceptance dated 19 September 2018 issued by MPM to TCSCSB, which incorporated the Agreement and Conditions of PAM Contract 2006 (With Quantities) ("PAM Contract 2006") together with the Annexure to the Conditions of Contract as spelled out in the Amplification Notes, Amendment and Modification to the Condition of Contract and other contract documents (hereinafter collectively referred to as "the Contract"), TCSCSB was one of the many contractors engaged by the MPM for a construction project known as ""Cadangan Pembangunan Komersil Bercampur Di Atas Lot PT 4191, Kawasan KTCC, Muara Selatan Bandar Kuala Terengganu, Daerah Kuala Terengganu Yang Terdiri Daripada: 1 Blok Podium Pusat Membeli Belah Di Tingkat Basemen 1, 2, 3 & 4 Berserta Tempat Letak Kereta Di Tingkat Basemen Dan Tingkat 4, 5, 6 & 7" ("the Project") for an original contract sum of RM101,000,000.

A dispute arose between the parties, and the plaintiffs (i.e. TCSCSB and Dato' Tee) initiated the High Court suit against the defendants to recover the outstanding sum owed and/or damages caused to the plaintiffs in relation to the Project. The amount in dispute is RM10,009,395.

On 13 October 2022, TCSCSB had filed an application for leave to enter judgement in default against MPM as MPM has failed to file a defence.

The decision for TCSCSB's application for leave to enter judgement in default against MPM is adjourned until the conclusion of the trial. The trial dates have been fixed from 15 July 2024 to 18 July 2024 and 7 October 2024 to 10 October 2024.

(ii) **Civil Suit No. BA-24C-65-10/2022 between TCSCSB (as plaintiff) and KTCCMSB (as defendant) ("TCSCSB Section 30 OS")**

On 29 March 2021, TCSCSB has commenced statutory adjudication pursuant to the Construction Industry Payment and Adjudication Act 2012 ("CIPAA 2012") against MPM for, amongst others, the outstanding sum for work done of RM7,422,770.

On 15 September 2022, the Adjudicator has released the Adjudication Decision relating to Adjudication Proceeding bearing registration no. AIAC/D/ADJ-3778-2021 dated 13 September 2022 pursuant to CIPAA 2012 in favour of TCSCSB ("Adjudication Decision").

30. **MATERIAL LITIGATIONS (CONT'D)**

(ii) **Civil Suit No. BA-24C-65-10/2022 between TCSCSB (as plaintiff) and KTCCMSB (as defendant) ("TCSCSB Section 30 OS") (cont'd)**

In the Adjudication Decision, MPM had been ordered to pay to TCSCSB the sum of RM6,141,558 ("Adjudicated Sum"), interests at the rate of 5% per annum on the Adjudicated Sum from 4 July 2020 until the date of full payment, and all costs incurred in relation to the adjudication proceedings in the sum of RM106,289.

MPM had been ordered to pay to TCSCSB the above sum within 14 days from the date of the Adjudication Decision.

On 21 September 2022, TCSCSB had served a Notice for Direct Payment to KTCC Mall Sdn. Bhd. ("KTCCMSB") to pay the Adjudicated Sum with interest and related adjudication cost on behalf of MPM. The Notice for Direct Payment was issued based on a Letter of Undertaking dated 19 September 2018 issued by KTCCMSB to TCSCSB where KTCCMSB undertakes to settle all outstanding payment on behalf of MPM in the event that MPM defaults in settling the outstanding amount due to TCSCSB within 14 days from the date of receiving the payment request from TCSCSB. Alternatively, the Notice for Direct Payment was also made in accordance with Section 30 of CIPAA 2012.

Pursuant to the High Court Order dated 12 January 2024, KTCCMSB shall directly pay TCSCSB according to the Adjudication Decision dated 13 September 2022 by the Adjudicator, namely: -

a) Adjudicated amount of RM6,141,558;

b) Costs of the adjudication proceedings and TCSCSB's costs totalling RM106,289; and

c) Interests at the rate of 5% per annum on the adjudicated amount of RM6,141,558 from the date due for payment of the TCSCSB's Progress Claim No.17 (revision), i.e. on 4 July 2020 until the date of full payment.

KTCCMSB was also ordered to pay RM10,000 in costs to TCSCSB, subject to allocator fees.

On 22 January 2024, KTCCMSB has filed a Notice of Appeal against the High Court Order dated 12 January 2024.

On 23 January 2024, KTCCMSB has filed a Notice of Application for stay of execution of the High Court Order dated 12 January 2024 pending disposal of KTCCMSB's appeal in the Court of Appeal ("Stay of Execution Application").

On 26 January 2024, the High Court has allowed KTCCMSB's application for an interim stay of execution of the High Court Order dated 12 January 2024, pending disposal of KTCCMSB's Stay of Execution Application.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2023
(Cont'd)

30. **MATERIAL LITIGATIONS (CONT'D)**

(iii) **Civil Suit No. BA-24C-7-01/2023 between KTCCMSB (as plaintiff) and TCSCSB (as defendant) ("KTCCMSB Section 30 OS")**

On 29 March 2021, TCSCSB has commenced statutory adjudication pursuant to the CIPAA 2012 against MPM for, amongst others, the outstanding sum for work done of RM7,422,770.

On 15 September 2022, the Adjudicator has released the Adjudication Decision.

In the Adjudication Decision, MPM has been ordered to pay to TCSCSB the sum of Adjudicated Sum, interests at the rate of 5% per annum on the Adjudicated Sum from 4 July 2020 until the date of full payment, and all costs incurred in relation to the adjudication proceedings in the sum of RM106,289.

MPM had been ordered to pay to TCSCSB the above sum within 14 days from the date of the Adjudication Decision.

On 21 September 2022, TCSCSB has served a Notice for Direct Payment to KTCCMSB to pay the Adjudicated Sum with interest and related adjudication cost on behalf of MPM. The Notice for Direct Payment was issued based on a Letter of Undertaking dated 19 September 2018 issued by KTCCMSB to TCSCSB where KTCCMSB undertakes to settle all outstanding payment on behalf of MPM in the event that MPM defaults in settling the outstanding amount due to TCSCSB within 14 days from the date of receiving the payment request from TCSCSB. The Notice for Direct Payment was also made in accordance with Section 30 of CIPAA 2012.

On 21 October 2022, KTCCMSB had filed an Originating Summons against TCSCSB applying for the following orders:

(1) A declaration that KTCCMSB had no obligations to make payment to TCSCSB on behalf of MPM pursuant to Section 30 CIPAA 2012 and/or the Letter of Undertaking dated 19 September 2018;

(2) A declaration that the TCSCSB's notice to KTCCMSB dated 21 September 2022 issued pursuant to Section 30 of the CIPAA 2012 is defective;

(3) Costs to be borne by TCSCSB; and

(4) Any further or other relief the Honourable Court deems fit and/or necessary.

This KTCCMSB Section 30 OS was initially filed in the Kuala Terengganu High Court ("KTHC"). However, pursuant to the KTHC Order dated 11 January 2023, this KTCCMSB Section 30 OS was transferred to Shah Alam High Court and to be heard together with TCSCSB Section 30 OS.

30. MATERIAL LITIGATIONS (CONT'D)

Based on legal advice, the Directors are in view that TCSCSB has a reasonably good chance of success in its claims and defence and no provisions in respect of the material litigation are required to be made in the financial statements of the Group as at reporting date.

31. CAPITAL MANAGEMENT

The primary capital management objective of the Group and the Company is to achieve sustainable growth and maximise return to shareholders and there is no change to the objective policies or processes since the last financial year.

The Group and the Company manage their capital by regularly monitoring their current and expected liquidity requirement and modifying the combination of equity and financial support from its shareholders from time to time to meet the needs.

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

On 26 December 2023, the Company proposed renounceable right issue of up to 243,600,000 new ordinary shares at an issue price RM0.12 per rights share on the basis of two right shares for every five existing shares held by ordinary shareholders together with up to 146,160,000 free detachable warrants in the Company ("Warrants B") on the basis of three warrants for every five rights shares subscribed for and proposed exemption under Rule 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia to Dato'Ir. Tee Chai Seng and persons acting in concert with him from the obligation to undertake a mandatory offer for the remaining shares and warrant not already owned by them under the proposed rights issue with warrants.

On 22 January 2024, the Company revised the tenure of Warrants B to five years (previously, three years) commencing from and inclusive of the issue date and had procured an additional written and irrevocable undertaking from one of the shareholders to subscribe for the right shares under the proposed rights issue with warrants.

The exercise has not been completed as of the date of approval of the financial statements.

List of Properties

As at 31 December 2023

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Approximate Age (years)	Approximate Area	Date of Acquisition	Audited NBV as at 31 December 2023
1	45, Jalan Tasik Prima 4/4,Taman Tasik Prima 47150 Puchong, Selangor	3-Storey townhouse/ Staff accomodation	Leasehold/ 99 years expiring on 15 May 2111	11	1,715 sqft	21 July 2016	693
2	H-11-02, Block H, Setia Eco Hill Walk, 43500 Semenyih, Selangor	1 unit shop office at Level 2	Freehold	N/A	2,088 sqft	31 December 2016	954
3	H-11-03, Block H, Setia Eco Hill Walk, 43500 Semenyih, Selangor	1 unit shop office at Level 3	Freehold	N/A	2,088 sqft	31 December 2016	636
4	12-G & 12-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office / Rented out	Leasehold/ 91 years expiring on 9 November 2110	5	5,274 sqft	15 March 2018	2,658
5	23-G & 23-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office/ Rented out	Leasehold/ 91 years expiring on 9 November 2110	5	3,122 sqft	29 March 2018	1,427
6	11-G & 11-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office/ Rented out	Leasehold/ 91 years expiring on 9 November 2110	5	4,262 sqft	29 March 2018	1,984

Analysis of Shareholdings

As At 29 March 2024

SHARE CAPITAL

Total Number of Issued Shares	:	429,001,200
Issued Share Capital	:	RM 66,164,321.000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	2	0.06	103	0.00
100 to 1,000	345	10.70	218,001	0.05
1,001 to 10,000	1,429	44.33	8,686,600	2.03
10,001 to 100,000	1,230	38.15	43,475,200	10.13
100,001 to less than 5% of issued shares	216	6.70	133,458,500	31.11
5% and above of issued shares	2	0.06	243,162,796	56.68
Total	**3,224**	**100.00**	**429,001,200**	**100.00**

DIRECTORS' SHAREHOLDINGS

As per the Register of Directors' Shareholdings

No.	Names	Direct No. of Shares	Direct %	Indirect No. of Shares	Indirect %
1.	Tan Sri Dato' Sri Izzuddin bin Dali	300,000	0.070	-	-
2.	Dato' Ir Tee Chai Seng	206,838,377	48.214	36,324,419 (1)	8.467
3.	Dato' Seri Ir Mohamad Othman bin Zainal Azim	200,000	0.047	-	-
4.	Ooi Guan Hoe	-	-	-	-
5.	Wong Choo Leong	303,200	0.071		
6.	Sharon Chew Mun Hoong	-	-	-	-

1. Deemed interest through the shareholdings of his spouse, Datin Koh Ah Nee's interest in the Company.

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

As per the Register of Substantial Shareholder

No.	Names	Direct No. of Shares	Direct %	Indirect No. of Shares	Indirect %
1.	Dato' Ir Tee Chai Seng	206,838,377	48.214	36,324,419 (1)	8.467
2.	Datin Koh Ah Nee	36,324,419	8.467	206,838,377 (2)	48.214

1. Deemed interest through the shareholdings of his spouse, Datin Koh Ah Nee's interest in the Company.
2. Deemed interest through the shareholdings of her spouse, Dato' Ir Tee Chai Seng's interest in the Company.

Analysis of Shareholdings
As At 29 March 2024 (Cont'd)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	Percentage (%)
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449P) CIMB FOR TEE CHAI SENG (PB)	206,838,377	48.214
2.	KOH AH NEE	36,324,419	8.467
3.	LANDASAN POTENSI SDN BHD	12,633,000	2.945
4.	METRO EYEWEAR HOLDINGS SDN.BHD.	11,400,000	2.657
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR THONG YEW CHYE	9,000,000	2.098
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR NG KWANG HUA	7,600,000	1.772
7.	LOH KOK WAI	6,932,600	1.616
8.	NG YONG LIN	4,558,200	1.063
9.	MOHAMED NIZAM BIN MOHAMED JAKEL	4,500,000	1.049
10.	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	4,010,400	0.935
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	3,044,000	0.710
12.	THONG YEW CHYE	2,829,100	0.659
13.	HIGHDEAL CAPITAL SDN BHD	2,784,400	0.649
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOONG LEO	2,396,100	0.559
15.	ANG SWEE KUANG	2,392,400	0.558
16.	OOI SIEW LOOI	1,701,900	0.397
17.	YOO WEI HOW	1,430,000	0.333
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOK SIEW HONG (E-SDK/PSE)	1,256,800	0.293
19.	LOH KIM CHEE	1,213,600	0.283
20.	MOK POH YIN	1,100,200	0.256
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG LAY KHENG	1,100,000	0.256
22.	HUA KIONG ENTERPRISE SDN BHD	1,100,000	0.256
23.	LOKE FAY	1,073,000	0.250
24.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (PB-TAIM-M-R)	1,047,100	0.244
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR K & T TRADING (KUANTAN) SDN BHD (E-KTN)	1,000,000	0.233
26.	SOAM HENG CHOON	1,000,000	0.233
27.	SNG GHEE LENG	915,400	0.213
28.	WONG CHOO GAN	827,800	0.193
29.	OOI PIT YEN	780,000	0.182
30.	SOON SEE BENG	776,900	0.181
	TOTAL	**333,565,696**	**77.754**

Notice Of 5th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting ("**5th AGM**") of the Company will be held as a fully virtual meeting through live streaming and online voting via Remote Participating and Voting ("**RPV**") facilities provided by Agmo Digital Solutions Sdn Bhd via its website at https://web.vote2u.my from the broadcast venue at TCS Group Holdings Berhad's corporate office at Boardroom, No 1 & 3, Bangunan TCS, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor Darul Ehsan, Malaysia, on Wednesday, 12 June 2024 at 10.00 a.m., or at any adjournment thereof, to transact the following businesses:-

AS ORDINARY BUSINESS:

1. To receive the audited financial statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon. *(Please refer to Note 1 of the Explanatory Notes)*

2. To re-elect the following Directors who are retiring pursuant to Clause 105(1) of the Company's Constitution and who being eligible, have offered themselves for re-election:

   i) Dato' Seri Ir. Mohamad Othman Bin Zainal Azim — Ordinary Resolution 1
   ii) Ooi Guan Hoe — Ordinary Resolution 2
   (Please refer to Note 2 of the Explanatory Notes)

3. To ratify and approve the additional payment of Directors' fees and other benefits payable amounting to RM26,000 which was in excess of the earlier approved amount of RM200,000 from the 4th Annual General Meeting ("**AGM**") up to the conclusion of the 5th AGM. Ordinary Resolution 3 *(Please refer to Note 3 of the Explanatory Notes)*

4. To approve the payment of Directors' fees and other benefits payable of up to RM 250,000 for the period commencing from 5th AGM up to the conclusion of the 6th AGM of the Company. Ordinary Resolution 4

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions:

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016** Ordinary Resolution 6 *(Please refer to Note 4 of the Explanatory Notes)*

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 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 to be issued pursuant to this resolution does not exceed 10% of the total number of issued share of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad ("**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 in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 61 of the Company's Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company."

Notice Of 5th Annual General Meeting
(Cont'd)

7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

Ordinary Resolution 7 *(Please refer to Note 5 of the Explanatory Notes)*

"THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries (collectively, "**TCS Group**" or "**Group**") to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.2 of the Circular to Shareholders dated 26 April 2024 for the purposes of Rule 10.09, Chapter 10 of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Securities, subject to the following:

i) the transactions are necessary for the day-to-day operations of the Group in its ordinary course of business, and are at arm's length, on normal commercial terms which are not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;

ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until: -

a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 of the Act *(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)*; or

c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

iii) the estimated aggregate value of the transactions conducted pursuant to the mandate during a financial year will be disclosed in the Annual Report of the Company in accordance with the Listing Requirement for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

Tan Tong Lang (MAICSA 7045482/ SSM PC No. 202208000250)
Ang Wee Min (MAICSA 7076022/ SSM PC No. 202208000334)
Company Secretaries

Kuala Lumpur
26 April 2024

Notice Of 5th Annual General Meeting
(Cont'd)

Notes

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U online website at https://web.vote2u.my.

2. A member of the Company entitled to participate and vote at the 5th AGM is entitled to appoint one or more proxies to participate and vote in his/ her stead. A proxy may but need not be a member of the Company.

3. Where a member appoints more than one proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**Omnibus Account**"), there is 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 appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for holding the 5th AGM or any adjourned meeting, at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid, PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority. The lodging of the Form of Proxy shall not preclude you from participating, speaking and voting at the 5th AGM using the RPV Facilities should you subsequently wish to do so.

7. For the purpose of determining a member who shall be entitled to participate in the 5th AGM, only members whose name appears on the Record of Depositors as at 5 June 2024 shall be entitled to participate in the said meeting or appoint proxies to participate and/or vote on his/her behalf.

8. The resolutions set out in this Notice of Meeting will be put to vote by poll.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 31 December 2023

This Agenda is meant for discussion only as Section 340(1) 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, it is not put forward for voting.

2. Ordinary Resolution 1 and 2: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to Clause 105(1) of the Company's Constitution at the 5th AGM of the Company and being eligible have offered themselves for re-election:

a) Dato' Seri Ir. Mohamad Othman Bin Zainal Azim
b) Ooi Guan Hoe

(collectively referred to as "**Retiring Directors**")

The profiles of the Retiring Directors who are standing for re-election under item 2 of this Agenda are set out in the Directors' profile of the Annual Report 2023.

Notice Of 5th Annual General Meeting
(Cont'd)

3. **Ordinary Resolution 3: Additional payment of Directors' fees and other benefits payable amounting to RM26,000.00**

The Shareholders had at the 4th AGM which held on 8 June 2023 approved the Directors' fees and other benefits payable up to RM200,000 from the 4th AGM up to the conclusion of the 5th AGM.

However, the proposed amount was insufficient due to the change in Board member and additional meetings held during the period. This resolution is to facilitate the shortfall payment of Directors' fees and other benefits payable amounting to RM26,000 from the 4th AGM up to the conclusion of the 5th AGM.

4. **Ordinary Resolution 6: Authority to Directors to Allot and Issue Shares**

The Proposed Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. The mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of further placing of shares, funding investment project(s), working capital and/ or acquisition(s). This would also eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

The general mandate granted to the Directors at the 4th AGM held on 8 June 2023 was utilized, and a total of 39,000,000 shares were issued, generating proceeds amounting to RM7,784,200.00. The details of the issuance are illustrated in the table below:-

Type of corporate proposal	Listing date	No. of shares issued	Issued price per share (RM)	Proceed raised (RM)
Private Placement	17.08.2023	20,000,000	0.1994	3,988,000
Private Placement	01.09.2023	19,000,000	0.1998	3,796,000
	Total	**39,000,000**	**-**	**7,784,200**

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 61 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares
(1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 61 of the Constitution of the Company provides as follows:

"61. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

Notice Of 5th Annual General Meeting
(Cont'd)

5. Ordinary Resolution 7: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election).

No individual is seeking election as a Director at the 5th AGM of the Company.

2. General mandate for issue of securities in accordance with Rule 6.04 of the Listing Requirements of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 is set out under Explanatory Note 4.

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TCS GROUP HOLDINGS BERHAD
(Registration No. 201901004613 (1313940-W))

NO. OF SHARES HELD	CDS ACCOUNT NO.

FORM OF PROXY

(Before completing this form please refer to the notes below)

*I/We *(Full Name)* _____ NRIC No./Passport No./Company No. _____ having Tel./Mobile No _____ of (full address) _____ being a shareholder of **TCS GROUP HOLDINGS BERHAD** (Registration No. 201901004613 (1313940-W)) and are entitled to vote, hereby appoint:

1ST PROXY

Full Name:	Tel./Mobile No.:	Proportion of shareholdings represented	
Email Address:	NRIC No./Passport No.:	No. of Shares	%

And/or

2ND PROXY

Full Name:	Tel./Mobile No.:	Proportion of shareholdings represented	
Email Address:	NRIC No./Passport No.:	No. of Shares	%

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 5th Annual General Meeting ("**AGM**") of the Company to be held as a fully virtual meeting through live streaming and online voting via Remote Participating and Voting ("**RPV**") facilities provided by Agmo Digital Solutions Sdn Bhd via its website at https://web.vote2u.my from the broadcast venue at TCS Group Holdings Berhad's corporate office at Boardroom, No 1 & 3, Bangunan TCS, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor Darul Ehsan, Malaysia, on Wednesday, 12 June 2024 at 10.00 a.m. or at any adjournment thereof.

**strike out whichever not applicable*

My/our proxy/proxies shall vote as follows:

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/her/their discretion.

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	To re-elect Dato' Seri Ir. Mohamad Othman Bin Zainal Azim who is retiring pursuant to Clause 105(1) of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Ooi Guan Hoe who is retiring pursuant to Clause 105(1) of the Company's Constitution.		
Ordinary Resolution 3	To ratify and approve the additional payment of Directors' fees and other benefits payable amounting to RM26,000 which was in excess of the earlier approved amount of RM200,000 from the 4th AGM up to the conclusion of the 5th AGM.		
Ordinary Resolution 4	To approve the payment of Directors' fees and other benefits payable of up to RM250,000 for the period commencing from 5th AGM up to the conclusion of the 6th AGM of the Company.		
Ordinary Resolution 5	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016.		
Ordinary Resolution 7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Signed this _____ day of _____, 2024.

.....
Signature of Member / Common seal

Fold this flap for sealing

NOTES:

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn. Bhd. via its Vote2U online website at https://web.vote2u.my.
2. A member of the Company entitled to participate and vote at the 5th AGM is entitled to appoint one or more proxies to participate and vote in his/ her stead. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he/ she specifies the proportions of his/ her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is 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 appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for holding the 5th AGM or any adjourned meeting, at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid, PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority. The lodging of the Form of Proxy shall not preclude you from participating, speaking and voting at the 5th AGM using the RPV Facilities should you subsequently wish to do so.
7. For the purpose of determining a member who shall be entitled to participate in the 5th AGM, only members whose name appears on the Record of Depositors as at 5 June 2024 shall be entitled to participate in the said meeting or appoint proxies to participate and/or vote on his/her behalf.
8. The resolutions set out in this Notice of Meeting will be put to vote by poll.

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AFFIX
STAMP

THE SHARE REGISTRAR OF
TCS GROUP HOLDINGS BERHAD
(Registration No. 201901004613 (1313940-W))

i.e. Aldpro Corporate Services Sdn. Bhd.
(Registration No.202101043817 (1444117-M))
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

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