

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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TCS GROUP HOLDINGS BERHAD

[Registration No. 201901004613 (1313940-W)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

The Proposed Shareholders' Mandate will be tabled as Special Business at the Fifth Annual General Meeting ("**5th AGM**") of TCS which 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'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 any adjournment thereof. This Circular, together with the 5th AGM Notice and a Form of Proxy, are enclosed together with the Annual Report of our Company for the financial year ended 31 December 2023.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at our Company's Share Registrar office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P Kuala Lumpur, not less than 48 hours before the time stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Monday, 10 June 2024, 10.00 a.m.

Day, date and time of the 5th AGM : Wednesday, 12 June 2024, 10.00 a.m.

This Circular is dated 26 April 2024.

DEFINITIONS

For the purpose of this Circular, except when the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting of our Company
“Audit Committee”	: The Audit Committee of our Company
“Board”	: The Board of Directors of our Company
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“CDS”	: Central Depository System
“Circular”	: This Circular to our Shareholders dated 26 April 2024
“Director(s)”	: Shall have the same meaning given in Section 2(1) of the the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Company or any other company which is a subsidiary of our Company
“EPS”	: Earnings per Share
“LPD”	: 31 March 2024, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“Major Shareholder(s)”	<p>: Means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the of the corporation,</p> <p>and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of TCS or any other company which is its subsidiary or holding company.</p> <p>For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act</p>
“Proposed Shareholders’ Mandate”	: Proposed Renewal of Existing Shareholders’ Mandate for our Group to enter into RRPTs of a revenue or trading nature
“Related Party(ies)”	: Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)

DEFINITIONS (CONT'D)

"RRPT(s)"	: A transaction entered into by our Company or our subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of our Company or our subsidiaries
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Shareholders"	: Shareholders of our Company
"TCS" or "Company"	: TCS Group Holdings Berhad [Registration No. 201901004613 (1313940-W)]
"TCS Construction"	: TCS Construction Sdn Bhd [Registration No. 199801010644 (1228060-H)]
"TCS Group" or "the Group"	: Collectively, TCS and our subsidiaries
"TCS Share(s)" or "Share(s)"	: Ordinary Shares of our Company
"2023 Annual Report"	: Annual Report of our Company issued for the financial year ended 31 December 2023

PRESENTATION OF INFORMATION

All references to “**you**” and “**your**” in this Circular are to our Shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any enactment, statute, rules, regulation, rules of stock exchange or guidelines (where the context admits) be construed as a reference to the provisions of such enactment, statute, rules, regulation, rules of stock exchange or guidelines (as the case may be) as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guidelines for the time being in force.

Any reference to a time of day and date in this Circular shall be a reference to Malaysia time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. As a result of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

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TCS GROUP HOLDINGS BERHAD

(Registration No. 201901004613 (1313940-W))
(Incorporated in Malaysia)

Registered office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

26 April 2024

Board of Directors:

(1) Tan Sri Dato' Sri Izzuddin bin Dali	<i>Independent Non-Executive Chairman</i>
(2) Dato' Ir Tee Chai Seng	<i>Managing Director</i>
(3) Wong Choo Leong	<i>Executive Director</i>
(4) Dato' Seri Ir Mohamad Othman bin Zainal Azim	<i>Independent Non-Executive Director</i>
(5) Ooi Guan Hoe	<i>Independent Non-Executive Director</i>
(6) Sharon Chew Mun Hoong	<i>Independent Non-Executive Director</i>

To: Our Shareholders

Dear Sirs,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 4th AGM of the Company held on 8 June 2023, our Company sought and obtained from its shareholders the general mandate for TCS Group to enter into RRPT(s) of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for TCS Group's day to day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 5th AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 22 April 2024, our Board announced that our Company proposes to seek your approval for the Proposed Shareholders' Mandate at our forthcoming 5th AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE WHICH WILL BE TABLED AT OUR FORTHCOMING 5TH AGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH APPENDIX I CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT OUR FORTHCOMING 5TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Pursuant to Rule 10.09 of the Listing Requirements, our Company may seek your mandate in respect of the RRPT subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Rule 10.09(1) of the Listing Requirements;
- (iii) this Circular to you for the Proposed Shareholders' Mandate includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) at our forthcoming AGM to obtain your mandate:
 - (a) a related party with any interest, direct or indirect ("**Interested Related Party**"), must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate;
 - (b) the interested Director(s) or interested Major Shareholder(s) must ensure that person connected with them must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate; and
 - (c) where the Interested Related Party is a person connected with a Director or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate; and
- (v) our Company shall immediately announce to Bursa Securities when the actual value of a RRPT entered into by our Company exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Securities.

Upon obtaining your approval for the resolution pertaining to the Proposed Shareholders' Mandate, the provisions of Rule 10.08 of the Listing Requirements shall not apply.

2.1 Principal activities of our Group

The principal activities of our Company is investment holding whilst the principal activities of our subsidiaries are as follows:

Name	Effective equity interest	Principal Activities
<u>Subsidiaries of our Company</u>		
TCS Construction	100.0%	Provision of construction services for buildings, infrastructure, civil and structural works and other transportation support activities
TCS Amona Consortium Sdn Bhd	60.0%	Provision of construction services for buildings, infrastructure, civil and structural works (Dormant)
TCS SS Precast Construction Sdn Bhd	65.0%	To carry on the business of construction, builders, contractors, subcontractors for all kind of buildings, and to carry on all types of construction activities, and act as consultants, advisors, technical consultants, collaborators, designers, architects, wholesalers and retailers for all kinds of construction activities and materials and to undertake all civil, mechanical, electrical works, all types of infrastructure facilities and to provide other services or products which in the opinion of the board of directors, be advantageously carried on by the company in connection with or ancillary to the aforementioned business in Malaysia and overseas. (Dormant)
<u>Subsidiary of TCS Construction</u>		
TCS Infra Sdn Bhd	100.0%	Provision of construction services for buildings, infrastructure, civil and structural works

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2.2 Classes of related parties

The Related Parties having interest in the RRPTs to be entered by our Group for which the Proposed Shareholders' Mandate is sought are as follows:

Transacting parties	Nature of transaction	Interested Related Parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 28 April 2023 RM	Actual value transacted (from date of AGM held on 8 June 2023 up to the LPD) RM	Estimated aggregate value of transaction for the period from the forthcoming 5th AGM to the next AGM ⁽¹⁾ RM
Party 1 TCS Construction	Provision of construction services	Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company.	30,000,000.00	-	150,000,000.00
Party 2 Saujana Permai Development Sdn Bhd		Datin Koh Ah Nee is the Major Shareholder of our Company. Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of Saujana Permai Development Sdn Bhd.			
Party 1 TCS Construction (as lessee)	Rental of property which is used as our head office ⁽²⁾ , of which the rental is payable on a monthly basis	Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company.	181,200.00	151,000.00	181,200.00
Party 2 CDB Group Holdings Sdn Bhd (as lessor)		Datin Koh Ah Nee is the Major Shareholder of our Company. Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of CDB Group Holdings Sdn Bhd.			

Transacting parties	Nature of transaction	Interested Related Parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 28 April 2023 RM	Actual value transacted (from date of AGM held on 8 June 2023 up to the LPD) RM	Estimated aggregate value of transaction for the period from the forthcoming 5th AGM to the next AGM ⁽¹⁾ RM
Party 1 TCS Infra Sdn Bhd (as lessee)	Rental of property which is used as our head office ⁽³⁾ , of which the rental is payable on a monthly basis	Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company.	52,800.00	44,000.00	52,800.00
Party 2 CDB Group Holdings Sdn Bhd (as lessor)		Datin Koh Ah Nee is the Major Shareholder of our Company. Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of CDB Group Holdings Sdn Bhd.			

Notes:

- (1) The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated.
- (2) The address of the premise rented is No. 1 & 3, 1st and 2nd Floors, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Kuala Langat, Selangor. The property has an approximate built-up area of 4,322 square feet.
- (3) The address of the premise rented is No. 1 & 3, 3rd Floor, Jalan SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Kuala Langat, Selangor. The property has an approximate built-up area of 4,322 square feet.

2.3 Amount due and owing by related parties

As at the LPD, there is no amount due to our Group by the Related Parties which has exceeded the credit terms.

2.4 Review and disclosure methods and procedures

Our Group has established methods and procedures to ensure that the RRPTs are conducted on an arm's length basis and on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment to our minority shareholders. The terms and conditions of these transactions will be consistent with our Group's usual commercial terms and in accordance with the applicable industry norm.

Records will be maintained by our Company to document all the RRPTs entered into, ensuring that relevant approvals have been obtained and reviewing methods and procedures in respect of such transactions are adhered to. Our management has been informed of methods and procedures applicable to the RRPTs, and is committed to ensuring that transaction with Related Parties are only entered into after careful consideration of pricing, quality and terms and conditions consistent with normal trade practices.

Our Audit Committee periodically reviews the methods and procedures set by our Company to monitor RRPTs to ensure these transactions are on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders. During its review, our Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.

Wherever practicable and/ or feasible, at least two other contemporaneous transactions with unrelated third parties for similar products/ services and/ or quantities will be used as comparison for determining whether the price and terms offered to/ by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there is no unrelated third-party customers/vendors of similar services), the transaction price will be determined based on our Group's usual business practices and policies to ensure the RRPTs are not detrimental to our Group and our minority shareholders.

There are no specific thresholds for approval of RRPTs within the Group other than the threshold specified in Rule 10.09 of the Listing Requirements. All RRPTs are reviewed and approved by our Audit Committee, provided always that such personnel have no interest in the transaction and the said transaction has been approved pursuant to a shareholders' mandate obtained at a general meeting.

If a member of our Board and/or Audit Committee has an interest (direct or indirect), as the case may be, our Director concerned shall abstain from deliberation and any decision making in respect of the RRPTs.

2.5 Statement by Audit Committee

Our Audit Committee is satisfied that the review methods and procedures for RRPTs are sufficient to ensure that such RRPTs will be carried out on an arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and not to the detriment to our minority shareholders.

Our Audit Committee is of the view that our Group has adequate methods and procedures and processes in place to monitor, track and identify RRPTs in a timely and orderly manner, and such methods and procedures, and processes are reviewed on a yearly basis or whenever the need arises.

2.6 Disclosure

Disclosure will be made in the annual report of our Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with TCS Group.

The above disclosure will be made in our Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate had been obtained.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The RRPTs to be entered into by our Group are in the ordinary course of our business. They are recurring transactions of a revenue or a trading nature which are likely to occur with some degree of frequency. These RRPTs may be time sensitive by nature, making it impractical to seek your approval on a case-to-case basis before entering into such transactions. As such, our Board is seeking your approval for the Proposed Shareholders' Mandate under Rule 10.09 of the Listing Requirements for these RRPTs.

The Proposed Shareholders' Mandate would substantially reduce the time, administrative requirements, inconvenience and expense associated with the convening of general meetings on an ad hoc basis, without compromising our corporate objectives or adversely affecting the business opportunities available therein.

The RRPTs are intended to meet the business needs of our Group at the best possible terms, and allow us to have access to all available markets and explore beneficial business opportunities to our Group. In past dealings with the Related Parties, our Group and the Related Parties have a good understanding of each other's business needs and expectations thus providing a platform where all parties stand to benefit from these transactions.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any immediate effect on the earnings and EPS, and net assets of our Group.

5. VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate, if approved at our forthcoming AGM, will take effect from the date of the passing of the resolution relating thereto and will continue in force until:

- (i) the conclusion of our next AGM, at which time such authority will lapse, unless it is renewed by a resolution passed at our meeting;
- (ii) the expiration of the period within which our next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by you at a general meeting,

whichever is the earlier.

Our Directors will seek your approval for the Proposed Shareholders' RRPT Mandate and its renewal at each subsequent AGM, subject to satisfactory review by our Audit Committee of its continued application to the RRPTs.

6. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to your approval at our forthcoming AGM.

7. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of our Company who are interested and/or do not consider themselves independent in the RRPTs are as follows:

Interested Director/ Major Shareholders	Shareholdings			
	Direct	%	Indirect	%
Dato' Ir Tee Chai Seng (Director/ Major Shareholder)	206,838,377	48.21	36,324,419 ⁽¹⁾	8.47
Datin Koh Ah Nee (Major Shareholder)	36,324,419	8.47	206,838,377 ⁽¹⁾	48.21

Note:

(1) Deemed interest in shares held by spouse pursuant to Section 8 of the Act.

Accordingly, Dato' Ir Tee Chai Seng and Datin Koh Ah Nee (collectively referred to as "**Interested Director**" and "**Interested Major Shareholders**") have abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at our Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in TCS at our forthcoming 5th AGM on the resolution pertaining to the Proposed Shareholders' Mandate.

The above Interested Director and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at our forthcoming 5th AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with a Director or Major Shareholders have any interest, directly or indirectly in the Proposed Shareholders' Mandate.

8. DIRECTORS' RECOMMENDATION

Our Board (save for Dato' Ir Tee Chai Seng), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that it is in the best interest of our Company. Accordingly, our Board (save for Dato' Ir Tee Chai Seng) recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at our forthcoming 5th AGM.

9. AGM

The resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of 5th AGM contained in 2023 Annual Report of our Company. The 5th AGM will be held as a fully virtual meeting through live streaming and online voting via Remote Participating and Voting 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, 10.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at our forthcoming 5th AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2023 Annual Report in accordance with the instructions printed therein as soon as possible and should be deposited at our Company's Share Registrar office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P Kuala Lumpur, not less than 48 hours before the time set for our forthcoming 5th AGM. The completion and return of Form of Proxy will not preclude you from attending and voting in person at our forthcoming 5th AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board of
TCS GROUP HOLDINGS BERHAD

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

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

As at the LPD, there are no material contracts, not being contracts entered into in the ordinary course of business, entered into by our Company and/ or subsidiaries within two years immediately preceding the date of this circular:

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, save as disclosed below, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group and, to the best of our Board's knowledge and belief, our Board confirms that there are no proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

Adjudication Proceeding

On 29 March 2021, TCS Construction Sdn Bhd ("**TCSCSB**") commenced statutory adjudication pursuant to the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA 2012**") against MPM Project Management Sdn Bhd ("**MPM**") for, amongst others, the outstanding sum for work done of approximately RM 7.42 million. Due to the restrictions imposed by the MCO lock down, the adjudication notice was re-served on 17 June 2021. On 29 July 2021, TCSCSB had further filed a request to the Director of the Asian International Arbitration Centre ("**AIAC**") to appoint an adjudicator who would decide on the disputes between the Parties. The adjudicator has been appointed on 23 August 2021.

On 28 August 2021, TCSCSB received a notice from the solicitors of Eakonmech Sdn Bhd ("**Eakonmech**"), another sub-contractor in KTCC Mall Project, that Eakonmech has filed a Judicial Management application against MPM. As a result, no legal proceedings against MPM ought to continue pending the hearing of the Judicial Management application.

As legal proceedings would also include the adjudication proceedings, the adjudication was put in abeyance pending the disposal of the Judicial Management proceeding. On 17 January 2022, the said Judicial Management application by Eakonmech was dismissed by the High Court.

Subsequently, TCSCSB filed a request to the Director of the AIAC to appoint an adjudicator on 24 January 2022 and an adjudicator was appointed on 31 January 2022. TCSCSB filed its Adjudication Claim on 25 February 2022. However, as MPM has been wound up on 28 February 2022, TCSCSB had to apply for leave to proceed with the adjudication proceedings against MPM, which was subsequently granted on 24 May 2022 by the Court

Pursuant to the Adjudicator's directions dated 20 June 2022, MPM was required to file its Adjudication Response by 7 July 2022. As no Adjudication Response was filed by 7 July 2022, the Adjudicator has notified the parties that the Adjudication Decision will be delivered within 45 working days from 7 July 2022.

On 15 September 2022, the Adjudicator, Ms Karen Ng Gek Suan has released the Adjudication Decision relating to Adjudication Proceeding bearing registration no. AIAC/D/ADJ-3778-2021 dated 13 September 2022 pursuant to Construction Industry Payment & Adjudication Act 2012 in favour of TCSCSB ("**Adjudication Decision**").

In the Adjudication Decision, MPM has been ordered to pay to TCSCSB in the sum of RM 6,141,557.77 ("**Adjudicated Sum**"), interests at the rate of 5% per annum on the Adjudicated Sum from 4 July 2020

FURTHER INFORMATION

until the date of full payment, (approximately RM 675,571.35 as at 15 September 2022) and all costs incurred in relation to the adjudication proceedings in the sum of RM 106,289.00.

MPM has been ordered to pay TCSCSB on the above sum within 14 days from the date of the Adjudication Decision dated 13.9.2022.

As MPM had been wound up on 28.2.2022, TCSCSB had on 13.10.2022 applied for leave of court to commence an action to enforce the adjudication decision against MPM, which was subsequently granted on 16.11.2022 by the Court.

TCSCSB's application to enforce the Adjudication Decision against MPM pursuant to Section 28 CIPAA 2012 as if it is a judgment or order of the High Court was allowed on 3 February 2023.

On 21 September 2022, TCSCSB 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 that KTCCMSB undertake 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 the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA 2012**").

On 21 October 2022, KTCCMSB has filed an originating summons in Kuala Terengganu High Court ("**Terengganu Suit**") against TCSCSB applying for the following orders: -

- 1) A declaration that KTCCMSB has 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 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.

On 28 October 2022, TCSCSB has filed an Originating Summons against KTCCMSB pursuant to Section 30 CIPAA 2012 for direct payment of the Adjudicated Sum pursuant to the Adjudication Decision ("**Section 30 OS**").

On 1 November 2022, TCSCSB has filed a Notice of Application in the Terengganu Suit to transfer the proceedings to Shah Alam High Court, which was allowed by the High Court on the 11 January 2023.

On 16 November 2022, KTCCMSB has filed a Notice of Application to transfer the Section 30 OS to Kuala Terengganu High Court. The application was subsequently withdrawn by KTCCMSB on 7 February 2023, with no order as to costs.

Both the Section 30 OS and Terengganu Suit are currently ongoing at the Shah Alam High Court.

Pursuant to the High Court Order dated 12 January 2024 for Section 30 OS ("**Section 30 Order**"), the High Court has decided that:

- 1) KTCCMSB shall directly pay TCSCSB according to the Adjudication Decision dated 13 September 2022, namely:-
 - (a) Adjudicated amount of RM6,141,557.77;
 - (b) Costs of the adjudication proceedings and the Claimant's costs totalling RM 106,289.00; and
 - (c) Interests at the rate of 5% per annum on the adjudicated amount of RM6,141,557.77 from the date due of payment of the Claimant's Progress Claim No.17 (revision), ie. on 4.7.2020 until the date of full payment.

FURTHER INFORMATION

2) KTCCMSB shall pay TCSCSB RM10,000.00 for costs, subject to allocator fee.

Pursuant to the High Court Order dated 12 January 2024 for Terengganu Suit, the High Court has dismissed Terengganu Suit, and ordered for KTCCMSB to pay TCSCSB RM10,000.00 for costs, subject to allocator fee.

On 22.1.2024, KTCCMSB has filed a Notice of Appeal against both High Court Orders dated 12.1.2024,

On 23.1.2024, KTCCMSB has filed a Notice of Application in the Section 30 OS suit for stay of execution of the Section 30 Order pending disposal of KTCCMSB's appeal in the Court of Appeal ("**Stay of Execution Application**").

On 26.1.2024, the High Court has allowed KTCCMSB's application for an interim stay of execution of the Section 30 Order 12.1.2024, pending disposal of KTCCMSB's Stay of Execution Application.

Legal Proceeding

Pursuant to the announcement made on 15 July 2021 and 21 July 2021, TCSCSB and MPM have filed a suit against each other. TCSCSB is claiming for the outstanding sums for the works performed, together with 1st moiety of retention monies amounting to RM7.42 million, and other damages and losses suffered as a result of, amongst others, MPM and KTCCMSB's breaches ("**TCS's Suit**"). MPM is withholding payments for these works done on the alleged ground that TCSCSB has not fully completed its works. This is contrary to the evidence that the Certificate of Completion and Compliance has already been issued for KTCC Mall on 23 January 2020 and KTCC Mall was opened for business on 24 January 2020.

After TCSCSB had commenced the CIPAA proceeding in March 2021 for the long outstanding payment for work done, MPM commenced a court proceeding against TCSCSB to claim for Liquidated Damages ("**LD**") of RM57.5 million for the purported delay on the part of TCSCSB in completing the KTCC Mall project ("**MPM's Suit**"). MPM claimed for LD despite the fact that the Certificate of Completion and Compliance has already been issued for KTCC Mall on 23 January 2020 and the KTCC Mall has already been opened for business since 24 January 2020.

As MPM has been wound up on 28 February 2022, TCSCSB has also filed the Proof of Debt for the outstanding payment of RM 10.01 million (inclusive of the 2nd half of retention monies which was due after the expiring of Defects Liability Period on 22 April 2022) with the Selangor Department of Insolvency in Shah Alam on 29 April 2022.

On 24 May 2022, TCSCSB has obtained the leave of court to continue with its suit against MPM and other defendants.

By way of Court Order dated 8 June 2022, Datuk Mohd Afrizan bin Dato Husain ("**Liquidator**") of Parker Randall Insol PLT has been appointed to replace the Official Receiver as the Liquidator of MPM.

With regards to the MPM's Suit, the Liquidator has on 25 July 2022 withdrawn the claim and all other related applications in the said Suit, with no order as to cost but with liberty to file afresh. TCSCSB has also likewise withdrawn its counterclaim and the related application with no order as to cost but with liberty to file afresh.

On 13 October 2022, in TCS's Suit, TCSCSB has filed an application for leave to enter judgment in default against MPM.

The TCS's Suit is currently ongoing at the Shah Alam High Court. Trial has been fixed for 15 July 2024 - 18 July 2024 and 7 October 2024 - 10 October 2024.

FURTHER INFORMATION

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for your inspection at our registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during normal office hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming AGM:

- (i) our Constitution;
- (ii) the material contracts referred to in Section 2 of this Appendix I, if any;
- (iii) our audited financial statements for the financial year ended 31 December 2022 and 31 December 2023; and
- (iv) the relevant cause paper referred to in Section 3 of this Appendix I.

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TCS GROUP HOLDINGS BERHAD
Registration No. 20191004613 (1313940-W)
(Incorporated in Malaysia)

EXTRACT OF THE NOTICE OF FIFTH ANNUAL GENERAL MEETING (“5TH AGM”)

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.”