TCS Group®

201901004613 (1313940-W)

Passion to Build

ANNUAL REPORT
2020

23 JULY 2020 - TCS makes strong debut on ACE MARKET

LISTING GALLERY

29 JUNE 2020 - TCS launches its prospectus to the public

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 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 System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System 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 at the same time.

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.

Table of Contents

1 About Us

2 Vision & Mission

3 Table of Contents

4 Corporate Information

5 Corporate Structure

6 Five-Years Financial Highlights

8 Directors' Profiles

13 Key Management Profiles

15 Chairman's Statement

17 Management Discussion and Analysis

24 Sustainability Statement

30 Corporate Governance Overview Statement

38 Audit Committee's Report

40 Statement on Risk Management and Internal Control

43 Additional Compliance Information

45 Directors' Responsibility Statement

46 Financial Statements

- 46 Director's Report
- 51 Statement By Directors
- 51 Statutory Declaration
- 52 Independent Auditors' Report
- 56 Statement of Financial Position
- 58 Statement of Profit or Loss and Other Comprehensive Income
- 59 Statement of Changes in Equity
- 61 Statement of Cash Flows
- 64 Notes to the Financial Statements

114 List of Properties

115 Analysis of Shareholdings

117 Analysis of Warrant Holdings

119 Notice of Annual General Meeting

Proxy Form

Corporate Information

BOARD OF DIRECTORS

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

DATO' IR TEE CHAI SENG
Managing Director

DATIN KOH AH NEE
Executive Director

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

OOI GUAN HOE
Independent Non-Executive Director

AUDIT COMMITTEE

Ooi Guan Hoe *(Chairman)*

Tan Sri Dato' Sri Izzuddin bin Dali *(Member)*

Dato' Seri Ir Mohamad Othman bin Zainal Azim *(Member)*

REMUNERATION COMMITTEE

Dato' Seri Ir Mohamad Othman bin Zainal Azim *(Chairman)*

Tan Sri Dato' Sri Izzuddin bin Dali *(Member)*

Ooi Guan Hoe *(Member)*

NOMINATION COMMITTEE

Dato' Seri Ir Mohamad Othman bin Zainal Azim *(Chairman)*

Tan Sri Dato' Sri Izzuddin bin Dali *(Member)*

Ooi Guan Hoe *(Member)*

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Sri Izzuddin bin Dali *(Chairman)*

Dato' Ir Tee Chai Seng *(Member)*

Ooi Guan Hoe *(Member)*

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482/SSM PC No. 201908002253)
Thien Lee Mee
(LS 0009760/SSM PC No. 201908002254)

PRINCIPAL PLACE OF BUSINESS

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

REGISTERED OFFICE

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

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor
Tel No. : 603 - 7890 4700
Fax No. : 603 - 7890 4670

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
Malayan Banking Berhad
UOB Bank (M) Berhad
RHB Bank Berhad
Public Bank Berhad
MBSB Bank Berhad

AUDITORS

Messrs. 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

SPONSOR

RHB Investment Bank Berhad
Level 10, Tower One, RHB Centre
Jalan Tun Razak, 50400 Kuala Lumpur
Tel No. : 603 - 9287 3888
Fax No. : 603 - 9287 2233

STOCK EXCHANGE LISTING

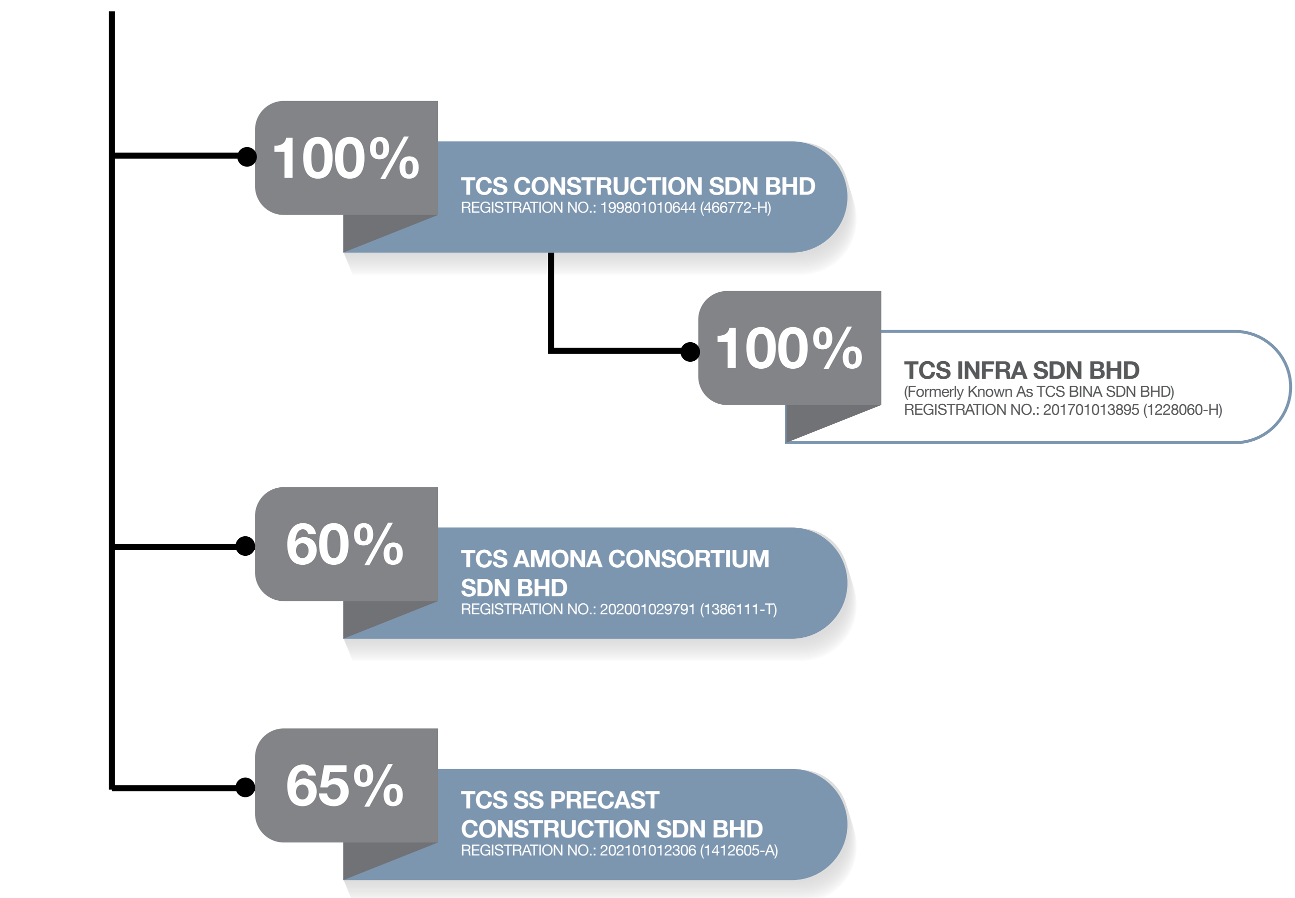
ACE Market of Bursa Malaysia Securities Berhad

Stock Name : TCS
Stock Code : 0221

Corporate Structure

Passion to Build

TCS GROUP HOLDINGS BERHAD
REGISTRATION NO.: 201901004613 (1313940-W)



COMPANIES	PRINCIPAL ACTIVITIES
TCS Group Holdings Berhad	Investment holding.
TCS Construction Sdn Bhd	Provision of construction services for buildings, infrastructure, civil and structural works.
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-Years Financial Highlights

Financial Year Ended 31 December	2020	2019	2018	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000
FINANCIAL RESULTS					
Revenue	242,643	358,424	146,266	71,718	103,628
Profit Before Taxation	25,877[(3)]	21,912	13,062	8,524	6,841
Profit After Taxation ("PAT")	16,169	15,657	9,812	6,189	5,091
FINANCIAL POSITION					
Total Assets	180,092	161,370	134,673	60,591	53,876
Total Borrowings	21,664	18,571	23,454	1,847	2,383
Total Equity	74,787	41,886	26,229	18,887	11,783
Cash and Cash Equivalents	48,105	15,020	4,618	17,518	6,931
FINANCIAL RATIOS					
PAT Margin *(%)*	6.66	4.37	6.71	8.63	4.91
Basic Earnings Per Share [(1)] *(sen)*	4.49	4.35	2.73	1.72	1.41
Gearing Ratio *(times)*	Net Cash	0.08	0.72	Net Cash	Net Cash
Net assets Per Share [(2)] *(sen)*	20.77	11.64	7.29	5.25	3.27

Notes:

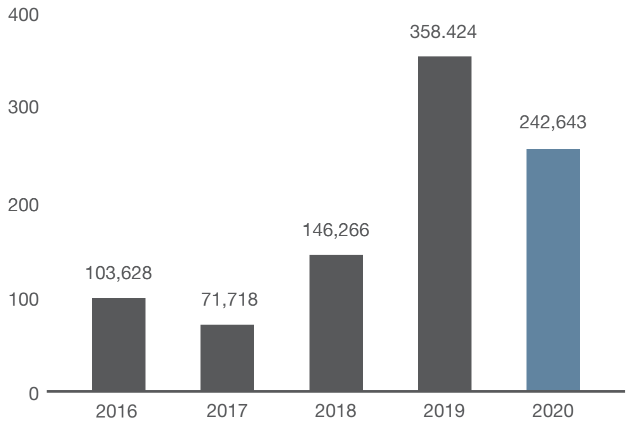
(1) Calculated based on PAT over the issued share capital of 360,000,000 shares.

(2) Calculated based on Total Equity over the issued share capital of 360,000,000 shares.

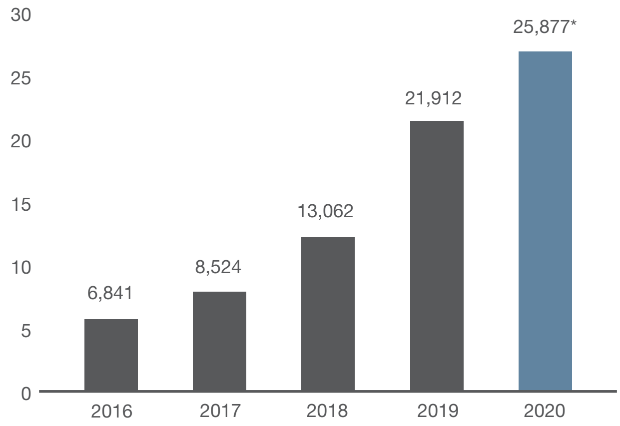
(3) Adjusted for one-off listing expenses amounting to RM2.73 million.

Five-Years Financial Highlights (Cont'd)

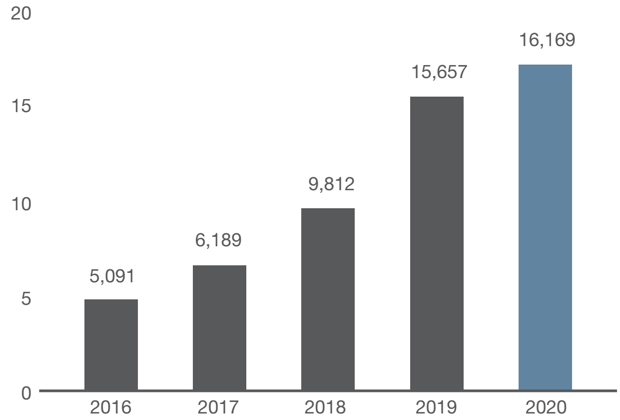
Revenue
(in RM '000)



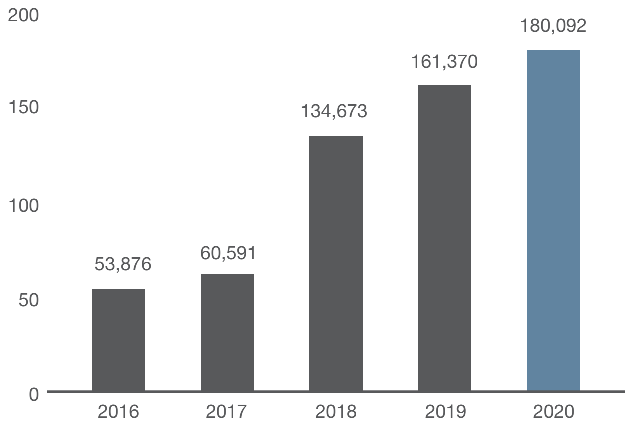
Profit Before Taxation (PBT)
(in RM '000)



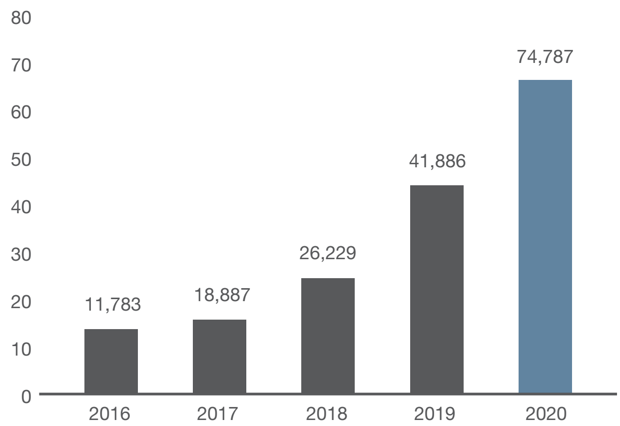
Profit After Taxation (PAT)
(in RM '000)



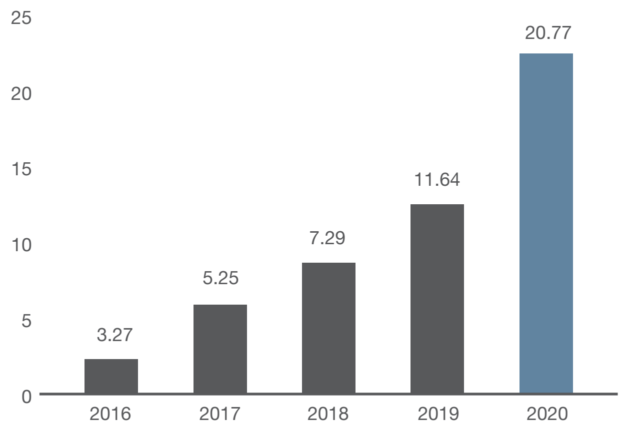
Total Assets
(in RM '000)



Total Equity
(in RM '000)



Net Asset Per Share
(in SEN)



* Adjusted for one-off listing expenses amounting to RM2.73 million

Directors' Profiles

Tan Sri Dato' Sri Izzuddin bin Dali

72 I Male I Malaysian I Independent Non-Executive Chairman

Tan Sri Dato' Sri Izzuddin bin Dali, a Malaysian male aged 72, was appointed as our Independent Non-Executive Chairman on 30 May 2019. He is also the Chairman of our Risk Management Committee, and a member of our Audit Committee, Remuneration Committee and Nomination Committee.

Tan Sri Dato' Sri Izzuddin bin Dali 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 went back 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 again 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 and Malaysian Airline System Berhad. After his retirement in 2007 till 2016, he served on the boards of public and private limited companies including Syarikat Prasarana Negara Berhad, Luster Industries Bhd, International Islamic Trade Finance Corporation and Naim Holdings Berhad.

He has no relationship with any Directors and/or major shareholder of TCS. He 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.

Directors' Profiles
(Cont'd)

Dato' Ir Tee Chai Seng

61 I Male I Malaysian I Managing Director (Non-Independent)

Dato' Ir Tee Chai Seng, a Malaysian male aged 61, was appointed as our Managing Director on 30 May 2019. He is also a member of our Risk Management Committee. Dato' Ir Tee Chai Seng is responsible for the business direction and strategic development of the Group along with the business development activities.

Dato' Ir Tee Chai Seng 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 36 years of working experience in the construction industry including design and supervision of several major projects in Klang Valley, project management services, construction and property development. He began his career with Amoy Construction & LGB Joint Venture Sdn Bhd in June 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, 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 of townships and buildings, infrastructure, as well as civil and structural works. In November 1998, he acquired Projek Bumi Bina Sdn Bhd, which is involved in providing civil and structural construction services. The company subsequently changed its name to 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. The company was involved in the provision of construction services for buildings and civil works. He left in February 2014 to focus on TCS Construction. Since then, he oversaw the completion of several residential buildings, commercial buildings and an international school under our Group.

Dato' Ir Tee Chai Seng is the spouse of Datin Koh Ah Nee, the Executive Director of TCS. He has no conflict of interest with the Group other than those disclosed in the Company's Circular to Shareholders dated 30 April 2021. 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.

Directors' Profiles
(Cont'd)

Datin Koh Ah Nee
59 I Female I Malaysian I Executive Director

Datin Koh Ah Nee, a Malaysian female aged 59, was appointed as our Executive Director on 30 May 2019. She is primarily responsible for overseeing the corporate affairs, administrative and human resource functions of our Group.

She graduated from Universiti Malaya with a Bachelor of Arts (Hons) in English Literature in August 1984. She subsequently obtained a Diploma in Education (Hons) in August 1985 from the same institution.

Upon graduation, she joined the Ministry of Education as an English teacher in January 1986 where she was based in Sekolah Menengah Kebangsaan ("SMK") Kuala Krai, Kelantan. She was then transferred to SMK Jalan Loop, Negeri Sembilan in June 1987. In January 1992, she was assigned to SMK Bangsar, Kuala Lumpur. She retired from teaching in December 1999.

She joined TCS Construction in January 2000 as a Human Resource and Administration Manager where she was responsible for managing the human resource and administrative functions of the company.

In September 2005, she was appointed as a Director of TCS Construction where her role expanded to include overseeing the corporate and social affairs of our Group.

She left the company in October 2011 to assist and support Dato' Ir Tee Chai Seng in his other businesses before returning to the company in April 2014 as a Director of TCS Construction where she assumed her current responsibilities.

Datin Koh Ah Nee is the spouse of Dato' Ir Tee Chai Seng, the Managing Director of TCS. She has no conflict of interest with the Group other than those disclosed in the Company's Circular to Shareholders dated 30 April 2021. 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.

Directors' Profiles
(Cont'd)

Dato' Seri Ir Mohamad Othman Zainal Azim

67 I Male I Malaysian I Independent Non-Executive Director

Dato' Seri Ir Mohamad Othman Zainal Azim, a Malaysian aged 67, was appointed as our Independent Non-Executive Director on 30 May 2019. He is also the chairman of our Remuneration Committee and Nomination Committee, and a member of our Audit Committee.

Dato' Seri Ir Mohamad Othman Zainal Azim 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.

He spent more than 20 years serving in the Ministry of Work, beginning his career 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 to form Straits Consulting Engineers Sdn Bhd, a company that does 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 Mohamad Othman Zainal Azim currently sits on the board of several private and public listed companies which include KYM Holdings Bhd and Universiti Sultan Azlan Shah .

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

Directors' Profiles
(Cont'd)

Ooi Guan Hoe

46 I Male I Malaysian I Independent Non-Executive Director

Ooi Guan Hoe, a Malaysian male aged 46, was appointed as our Independent Non-Executive Director on 30 May 2019. He is also the chairman of our Audit Committee, and a member of our Remuneration Committee, Nomination Committee and Risk Management Committee.

Guan Hoe graduated from University Putra Malaysia in August 1999 with a Bachelor's (Hons) degree in Accountancy. He has also attended the Harvard Business School Executive Education program on Private Equity and Venture Capital in 2011. 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. He served as an Independent Non-Executive Director of K-Star Sports Limited in March 2010 until August 2010 and a Non-Independent Non-Executive Director of Xingquan International Sports Holdings Limited from December 2011 to June 2015. He was the Chief Financial Officer and a member of the management board of DeCheng Technology AG; a company listed on the Frankfurt Stock Exchange, in January 2015 and May 2016, respectively. He left the company in July 2017.

Guan Hoe is currently the Chief Financial Officer of Metro Eyewear Holdings Sdn Bhd, an indirect wholly-owned subsidiary of MOG Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited. Guan Hoe also sit on the board of several public listed companies which include Revenue Group Berhad, Techbond Group Berhad and Only World Group Holdings Berhad.

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

Key Management Profiles

MDM YAP CHOO CHENG
Chief Financial Officer

Mdm Yap Choo Cheng, female, a Malaysian, aged 47, is our Chief Financial Officer since October 2018. She is responsible for the company's financial planning and review, cash flow management and financial reporting. She has close to 25 years of experience in accounting, finance, corporate finance, strategic planning, treasury and auditing across a variety of industries.

She graduated with a Bachelor (Hons) Degree in Accountancy from Queen's University of Belfast, UK in July 1996. She is a Fellow Member of Chartered Certified Accountants ("ACCA") since May 2005. She is also a Registered Chartered Accountant with the Malaysian Institute of Accountants ("MIA") since June 2001.

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.

MR WONG CHOO LEONG
Project Director

Mr Wong Choo Leong, male, a Malaysian, aged 29, joined the Group in July 2015 as Site Engineer and subsequently promoted to Project Director in August 2019. He is responsible for overseeing and managing the overall daily operations at our project sites and assist our Managing Director with site coordination works. He started his career as a site engineer. He has vast experience in project management and site supervision for high rise construction projects.

He graduated with a Bachelor's degree in Civil Engineering from Universiti Tunku Abdul Rahman Malaysia in May 2015.

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 34 is our 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 12 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.

Key Management Profiles
(Cont'd)

MR LIEW KOK YOONG
Group Accountant

Mr Liew Kok Yoong, male, a Malaysian, aged 32, is our Group Accountant since April 2015. He is responsible for the company's accounting and taxation functions. He has 10 years of experience in accounting, finance and taxation.

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.

MDM JENNY KOO YOKE PING
Corporate Affairs Manager

Mdm Jenny Koo Yoke Ping, female, a Malaysian, aged 53, 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 30 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.

MDM NG LEE FOONG
Procurement Manager

Mdm Ng Lee Foong, female, a Malaysian, aged 42 is our procurement manager since June 2016. She is responsible for overseeing the company's purchasing and procurement activities.

She has more than 16 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 Universiti Utara Malaysia in September 2003.

She is the niece of Dato' Ir Tee Chai Seng and Datin Koh Ah Nee, the Managing Director and executive 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.

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, it is an honour to present to you the maiden Annual Report and Audited Financial Statements of TCS Group Holdings Berhad ("TCS" or the "Group") for the financial year ended 31 December 2020 ("FY2020").

THE BEGINNING OF A NEW CHAPTER

TCS was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 23 July 2020, marking a significant milestone for our Group. The listing exercise raised RM20.70 million through the initial public offering ("IPO") exercise, which enabled us to accelerate the execution of our future plans. Being a listed entity, it signified the beginning of a new chapter for TCS as it enhanced our status and reputation and provided us the platform for our next phase of growth.

INDUSTRY AND BUSINESS OVERVIEW

2020 brought unprecedented challenges to the world as the global economy continued to be fraught with uncertainties that was further intensified by the Coronavirus disease 2019 ("COVID-19"). The outbreak, which turned into pandemic in March 2020, resulted in the implementation of various lockdown or movement control restrictions worldwide. These extraordinary measures, while critical in bringing the situation under control, had a detrimental impact on the global economy. The volatilities in the commodity and financial markets worldwide were heightened, placing further pressure on the existing strenuous business operating conditions.

In Malaysia, the Government imposed the Movement Control Order ("MCO") on 16 March 2020 to curb the spread of the COVID-19 in Malaysia. From there on, various versions of the movement control order were subsequently imposed based on the severity of the pandemic in the specific regions. Initially, almost all sectors and businesses suffered disruptions but the situation has since improved as economic activities gradually picked up following the easing of the MCO. Nevertheless, the brunt of the movement controls has led to a gross domestic product ("GDP") contraction of 5.6% in 2020 as compared to a growth of 4.3% in 2019 according to Bank Negara Malaysia ("BNM").

It was an extremely demanding year for us at TCS as we had to navigate through the highly difficult business environment brought upon by the COVID-19 pandemic. In adherence to the MCO, we had temporarily halted work at our construction sites. Operations at all our construction sites resumed subsequently after obtaining regulatory approvals from the Ministry of International Trade and Industry ("MITI"). The Group has established strict standard operating procedures ("SOPs"), which are in full compliance with the stringent guidelines imposed by the authorities. This ensured a safe environment for our employees, while enabling our operations to run smoothly without interruptions. Furthermore, we had conducted COVID-19 testing for all our employees including our subcontractors' workers in May 2020 and November/December 2020 respectively in accordance with the Government's directives.

Despite the challenging landscape, we successfully secured six projects with a cumulative value of RM823.78 million since our listing in July 2020. This is a testimony to our technical and execution capabilities. As at 31 December 2020, TCS' order book amounted to RM843.47 million. The figure would be higher at more than RM1.13 billion if we included the two projects (Tropicana Miyu & Top Glove Projects) clinched on 2 February 2021 as well as our maiden infrastructure contract for the West Cost Expressway project secured on 9 April 2021. Meanwhile, the Group's current tender book stood at around RM2.60 billion.

Chairman's Statement
(Cont'd)

FINANCIAL HIGHLIGHTS

TCS registered a revenue of RM242.64 million in FY2020, chiefly contributed by our on-going projects. The Group's profit before tax ("PBT") was at RM23.15 million in FY2020, having included a one-off listing expenses amounting to RM2.72 million. Excluding the one-off expenses, PBT would have been RM25.87 million. Post tax effects, TCS reported a profit after tax and non-controlling interest ("PATNCI" or "net profit") of RM16.17 million.

LOOKING AHEAD

Going into 2021, Malaysia's GDP growth is expected to revive, benefitting from the improvement in global demand, a turnaround in public and private sector consumption amid various supportive policies as well as the gradual economic recovery following the rollout of COVID-19 vaccination exercise. According to BNM, Malaysia's GDP is projected to rebound by 6.5% to 7.5% in 2021.

Looking at the construction sector, the Ministry of Finance ("MoF") expects the sector to grow 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. This augurs well for the Group as more tender activities are rolled out. TCS continues to participate in project tenders, especially institutional buildings and infrastructure projects. The Group is working tirelessly to keep up the positive momentum to deliver value to our esteemed shareholders.

The long-term prospects of the construction industry remain promising backed by the implementation of various government measures and economic stimulus packages to strengthen the Malaysian economy. All in all, the outlook for TCS remains bright, premised upon our improved order book, our active participation in tenders as well as the gradual recovery of the construction sector.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our management and staff at TCS for their continuous commitment, hard work and contribution to the Group.

I would also like to thank all our stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers, and suppliers for their continued support and confidence in us.

In closing, I wish to extend my heartfelt appreciation to my fellow Board members for your dedication, invaluable advice, and service. I have full confidence that, together, we will be able to build an even brighter future for TCS.

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

Management Discussion and Analysis

OVERVIEW

Financial year ended 31 December 2020 ("FY2020") was a challenging but yet exciting year for us at TCS Group Holdings Berhad ("TCS" or the "Group"). We reached a major milestone in our corporate history following the successful listing of the Group on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 23 July 2020.

Being a listed company opened up a new phase for the Group as it elevated our status and reputation and set the stage for our next chapter of growth. With the proceeds of RM20.70 million raised from the initial public offering ("IPO") exercise, we have the ammunition to execute our expansion strategies that we have in place.

On the flip side, FY2020 was also a taxing year for TCS as we had to manoeuvre through the difficult environment brought upon by the Coronavirus disease 2019 ("COVID-19"). This inevitably affected our operations and performance. Nevertheless, we perceived this as short-term headwinds for us and we are confident we shall emerge stronger than before, backed by our healthy balance sheet, together with the support from our dedicated team of experienced and capable personnel. Meanwhile, on a personal level, I have been in the construction industry for more than 36 years and have experienced several business cycles. As such, collectively as a Group, we are confident TCS will continue to grow from strength to strength.

BUSINESS & OPERATIONAL REVIEW

Having commenced operations since 1999, the Group provides construction services for buildings, infrastructure, civil and structural works in Malaysia. Under building construction, the Group has, over the years, completed various types of residential buildings such as terrace houses, bungalows, apartments and condominiums as well as commercial buildings such as shop offices, a shopping complex, high-rise and purpose-built buildings. We have also been involved in civil works such as construction of roads, water and sewerage treatment plants, electrical substations, water tanks and reticulation systems for townships.

The Group's subsidiaries, TCS Construction Sdn. Bhd., TCS Infra Sdn. Bhd. and TCS Amona Consortium Sdn Bhd, are registered as Grade G7 contractors with the Construction Industry Development Board ("CIDB"), which allow us to participate in projects tenders with unlimited value.

As mentioned earlier, we have successfully raised RM20.70 million from our IPO exercise to accelerate our future plans. RM13.00 million or 62.8% of our IPO proceeds has been allocated for the purchase of new construction machinery and equipment such as self-climbing protection platforms, heavy-duty scaffolding, tower cranes, excavators and trucks. The new capabilities and capacity would support our plans to further grow our building construction activities. The Group is participating in tenders for high rise buildings (residential and commercial), purpose-built buildings (such as private hospital and schools) and institutional buildings (such as hospitals). Additionally, part of our growth strategy is to expand our infrastructure construction services to include major roads, highways and bridges.

Meanwhile, RM4.20 million or 20.3% has been earmarked for working capital for our construction projects with the balance RM3.50 million or 16.9% to defray listing expenses.

Management Discussion and Analysis (Cont'd)

Utilisation of Proceeds from IPO

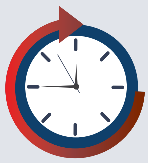
Details	Proposed Utilisation (RM million)	Actual Utilisation (RM million) as of 31 December 2020	Estimated Timeframe For Utilisation From Listing Date
Purchase of new construction machinery and equipment	13.00	5.73	Within 36 months
Working capital for our construction projects	4.20	4.20	Within 24 months
Estimated listing expenses	3.50	3.50	Within 3 months
Total	**20.70**	**13.43**	

Operationally, it was a highly challenging year for the Group as we encountered some setbacks due to the COVID-19 pandemic and the resultant movement restrictions imposed. In adherence to the movement control order ("MCO 1.0") implemented on 16 March 2020, we temporarily halted operations at our construction sites. On a positive note, all our ongoing projects have since resumed subsequently after obtaining regulatory approvals from the Ministry of International Trade and Industry ("MITI").

We are pleased to share that all our construction sites have been running as usual during the various versions of the movement control order including the second movement control order ("MCO 2.0") while fully complying with the stringent Standard Operating Procedures ("SOPs") imposed by the Authorities.

At TCS, we continuously emphasize on three key focus areas in all our projects:

Delivering Exceptional Quality



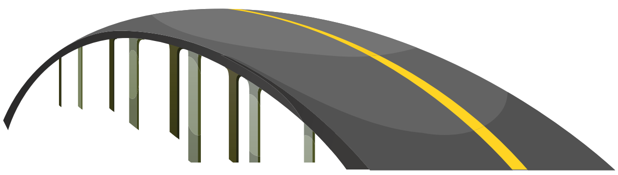
Timely Completion

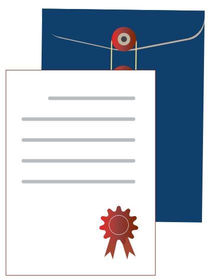
Priority on Health & Safety at Work

In particular, health and safety at work has been our top priority given the current pandemic. Having a safe environment for our workers allow our operations to progress without interruptions. The Group had undertaken COVID-19 screening for all our workers, as well as all our subcontractors' workers, in May 2020 and November/December 2020 respectively in accordance with the Government's directives.

Notwithstanding the arduous conditions, we are proud to share that we have successfully clinched six projects worth a total of RM823.78 million since our listing in July 2020. Our achievement was a reflection of our credence and a testament to our technical and execution capabilities.

We also reached a major landmark for the Group by securing our maiden infrastructure contract worth RM177.19 million on 9 April 2021 for the West Coast Expressway project ("WCE"). WCE is a 233 kilometres ("km") highway that runs from Banting in Selangor to Taiping in Perak. The Group will be undertaking infrastructure works, which comprises of geotechnical, drainage and road works, on part of Section 7, part 2 of 2 of WCE, which is the final section of WCE. This is also in-line with our growth strategy to expand our infrastructure construction services.





Secured 6 contracts with total value

RM823.78 million

since July 2020

Management Discussion and Analysis (Cont'd)

West Coast Expressway 1
RM177.19 million
- Secured in April 2021
- Maiden infrastructure project
- Infrastructure works for the final section of WCE

Tropicana Miyu 2
RM92.72 million
- Secured in February 2021
- 1 block of 41-storey condominium in Petaling Jaya

Top Glove Project 3
RM16.17 million
- Secured in February 2021
- 2 block of workers' hostel and 1 block of office building

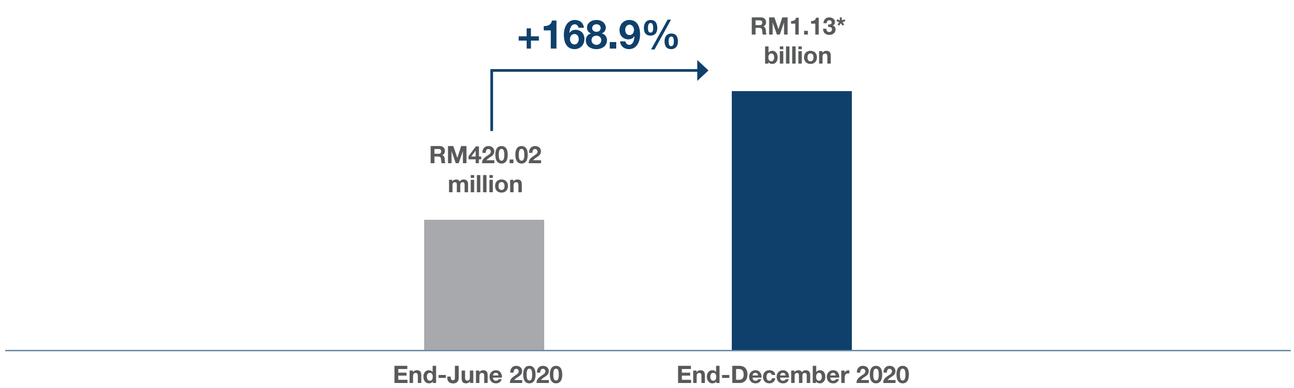
MahSing M Arisa Project 4
RM323.00 million
- Secured in October 2020
- 2 block of 57-storey serviced apartments in KL

Sime Darby Elmina Green Three 5
RM68.40 million
- Secured in August 2020
- Double storey link houses and infrastructure works in Shah Alam

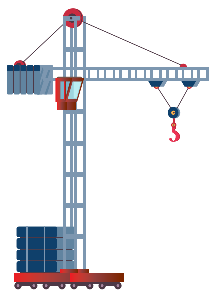
Vista Sentul Residences Project 6
RM146.30 million
- Secured in July 2020
- 2 blocks of 24-storey and 37-storey serviced apartments in KL

The Group currently has 9 on-going projects across Klang Valley. As at 31 December 2020, our outstanding order book amounted to more than RM1.13 billion, which included the two projects bagged on 2 February 2021 as well as the WCE project clinched on 9 April 2021. With the 6 new projects secured, we achieved a healthy order book replenishment. Meanwhile, our tender book stands at around RM2.60 billion.

Healthy Order Book Growth



Order Book value
>RM1.13* billion
as at 31 December 2020



Tender Book value
RM2.60 billion

* *Includes Tropicana Miyu & Top Glove projects with a combined value of RM108.89 million secured in February 2021 and WCE project worth RM177.19 million secured in April 2021.*

Management Discussion and Analysis (Cont'd)

CORPORATE DEVELOPMENTS

On the corporate front, the Group completed the issuance of up to 180,000,000 free warrants on the basis of one free warrant for every two existing TCS shares ("Issue of Free Warrants") in March 2021. This was an expression of our appreciation towards our shareholders' support since the Group's listing in addition to dividends. The Issue of Free Warrants, which was issued at no cost to our shareholders, serves to reward our shareholders by providing them with the opportunity to further increase their equity participation in the Group should they choose to exercise the warrants at the pre-determined price of RM0.38 per TCS share anytime during the three-year period from its issuance date. Our shareholders may also benefit from the potential capital appreciation arising from the exercise of warrants.

FINANCIAL REVIEW

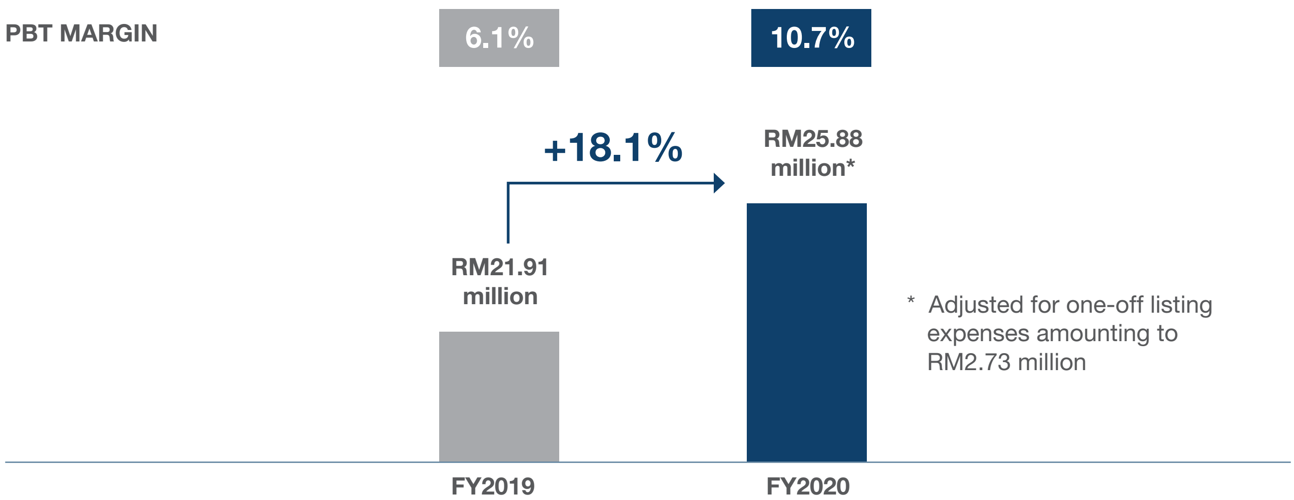
Revenue

The Group recorded a revenue of RM242.64 million for the financial year under review. This was lower than the RM358.42 million achieved in FY2019, which was largely attributed to the impact from the COVID-19 pandemic and the resulting MCO 1.0 where we temporarily halted our operations.

FY2020 revenue was primarily contributed by our on-going projects comprising Hermington Project, Tropicana Urban Homes Project, Suria Pantai Project and Woodbury Project. Residential projects remained our largest revenue contributor, accounting for 98.4% or RM238.82 million to total turnover in FY2020, with the balance 1.6% or RM3.82 million coming from commercial projects.

Profit Before Tax ("PBT") & PBT Margin

TCS reported a PBT of RM23.15 million in FY2020, which included a one-off listing expenses amounting to RM2.73 million. Adjusting for the one-off cost, FY2020 PBT would have been RM25.88 million, an increase of 18.1% year on year ("YoY") or RM3.97 million from RM21.91 million in FY2019. This translated to an adjusted PBT margin of 10.7% in the financial year under review versus 6.1% a year ago. The jump in PBT and PBT margin was chiefly due to recognition of higher gross profit due to revision in cost estimates for several projects which were completed during the financial year and projects which were nearing completion at year end.



Profit After Tax and Non-Controlling Interest ("PATNCI" or "net profit")

Despite the COVID-19 pandemic and MCO 1.0 as well as taking into account the one-off listing expenses, the Group registered the highest net profit in our history. For the current financial year under review, net profit rose 3.3% YoY or RM0.51 million to RM16.17 million as compared to RM15.66 million a year ago.

Management Discussion and Analysis (Cont'd)

Capital Structure & Capital Resources

TCS' total assets amounted to RM180.09 million as at 31 December 2020, which was an increase of RM18.72 million from RM161.37 million a year ago. The increase largely due to higher cash and cash equivalent stemming from our IPO proceeds. At the close of the financial year, the Group's cash and cash equivalent was at RM48.10 million.

On the other hand, the Group's liabilities stood at RM105.31 million as at 31 December 2020, representing a reduction of RM14.18 million from RM119.49 million a year ago.

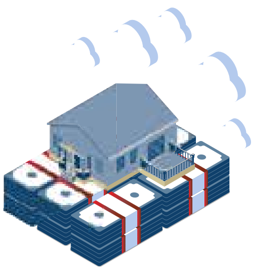
Net Gearing & Cash per Share

The Group remained in a net cash position as at 31 December 2020 with net cash per share of 7.34 sen.

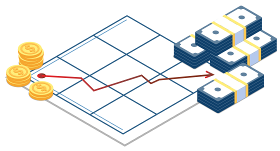
Net Operating Cash Flow ("NOCF")

We generated a positive NOCF of RM20.50 million in FY2020. TCS has generated positive NOCF in FY2020 as well as FY2019.

BALANCE SHEET HIGHLIGHTS AS AT 31 DECEMBER 2020



Total Assets
RM180.09 million



Total Equity
RM74.79 million

Net Assets
RM0.21
per Share

Net Cash
7.34 sen
per Share

RM million	FY2020	FY2019
Total Assets	180.09	161.37
Cash & Cash Equivalent	48.10	15.02
Total Equity	74.79	41.89
Total Liabilities	105.31	119.49
Total Borrowings	21.66	18.57
Current Ratio (times)	1.54	1.16
Net Assets per Share (RM)	0.21	0.12
Net Gearing (times)	Net Cash	0.08

Management Discussion and Analysis (Cont'd)

ANTICIPATED AND KNOWN RISK

As a construction provider, TCS is cognisant of our risk exposure to the construction industry. These risks may disrupt the value creation process for our valued stakeholders if not managed proactively. The anticipated and known risks that the Group is exposed to are outlined below along with the mitigation measures.

Competition Risk & Ability to Secure New Construction Projects

TCS operates in the construction industry, which is highly fragmented. There are more than 100,000 local contractors registered with CIDB, of which more than 8,500 were registered with Grade G7. Stiff competition may affect our ability to secure new projects to replenish our order book. If we are unable to do so, our order book would decline, and this would adversely affect our future financial performance. Given the nature of our project-based construction business, there is a risk that we would not be able to continuously secure new projects.

As an established building and infrastructure construction services provider, the Group will leverage on our capabilities, experience and proven track record to maintain our competitive advantages. At the same time, we will also continue to emphasize on three key focus areas across all our projects – delivering exceptional quality, timely completion, and priority on health & safety at work.

Fluctuations in Building Material Costs

As a player in the construction industry, we are exposed to any drastic fluctuations in the costs of building materials such as steel and cement. This would have a corresponding impact on the Group's profitability. As part of our risk management plan, we have put in place various mechanisms to manage the cost fluctuations and implement adequate project and resource management processes. Furthermore, we have established solid long-term relationships with a wide network of suppliers to maintain healthy raw materials supply at competitive prices and to be delivered within the agreed time frame to ensure there are no disruptions to our projects.

Disruptions in Operations

In order to ensure timely project delivery, we are dependent on all our projects to operate smoothly as any disruptions would have an adverse impact on the Group. Additionally, external risks such as natural disasters, pandemics, riots and general strikes are beyond our control, which may negatively affect our operations and financial performance. For example, we temporarily halted all our construction sites in adherence to the MCO 1.0, which impacted the Group.

With regards to labour shortage risk, we have a pool of trusted subcontractors with long-term relationships to carry out certain construction activities for our projects, which would reduce our risk exposure. As for risk relating to COVID-19, we have established strict SOPs, which are fully compliant with the guidelines imposed by the authorities. This ensures a safe environment for our employees and allows our operations to run smoothly without interruptions.

Political, Economic and Regulatory Risks

TCS derives its revenue solely from the construction industry. As such, any adverse developments or uncertainties in political, economic or regulatory conditions in Malaysia may affect our business operation. Moreover, the lack of public and private investments in the construction sector could negatively impact our performance as well.

In mitigation, we always exercise caution and prudence in deploying our assets during any economic cycle. Besides, we are actively identifying ways to enhance our tendering competitiveness. TCS also proactively engages with authorities and relevant business associations to provide feedback and to gain understanding on any changes in regulations and policies.

Management Discussion and Analysis (Cont'd)

OUTLOOK AND PROSPECTS

Looking ahead, while we anticipate the economic situation to remain challenging, we are keeping an upbeat view on our prospects. The Group started 2021 on a positive note by bagging two new contracts and despite these wins, our team continues to be busy looking for opportunities, especially for institutional buildings and infrastructure projects, to further enhance our order book. We hope to share more good news with our esteemed shareholders soon.

The long-term prospects of the construction industry remain promising, underpinned by the implementation of various government measures and economic stimulus packages to strengthen the Malaysian economy, the upcoming infrastructure projects outlined in the Budget 2021 as well as the gradual economic recovery following the rollout of COVID-19 vaccination exercise.

All in all, the outlook for the Group continues to be bright premised on the above factors, coupled with our improved order book and our active participation in tenders as we believe we are well-positioned to secure more projects. TCS strives to keep up the positive momentum for the coming financial year and the Board of Directors expects the Group's financial performance for FY2021 to be satisfactory barring any unforeseen circumstances.

DIVIDEND

For FY2020, TCS declared a total dividend of 2.0 sen per share. This represented a 44.4% dividend payout based of earnings per share of 4.5 sen for the financial year under review.

It is the intention of our Board to maintain a stable stream of dividends, while at the same time preserve adequate reserves for our future growth.

ACKNOWLEDGEMENT

Before signing off, I would like to take this opportunity to convey my deepest appreciation to our team at TCS for their unrelenting efforts and commitment all this while, especially during our listing journey as well as through these challenging times. It would not have been possible to achieve what we did without their valued contributions. Without a doubt, I know they will continue to play a pivotal role in TCS' growth.

Additionally, I would also like to express my profound gratitude to all our distinguished customers, shareholders, business partners, associates, suppliers and the respective regulatory authorities for their continuous support.

Last but not least, my sincere acknowledgement goes to my fellow Board members for their unwavering support and precious advice. I strongly believe that the stewardship of our Board along with TCS' passion to build, we will construct a stronger tomorrow.

Dato' Ir Tee Chai Seng
Managing Director

Sustainability Statement

TCS Group Berhad ("TCS") is pleased to present our maiden Sustainability Statement, outlining our approach to sustainability in the Economic, Environmental and Social ("EES") contexts for the financial year ended 31 December 2020 ("FY2020").

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.

Customer Satisfaction

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.

We are committed in adhering to the ISO 9001:2015 Quality Management System international standard to enhance the quality of workmanship in our projects. 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.

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 which is a testament of our commitment towards sound environmental management and practices.

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 Consumption

- Create awareness on energy efficiency benefits by encouraging exemplary behaviours such as reducing air-conditioning 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.

Waste Management

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

Sustainability Statement (Cont'd)

Waste Management (cont'd)

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

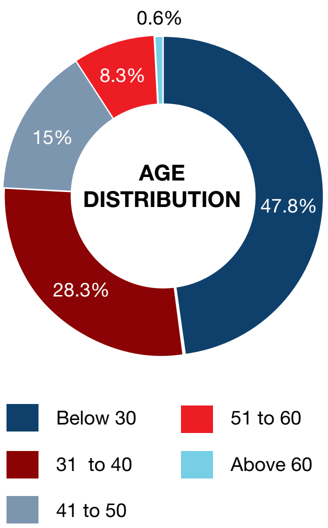
We believe the Group's environmental care culture and initiatives will foster a positive impact to the surrounding environment in the long-run.

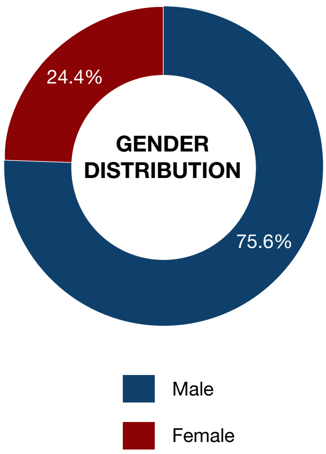
SOCIAL IMPACT

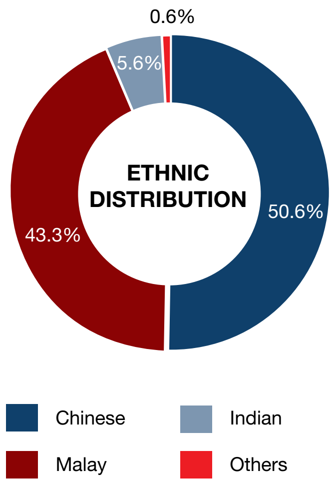
OUR PEOPLE

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.







Sustainability Statement (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. 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.

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.



3. Awareness Campaign (COVID-19)

The health and safety of our employees are our top priority given the current COVID-19 pandemic. To this end, the Group has established strict standard operating procedures ("SOPs") which are in full compliance with the stringent guidelines imposed by the Authorities. Free face masks and sanitizers are also distributed to all employees on a regular basis. Furthermore, we conducted COVID-19 testing for all our employees including our subcontractors' workers in May 2020 and November/December 2020 respectively, in accordance with the Government's directives. This ensures a safe environment for our employees, while enabling our operations to run smoothly without interruptions.



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 FY2020:

1. BUILDQAS Training

TCS engaged with BuildQAS team from Singapore for staff training on 8 February 2020, on how to manage quality in construction and set up the most effective and efficient quality, assurance, and control for the work process.

Apart from the BuildQAS training, we had also conducted other training courses during FY2020, as follows:

	Course Title	Duration / Period
●	BuildQAs: Managing Quality (Stage 2)	8 February 2020
●	CIS 7 Competency Assessor Course	9 – 10 June 2020
●	Qlassic Awareness Course – Quality Assessment System in Construction	14 - 15 July 2020
●	Basic First Aid & CPR Training	25 July 2020
●	Basic First Aid & Cpr Training	15 August 2020
●	Managing Safety & Health Performance with Heart & Mind	21 – 22 September 2020
●	Construction Safety Risk Management	2 – 3 September 2020
●	ISO9001:2015, ISO14001:2015 & ISO45001:2018 Awareness Training	31 October 2020
●	Auditing ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 QESH Management	3 November 2020
●	Covid-19 Emergency Response Plan & Crisis Management	24 – 25 November 2020
●	OSH Connect Conference & Exhibition 2020	30 November – 1 December 2020
●	Lifting Supervisor Training – MBAM	29 – 30 December 2020

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. Donation of wheelchairs to the underpriviledged

To offer support for the underprivileged individuals with mobility disability, TCS donated wheelchairs to Majlis Perwakilan Penduduk Wilayah Persekutuan Parliament Batu with the aim of helping the community of Parliament Batu Wilayah Persekutuan on 20 February 2021.

2. Donation of basic necessities for Deepavali Festival

In conjunction with the recent Deepavali festival, the Group made a contribution of essential packs to the residents in need at Sentul Park Apartment on 13 November 2020. The donation was made to ease the burden of those celebrating in these tough times.

3. Contribution of Personal Protective Equipments ("PPEs") to frontliner

As one of the Group's initiatives to fight against COVID-19, we contributed PPEs to the frontliner team of the hospitals in Selangor on 13 May 2020, under a programme held by Pertubuhan Amal Kebajikan & Perubatan Malaysia (MediCom Malaysia).

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. Therefore, the Board is committed to ensuring the highest standards of corporate governance are practiced throughout TCS and its subsidiary companies (the "Group"), as a fundamental part of discharging the Board's responsibilities to create and enhance economic value for shareholders as well as other stakeholders.

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 Malaysia Securities Berhad ("Bursa Securities") during the financial period under review.

The application of each Practice set out in the MCCG during the financial period under review is disclosed in the Company's 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 retains effective control of the Group and is responsible for the overall corporate affairs, strategic direction, formulation of policies and the overall performance of the Group. The Managing Director takes on primary responsibility for managing the Group's business 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 www.tcsgroup.com.my.

The Board delegates certain responsibilities to Board Committees namely the Audit Committee and Nomination Committee, Remuneration Committee and Risk Management Committee in order to enhance business and operational efficiency and effectiveness. The Terms of Reference for the Board Committees can be found at www.tcsgroup.com.my.

Chairman and Managing Director

The Board recognises the importance of a clear division of roles and responsibilities at the head of the Group to ensure a balance of power and authority. The Non-Executive Chairman is primarily responsible for orderly conduct and effective running of the Board, whilst the Managing Director is responsible for the business direction and development of the operating units, organisational effectiveness and implementation of the Board's policies and decisions with the management team oversees the Group's day-to-day operations.

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 Listing Requirements, relevant laws and regulations. The Company Secretaries ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant Management for appropriate action.

Corporate Governance Overview Statement (Cont'd)

Board Delegation

a) **Audit Committee ("AC")**

The AC reviews and evaluate the audit plan and system of internal controls of external auditors, adequacy of internal audit functions. The Committee also reviews, comments and present the quarterly financial results and year end results for approval of the Board.

b) **Nomination Committee ("NC")**

The NC is responsible to review and recommend employment policies applicable to the Chairman, Managing Director, Directors and Senior Executives, including the following:-

- Recommend to the Board, candidates nominated by shareholders or the Board for directorships to be filled;
- Recommend to the Board, directors to fill seats on board committees;
- Review annually the required skills and experience and other qualities and core competencies Non-Executive Directors should bring to the Board; and
- Assess annually the effectiveness of the Board as a whole and the contribution of each individual Director.

c) **Remuneration Committee ("RC")**

The RC is responsible to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.

d) **Risk Management Committee ("RMC")**

The RMC oversight and approval of the enterprise risk management framework commensurate with the complexity of the Company, including the following:-

- Oversight of risk appetite and risk tolerance appropriate to each business line of the company
- Appropriate policies and procedures relating to risk management governance, risk management practices, and risk control infrastructure for the enterprise as a whole
- Processes and systems for identifying and reporting risks and risk-management deficiencies, including emerging risks, on an enterprise-wide basis
- Monitoring of compliance with the company's risk limit structure and policies and procedures relating to risk management governance, practices, and risk controls across the enterprise
- Effective and timely implementation of corrective actions to address risk management deficiencies
- Specification of management and employees' authority and independence to carry out risk management responsibilities, and
- Integration of risk management and control objectives in management goals and the company's compensation structure.

Board Composition and their attendances

The Company is led by an experienced Board comprising five (5) members comprising an Independent Non-Executive Chairman, a Managing Director, two (2) Independent Non-Executive Directors and a Executive Director.

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 on the background of each Director are set out on pages 8 to 12.

The current size and composition of the Board are considered adequate to provide the optimum skills and experience required to manage affairs. Furthermore, the Board is of the view that the current Board size is balanced in skills and composition.

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the financial year ended 31 December 2020, seven (7) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, annual budgets, performance of the Group's business, major investment, business plan and policies and strategic issues affecting the Group's business.

Corporate Governance Overview Statement (Cont'd)

Details of attendance of the Directors at Board meetings held during the financial year are as follows:

Name of Directors		Attendance
(a)	Tan Sri Dato' Sri Izzuddin bin Dali	7/7
(b)	Dato' Ir. Tee Chai Seng	7/7
(c)	Datin Koh Ah Nee	7/7
(d)	Dato' Seri Ir. Mohamad Othman bin Zainal Azim	7/7
(e)	Mr Ooi Guan Hoe	7/7

Code of Conduct and Ethics

The Code of Conduct & Ethics, serves as a road map to guide the Board 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 Code of Ethics are available on the Company's website at www.tcsgroup.com.my.

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

Tenure of Independent Directors

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of 9 years. MCCG also requires that retention of an independent director having served in excess of 12 years be justified by the Board and obtains shareholders' approval on an annual basis through a two-tier voting process. Currently, none of the independent directors have served the Company for a cumulative term of nine (9) years or more.

Gender Diversity

The Board supports the gender boardroom diversity as recommended under the MCCG. The Board will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board. Apart from gender boardroom diversity, the Board also supports diversity in ethnicity and age. The Board will review the appropriate proportion of the age group and ethnicity of Board members at the time of considering appointment of new Directors to the Board.

Appointments to the Board

The decision on 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 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.

Nomination of Board Members

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

- Dato' Seri Ir. Mohamad Othman bin Zainal Azim (Chairman)
- Tan Sri Dato' Sri Izzuddin bin Dali (Member)
- Ooi Guan Hoe (Member)

During the financial year under review, the NC conducted the annual review on the Directors' core competencies, contribution, effectiveness and conducted a review on the independence of the independent directors.

Corporate Governance Overview Statement (Cont'd)

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 activities and operations. Directors have access to the advice and services of the Company Secretaries and where necessary, obtain independent professional advice at the Group's expense.

Board Assessment

(a) On an annual basis, the performance of the Board and its members are evaluated on effectiveness in the following areas:

   i. Board composition
   ii. Board remuneration
   iii. Board Committees: evaluation and self-evaluation

(b) A set of questionnaires is given to Directors to complete. The questionnaire covers the following sections in respect of the financial period under review:

   i. Independent Directors' Self-Assessment Form
   ii. Directors' Evaluation Form
   iii. Board & Board Committee Evaluation Form

(c) The findings are as follows:

   i. Subsequent to the performance assessment for 2020, the Board has concluded that the Board as a whole and its Committees functioned effectively. The Board is satisfied that each Director continues to contribute to the Board effectively, is well prepared and with knowledge of matters considered by the Board, has good insight of the Group's operations and financial matters. They remain committed to their responsibilities as Board members.
   ii. The Directors are of opinion that Board meetings are convened with open and constructive communication, questioning, free expression of ideas and opinions to propagate meaningful discussions and decision making.

Re-election of Directors

In accordance with the Company's Constitution, one-third of the Directors are required to submit themselves for re-election by rotation at least once every three 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 by seeking younger directors within the Board and senior management to assume greater responsibilities and different roles within the organisation. At the senior management level, young and designated aspiring executives were selected and exposed to current management practices where they were guided and mentored by senior staff through continuous on the job training and exposure.

Directors' Trainings

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. The Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board has undertaken an assessment of the training needs of each Director and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

Corporate Governance Overview Statement (Cont'd)

Directors' Trainings (cont'd)

The following Board members have attended the relevant seminars/conferences/training programmes during the financial period as detailed below:-

Name of Director	Seminars/Conferences/Training Programmes Attended
Tan Sri Dato' Sri Izzuddin bin Dali	• Budget 2021
Dato' Ir. Tee Chai Seng	• Construction Quality Enhancement, Managing Quality in Construction • Slope Stability and Landslide Risk Management (Legal Perspectives), Amendments to the Malaysian Anti-Corruption Commission Act 2009 & Recent Legal Developments in Construction Law • Mandatory Accreditation Programme for Directors of Public Listed Companies
Datin Koh Ah Nee	• Mandatory Accreditation Programme for Directors of Public Listed Companies
Dato' Seri Ir. Mohamad Othman bin Zainal Azim	• Budget 2021 • Session on Corporate Governance and Anti-Corruption
Ooi Guan Hoe	• Budget 2021 • Fraud Risk Management Workshop for Directors of Listed Companies • Corporate Liability and Corruption Offences by Commercial Organizations under Section 17A MACC Act 2009 • Duties and responsibilities of Directors of a company listed on the Main Board of the Stock Exchange of Hong Kong Limited

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 experience, expertise and level of responsibility undertakings by the Directors.

The RC is entrusted with the responsibilities 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 these 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 individual remuneration.

The details of Directors' remuneration for the financial period under review are as follows:

The Group

	[1]Salaries	Fees	Allowances	Benefit-in-kind	Total
Executive Directors					
Dato' Ir Tee Chai Seng	645,771.75	-	300,000.00	51,950.00	997,721.75
Datin Koh Ah Nee	370,363.40	-	-	9,900.00	380,263.40
Non-Executive Directors					
Tan Sri Dato' Sri Izzuddin bin Dali	-	74,000.00	-	-	74,000.00
Dato Seri Ir Mohamad Othman bin Zainal Azim	-	62,000.00	-	-	62,000.00
Ooi Guan Hoe	-	62,000.00	-	-	62,000.00
	1,016,135.15	**198,000.00**	**300,000.00**	**61,850.00**	**1,575,985.15**

Notes:

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

Corporate Governance Overview Statement (Cont'd)

Directors' Remuneration (cont'd)

The Company – NA

Remuneration of Key management

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

Due to the confidentially 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 on named basis in the bands of RM 50,000.

The Board is of the view that the disclosure of Senior Management's remuneration components 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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Directors' Responsibility Statement in respect of the Audited Financial Statements

The Directors are responsible for the preparation of financial statements for each financial year to give a true and fair view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial period then ended.

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

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

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

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2020, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

Audit Committee

The Audit Committee comprise three Independent Non-Executive Directors whose Chairman is Mr. Ooi Guan Hoe, he has more than 20 years of experience in accounting and finance. The Audit Committee carries the responsibilities as listed in Audit Committee Report on page 38-39 of the Annual Report.

Corporate Governance Overview Statement (Cont'd)

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 Audit Committee and the Board matters requiring the Board's attention.

Internal Control and Risk Management

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal aim of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Group's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

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

The Statement of Risk Management and Internal Control of the Group are set out on pages 40 to 42 of the Annual Report.

Internal Audit Function

The Group has appointed an established external professional firm to carry out the Internal Audit function that reports directly to the Audit Committee. The internal audit function is described in the Audit Committee Report set out on pages 38 to 39 of this Annual Report.

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

Financial Reporting

The Board aims to provide and present a balanced and clear 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. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure compliance with accounting standard, accuracy, adequacy and completeness.

Corporate Disclosure Policies and Procedures

The Company ensure 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 from 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 end. 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 of Directors recognizes the importance of communication and timely dissemination of information to shareholders. The Board believes in clear and regular communication with its shareholders and institutional investors. The Annual Report and financial results announcements through Bursa LINK on annually and quarterly and other disclosures provide an avenue to disseminate information to the shareholders with an overview of the Group's performance and its business activities.

General Meetings serve as the principal forum for communicating with the shareholders of the Company. The Board encourages participation of shareholders at the General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. In accordance with the AMLR of Bursa Securities, all resolutions are voted by poll at General Meetings.

Corporate Governance Overview Statement (Cont'd)

Relationship between the Company and shareholders (cont'd)

The Board intentionally allocates time for question and answer sessions during General Meetings.

The Company follows a continuous disclosure policy, making announcements to the Bursa Securities when it becomes aware of information which might materially affect the price of its shares.

Shareholders and/or stakeholders are welcomed to raise queries by contacting the Managing Director throughout the year. It is the intention of the Board to resume actively engaging the investing public with briefings and press releases, as and when appropriate and in line with Bursa Securities regulations, so as to ensure that the public is aware of significant developments.

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 on the Group's website.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2021.

Audit Committee's Report

Composition

The present members of the Audit Committee comprise the following:

Chairman
Ooi Guan Hoe - Independent Non-Executive Director

Members
Tan Sri Dato' Sri Izzuddin bin Dali - Independent Non-Executive Chairman
Dato' Seri Ir Mohamad Othman bin Zainal Azim - Independent Non-Executive Director

Terms of Reference

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

Attendance of Meetings

The Audit Committee held four (4) meetings during the financial year ended 31 December 2020. The details of attendance of the Audit Committee members are as follows:

Name	Attendance
Ooi Guan Hoe (Chairman)	4/4
Tan Sri Dato' Sri Izzuddin bin Dali	4/4
Dato' Seri Ir Mohamad Othman bin Zainal Azim	4/4

Summary Activities of the Audit Committee During the Year

The activities undertaken by the Audit Committee during the financial year ended 31 December 2020 included the following:

a) Reviewed the quarterly and year–to-date unaudited financial results before submission to the Board for consideration and approval;

b) Reviewed the external auditor's scope of work and audit plan for the year;

c) Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;

d) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

e) Evaluated the performance of the external auditors for the financial year ended 31 December 2020 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and 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 through the review of the internal audit reports tabled and management responses thereof and ensuring significant findings are adequately addressed by management;

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

Audit Committee's Report (Cont'd)

Summary Activities of the Audit Committee During the Year (cont'd)

The activities undertaken by the Audit Committee during the financial year ended 31 December 2020 included the following (cont'd):

i) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of 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 transaction are carried out on arm's length basis;

k) Reviewed the Company's compliance with the Listing Requirements and applicable Approved Accounting Standards;

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

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.

Internal Audit Functions

The Group has appointed an established external professional Internal Audit firm, which reports to the Audit Committee and assists the Audit Committee in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit Committee.

A summary of the work performed during the financial year under the internal audit functions is as follows:-

i) Review of the operation control for the tenders and contract

The cost of internal audit was RM15,000 during the financial year ended 31 December 2020.

Compliance Statement

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enables shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG and the AMLR throughout the financial year ended 31 December 2020.

This Statement is made in accordance with a resolution of the Board of Directors dated 21 April 2021.

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 2020. 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.

From the date of listing on the ACE Market of Bursa Malaysia Securities Berhad on 23 July 2020 up to the financial year ended 31 December 2020, one (1) internal audit review had been carried out by the Internal Auditor:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
3rd Quarter (July 2020 – September 2020)	November 2020	TCS Construction Sdn Bhd	Tenders and Contract Management

The total cost incurred for the internal audit function for the financial year ended 31 December 2020 was at RM15,000.

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 Covid-19 preventive procedures and 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 2020. 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 continuously 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 2020.

The Managing Director and Key Management 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 21 April 2021.

Additional Compliance Information

OTHER DISCLOSURE REQUIREMENTS
PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

AUDIT AND NON-AUDIT FEES

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 2020 are as follows:

	Group RM	Company RM
Audit		
- Financial audit	130,000	20,000
Non-audit		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
- Tax advisory & compliance fees	9,750	1,000
Total	144,750	26,000

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

The entire enlarge issued share capital of the company comprising 360 million ordinary shares was listed on the ACE Market of Bursa Malaysia Securities on 23 July 2020. Pursuant to the said listing, the Company had successfully raised Gross proceeds of RM 20.70 million from the issuance of 108 million new ordinary shares in the Company at an issue price of RM 0.23 per share. The gross proceeds arising from public issue of RM 20.70 million. The status utilisation of these proceeds as at 31 December 2020 is set out below:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual utilisation RM'000	Estimate Timeframe for Utilisation[(1)]
Purchase of new construction machinery and equipment	13,000	5,732	Within 36 months
Working capital	4,200	4,200	Within 24 months
Estimated listing expenses	3,500	3,500	Within 3 months
Total	20,700	13,432	

Note:

(1) From the date of listing of the Company on the ACE Market of Bursa Securities Berhad. The utilisation proceeds disclosed above should be read in conjunction with the Prospectus.

Additional Compliance Information

(Cont'd)

RECURRENT RELATED PARTY TRANSACTION ("RRPT")

	Transacting party	Nature of transaction with TCS Group	Details	Names of interested related parties	Tenancy period	Monthly rental (RM)	Actual aggregated value transacted from 1 June 2020 to 31 Dec 2020 (RM)
1	United Properties & Management Sdn Bhd TCS Construction Sdn Bhd	Rental of property	No. 2, Jalan SP3/10, Bandar Saujana Putra, 42610 Jenjarom, Selangor	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	1 December 2018 to 1 November 2020	2,000	10,000
2	Saujana Permai Development Sdn Bhd TCS Construction Sdn Bhd	Rental of property	No. 6, Jalan SP 3/19, Bandar Saujana Putra, 42610 Jenjarom, Selangor	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	1 December 2018 to 30 November 2020	2,000	12,000
3	Perunding Aziz, Azali & Tee TCS Construction Sdn Bhd	Clerk of works services rendered	For Suria Pantai Project	Dato' Ir Tee Chai Seng	-	-	21,552
4	CDB Realty Sdn Bhd TCS Construction Sdn Bhd	Rental of property	New Office	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	Oct 2019 to Sep 2021	15,100	105,700
5	CDB Realty Sdn Bhd TCS Bina Sdn Bhd	Rental of property	New Office	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	Oct 2019 to Sep 2021	4,400	30,800

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.

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2020.

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 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year	16,169,197	3,467,002
Attributable to:		
Owners of the Company	16,171,765	3,467,002
Non-controlling interest	(2,568)	-
	16,169,197	3,467,002

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial period is as follows:-

	RM
<u>In respect of the financial year ended 31 December 2020</u>	
First interim single tier dividend of RM0.01 per ordinary share, paid on 29 September 2020	3,600,000

On 25 February 2021, the Company declared second interim single tier dividend of RM0.01 per ordinary share amounting to RM3,600,000 in respect of the current financial year, payable on 8 April 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

The Directors do not propose any final dividend for the current financial year.

RESERVES AND PROVISIONS

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

Directors' Report (cont'd)

DIRECTORS

The name of the Directors of the Company 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)
Datin Koh Ah Nee* (Executive Director)
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)

* 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:-

TCS Amona Consortium Sdn. Bhd.	Abd Manaf Bin Ahmad (First Director) Che Hasnadi Bin Che Hassan (First Director) Wong Choo Leong (appointed on 3 November 2020) Muhamad Hafiz Bin Mohamad Ismail (First Director and resigned on 3 November 2020)
TCS Infra Sdn. Bhd. (formerly known as TCS Bina Sdn. Bhd.)	Wong Choo Leong (appointed on 3 November 2020) Ooi Kee Ann (resigned on 3 August 2020)

DIRECTORS' INTERESTS

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:-

	Number of ordinary shares			
	At 1.1.2020	Bought	Sold	At 31.12.2020
Direct interest				
Dato' Ir. Tee Chai Seng	227,938,377	1,000,000	(15,300,000)	213,638,377
Datin Koh Ah Nee	40,224,419	-	(2,700,000)	37,524,419
Tan Sri Dato' Sri Izzuddin Bin Dali	-	500,000	-	500,000
Dato' Seri Ir. Mohamad Othman Bin Zainal Azim	-	500,000	-	500,000
Ooi Guan Hoe	-	500,000	-	500,000
Indirect interest				
Dato' Ir. Tee Chai Seng (*)	40,224,419	-	(2,700,000)	37,524,419
Datin Koh Ah Nee (**)	227,938,377	1,000,000	(15,300,000)	213,638,377

(*) deemed interest by virtue of shares held by his wife
(**) deemed interest by virtue of shares held by her husband

By virtue of Dato' Ir. Tee Chai Seng and Datin Koh Ah Nee in shares of the Company, they also deemed interested in shares of the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Directors' Report (cont'd)

DIRECTORS' EMOLUMENTS AND BENEFITS

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

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' fee	-	198,000	198,000
Salaries, wages and other emoluments	-	1,208,000	1,208,000
Defined contribution plan	-	106,560	106,560
Social security contribution	-	1,575	1,575
	-	1,514,135	1,514,135

Included in Directors' other benefits are benefits-in-kind (based on estimated monetary value) for the Group that amounted to RM61,850.

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 90,000,000 new ordinary shares at an issue price of RM0.23 per ordinary shares for a total cash consideration of RM20,700,000 for cash pursuant to its Initial Public Offering 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.

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 provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; 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.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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

(a) any charge on the assets of the Group and 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 and 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 amounted to RM750 and RM1,000,000 respectively.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 34 to the financial statements.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The events subsequent to the reporting period is disclosed in Note 35 to the financial statements.

Directors' Report (cont'd)

AUDITORS

The Auditors' remuneration is disclosed in Note 23 to the financial statements.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 December 2020.

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

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....	)	
DATO' IR. TEE CHAI SENG	)	
	)	DIRECTORS
....	)	
DATIN KOH AH NEE	)	

Kuala Lumpur
21 April 2021

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 56 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....	....
DATO' IR. TEE CHAI SENG	**DATIN KOH AH NEE**

Kuala Lumpur
21 April 2021

Statutory Declaration

I, **Yap Choo Cheng**, 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 56 to 113 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)
21 April 2021)

....
YAP CHOO CHENG
MIA MEMBERSHIP NO: CA 18879

Before me:

Commissioner for Oaths

Independent Auditors' Report

To The Members of TCS GROUP HOLDINGS BERHAD
(Incorporated in Malaysia)
Registration No. 201901004613 (1313940-W)

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 2020 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 a summary of significant accounting policies, as set out on pages 56 to 113.

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 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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 ("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.

Allowance for expected credit losses

The risk
Refer to Note 10 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 RM5,862,845. The key associate risk was the recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision 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 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 receivables through examination of subsequent year end cash receipts.

Independent Auditors' Report (cont'd)

To The Members of TCS GROUP HOLDINGS BERHAD
(Incorporated in Malaysia)
Registration No. 201901004613 (1313940-W)

Key Audit Matters (Cont'd)

Revenue recognition for construction contract

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 contract entered into by the Group. The nature of these judgements resulted in them being susceptible to management override.

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 RM242,642,840 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 the 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.

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and 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.

Independent Auditors' Report (cont'd)

To The Members of TCS GROUP HOLDINGS BERHAD
(Incorporated in Malaysia)
Registration No. 201901004613 (1313940-W)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- 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 communicated 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 provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report (cont'd)

To The Members of TCS GROUP HOLDINGS BERHAD
(Incorporated in Malaysia)
Registration No. 201901004613 (1313940-W)

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: 03334/11/2021(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
21 April 2021

Statements Of Financial Position

As At 31 December 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	25,945,363	24,156,864	-	-
Investment property	5	2,118,707	2,239,770	-	-
Investment in subsidiaries	6	-	-	26,665,424	26,065,424
Deferred tax assets	7	541,000	211,000	-	-
Fixed deposits with licensed banks	8	11,138,355	12,409,196	-	-
Cash and bank balances	9	937,447	722,994	-	-
Total non-current assets		40,680,872	39,739,824	26,665,424	26,065,424
Current assets					
Trade receivables	10	59,460,638	83,489,467	-	-
Contract assets	11	25,278,910	16,660,023	-	-
Other receivables	12	6,565,244	6,461,152	11,560	-
Amount due from subsidiaries	6	-	-	2,293,003	51,537
Tax recoverable		2,018	-	-	-
Fixed deposits with licensed banks	8	7,201,323	528,692	6,532,969	-
Cash and bank balances	9	40,903,291	14,490,955	10,497,632	3,002
Total current assets		139,411,424	121,630,289	19,335,164	54,539
TOTAL ASSETS		180,092,296	161,370,113	46,000,588	26,119,963
EQUITY AND LIABILITIES					
Equity					
Equity attributable to owners of the Company					
Share capital	13	46,175,563	26,244,002	46,175,563	26,244,002
Merger deficit	14	(24,065,424)	(24,065,424)	-	-
Retained earnings/(Accumulated losses)		52,278,954	39,707,189	(266,037)	(133,039)
		74,389,093	41,885,767	45,909,526	26,110,963
Non-controlling interests		397,432	-	-	-
Total equity		74,786,525	41,885,767	45,909,526	26,110,963

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

Statements Of Financial Position

As At 31 December 2020 (cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
EQUITY AND LIABILITIES (CONT'D)					
Liabilities					
Non-current liabilities					
Lease liabilities	15	5,250,703	5,101,521	-	-
Borrowings	16	9,629,788	9,366,885	-	-
Deferred tax liabilities	7	-	248,000	-	-
Total non-current liabilities		14,880,491	14,716,406	-	-
Current liabilities					
Trade payables	17	55,600,853	37,476,962	-	-
Contract liabilities	11	13,317,797	43,682,670	-	-
Other payables	18	10,057,238	16,196,369	69,062	9,000
Amount due to a Director	19	-	1,737	-	-
Lease liabilities	15	5,411,602	3,821,569	-	-
Borrowings	16	1,372,185	280,911	-	-
Tax payable		4,665,605	3,307,722	22,000	-
Total current liabilities		90,425,280	104,767,940	91,062	9,000
Total liabilities		105,305,771	119,484,346	91,062	9,000
TOTAL EQUITY AND LIABILITIES		180,092,296	161,370,113	46,000,588	26,119,963

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 2020

	Note	Group 1.1.2020 to 31.12.2020 RM	Group 1.1.2019 to 31.12.2019 RM	Company 1.1.2020 to 31.12.2020 RM	Company 11.2.2019 to 31.12.2019 RM
Revenue	20	242,642,840	358,423,861	6,500,000	-
Cost of sales		(206,092,231)	(324,628,599)	-	-
Gross profit		36,550,609	33,795,262	6,500,000	-
Other income		172,835	125,160	-	-
Administrative expenses		(13,318,554)	(11,305,513)	(3,104,671)	(133,039)
Other expenses		-	(7,884)	-	-
Net gain/(loss) on impairment of financial assets		164,037	(208,827)	-	-
Profit/(Loss) from operations		23,568,927	22,398,198	3,395,329	(133,039)
Finance income	21	541,447	439,352	93,673	-
Finance costs	22	(962,662)	(925,205)	-	-
Profit/(Loss) before tax	23	23,147,712	21,912,345	3,489,002	(133,039)
Tax expense	24	(6,978,515)	(6,255,562)	(22,000)	-
Profit/(Loss) for the financial year/period/ Total comprehensive income/(loss) for the financial year/period		16,169,197	15,656,783	3,467,002	(133,039)
Profit/(Loss) for the financial year/ period attributable to:-					
Owners of the Company		16,171,765	15,656,783	3,467,002	(133,039)
Non-controlling interest		(2,568)	-	-	-
		16,169,197	15,656,783	3,467,002	(133,039)
Earnings per share attributable to owners of the Company (sen):-	25				
Basic		5.22	33.60		
Diluted		-	-		

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

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2020

	Note	Non-Distributable Share capital RM	Non-Distributable Merger deficit RM	Distributable Retained earnings RM	Total RM	Non-controlling interest RM	Total equity RM
Group							
At incorporation date		2	-	-	2	-	2
Transations with owners:-							
Share issued pursuant to acquisition of subsidiaries under common control		26,065,424	(24,065,424)	24,050,508	26,050,508	178,474	26,228,982
Share issued pursuant to acquisition interest in subsidiary from non-controlling interest		178,576	-	(102)	178,474	(178,474)	-
Total transactions with owners		26,244,000	(24,065,424)	24,050,406	26,228,982	-	26,228,982
Total comprehensive income for the financial year		-	-	15,656,783	15,656,783	-	15,656,783
At 31 December 2019		26,244,002	(24,065,424)	39,707,189	41,885,767	-	41,885,767
Transactions with owners:-							
Issuance of shares		20,700,000	-	-	20,700,000	-	20,700,000
Newly incorporated subsidiary		-	-	-	-	400,000	400,000
Dividend paid	26	-	-	(3,600,000)	(3,600,000)	-	(3,600,000)
Total transaction with owners		20,700,000	-	(3,600,000)	17,100,000	400,000	17,500,000
Share issuance expenses		(768,439)	-	-	(768,439)	-	(768,439)
Total comprehensive income for the financial year		-	-	16,171,765	16,171,765	(2,568)	16,169,197
At 31 December 2020		46,175,563	(24,065,424)	52,278,954	74,389,093	397,432	74,786,525

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2020 (cont'd)

	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At incorporation date		2	-	2
Transactions with owners:-				
Share issued pursuant to acquisition of subsidiaries under common control		26,065,424	-	26,065,424
Share issued pursuant to acquisition interest in subsidiary from non-controlling interests		178,576	-	178,576
Total transactions with owners		26,244,000	-	26,244,000
Total comprehensive loss for the financial period		-	(133,039)	(133,039)
At 31 December 2019		26,244,002	(133,039)	26,110,963
Transactions with owners:-				
Issuance of shares		20,700,000	-	20,700,000
Dividend paid	26	-	(3,600,000)	(3,600,000)
Total transactions with owners		20,700,000	(3,600,000)	17,100,000
Share issuance expenses		(768,439)	-	(768,439)
Total comprehensive income for the financial year		-	3,467,002	3,467,002
At 31 December 2020		46,175,563	(266,037)	45,909,526

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2020

	Note	Group 1.1.2020 to 31.12.2020 RM	Group 1.1.2019 to 31.12.2019 RM	Company 1.1.2020 to 31.12.2020 RM	Company 11.2.2019 to 31.12.2019 RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		23,147,712	21,912,345	3,489,002	(133,039)
Adjustments for:-					
Amortisation of investment property		44,432	-	-	-
Bad debts written off		-	7,884	-	-
Depreciation of property, plant and equipment		6,080,403	4,796,016	-	-
Dividend income		-	-	(6,500,000)	-
Gain on disposal of property, plant and equipment		(600)	(13,818)	-	-
Interest expense		962,662	925,205	-	-
Interest income		(541,447)	(439,352)	(93,673)	-
Net (gain)/loss on impairment of financial assets		(164,037)	208,827	-	-
Operating profit/(loss) before working capital changes		29,529,125	27,397,107	(3,104,671)	(133,039)
Changes in working capital:-					
Receivables		24,071,638	4,391,311	(1,000)	-
Contract assets/liabilities		(38,985,552)	(6,189,876)	-	-
Payables		11,984,760	4,558,950	60,062	9,000
Cash generated from/(used in) operations		26,599,971	30,157,492	(3,045,609)	(124,039)
Interest received		78,752	61,294	1,225	-
Tax paid		(6,200,650)	(4,391,364)	-	-
Net cash from/(used in) operating activities		20,478,073	25,827,422	(3,044,384)	(124,039)

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2020 (cont'd)

		Group		Company	
	Note	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	11.2.2019 to 31.12.2019 RM
INVESTING ACTIVITIES					
Acquisition of a subsidiary		-	-	(600,000)	-
Adjustment for rebate received		212,967	-	-	-
Dividend received		-	-	6,500,000	-
Interest received		135,178	13,496	81,888	-
Proceeds from disposal of property, plant and equipment		600	59,851	-	-
Proceeds from non-controlling interest		400,000	-	-	-
Purchase of property, plant and equipment	A	(1,398,637)	(4,656,795)	-	-
(Repayment to)/Advances from subsidiaries		-	-	(2,241,466)	127,039
Net cash (used in)/from investing activities		(649,892)	(4,583,448)	3,740,422	127,039
FINANCING ACTIVITIES					
Dividend paid		(3,600,000)	-	(3,600,000)	-
Drawdown of term loans		1,529,175	2,305,695	-	-
Interest paid		(962,662)	(925,205)	-	-
Interest received		346,445	353,597	-	-
Placement of sinking fund pledged		(214,453)	(231,523)	-	-
Proceeds from issuance of share capital, net of share issuance expenses		19,931,561	2	19,931,561	2
Repayment of domestic bills of exchange		-	(3,689,481)	-	-
Repayment to Directors		(1,737)	(9,350)	-	-
Repayment of lease liabilities		(4,867,386)	(3,323,155)	-	-
Repayment of term loans		(174,998)	(289,733)	-	-
Withdrawal/(Placement) of fixed deposits pledged		1,270,841	(5,033,233)	-	-
Net cash from/(used in) financing activities		13,256,786	(10,842,386)	16,331,561	2
CASH AND CASH EQUIVALENTS					
Net changes		33,084,967	10,401,588	17,027,599	3,002
At the beginning of financial year/ At date of incorporation		15,019,647	4,618,059	3,002	-
At the end of the financial year/period	B	48,104,614	15,019,647	17,030,601	3,002

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2020 (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Total additions	8,005,238	7,256,662	-	-
Purchase through lease arrangements	(6,606,601)	(2,599,867)	-	-
Cash payment	1,398,637	4,656,795	-	-

B. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fixed deposits with licensed banks	18,339,678	12,937,888	6,532,969	-
Cash and bank balances	41,840,738	15,213,949	10,497,632	3,002
	60,180,416	28,151,837	17,030,601	3,002
Less: Fixed deposits pledged	(11,138,355)	(12,409,196)	-	-
Less: Sinking fund pledged	(937,447)	(722,994)	-	-
	48,104,614	15,019,647	17,030,601	3,002

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 January 2020 RM	Additions RM	Cash flows RM	31 December 2020 RM
Amount due to Directors	1,737	-	(1,737)	-
Amount due to companies in which Directors have interests	2,000	-	(2,000)	-
Lease liabilities	8,923,090	6,606,601	(4,867,386)	10,662,305
Term loans	9,647,796	1,529,175	(174,998)	11,001,973
	18,574,623	8,135,776	(5,046,121)	21,664,278

	1 January 2019 RM	Additions RM	Cash flows RM	31 December 2019 RM
Amount due to Directors	11,087	-	(9,350)	1,737
Amount due to companies in which Directors have interests	15,508	-	(13,508)	2,000
Lease liabilities	9,646,378	2,599,867	(3,323,155)	8,923,090
Term loans	7,631,834	2,305,695	(289,733)	9,647,796
	17,304,807	4,905,562	(3,635,746)	18,574,623

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed in the ACE Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. 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 6 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 21 April 2021.

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”), International Financial Reporting 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 significant accounting policies.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, recognised the use of relevant observable inputs and recognised the use of unobservable inputs.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

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

2.2 Basis of Measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are recognised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1	-	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and the Company have established control framework in respect of measurement of fair values of financial instruments.

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/Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/ amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2020.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements.

2.4.2 Standards Issued But Not Yet Effective

The new and amended standards and interpretations 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 new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs effective from 1 June 2020:-

Amendments to MFRS 16	Lease: Covid-19 - related rent concessions

Amendments to MFRS effective from 1 January 2021:-

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4* and MFRS 16#	Interest rate benchmark reform - Phase 2

MFRSs, Amendments to MFRSs effective 1 January 2022:-

Amendments to MFRS 3#	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116#	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

Annual improvements to MFRS standards 2018-2020 (MFRS 1*, 9 and 141*)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (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 (cont'd)

MFRS, Amendments to MFRS effective 1 January 2023:-

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates

Amendments to MFRSs - effective date deferred indefinitely:-

Amendments to MFRS 10* and MFRS 128*	Consolidated financial statements and investments in associate 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 operation.
\# Not applicable to Company's operation.

The initial application of the above standards, amendments and interpretations are not expected to have any financial impact to the financial statements.

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.

2.5.1 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.

<u>Useful Lives of Depreciable Assets</u>

The management estimates the useful lives of the property, plant and equipment and to be within 3 to 50 years and reviews the useful lives of depreciable assets at 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.

<u>Construction Contract</u>

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (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)

Construction Contract (cont'd)

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.

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 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 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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (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)

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 future production and sales volume, 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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation

3.1.1 Subsidiaries

Subsidiaries are entity, including structured entities, controlled by the Group or the Company. Control exists when the Group or the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group or the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments includes transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to their recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.2 Basis of Consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Merger method

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of TCS Construction Sdn. Bhd. and TCS Infra Sdn. Bhd. (formerly known as TCS Bina Sdn. Bhd.) resulted in a business involving common control entities since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Acquisition method

The Company applies the acquisition method for those entities controlled by the Company. Under the acquisition method of accounting, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition.

Goodwill arising on the acquisition of a subsidiary is presented separately in the statements of financial position.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and, whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

An impairment loss recognised for goodwill shall not be reversed in subsequent period.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operations within that unit is disposed off, the goodwill associated with the operations disposed off is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed of in these circumstances is measured based on the relative values of the operations disposed of and portion of the cash-generating unit retained.

3.1.4 Non-controlling Interests

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

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

3.1.5 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.6 Eliminations on Consolidation

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated on consolidation.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent cost is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of the part of the asset being replaced is derecognised. All other repair and maintenance costs are charged to profit or loss in the period in which they incurred.

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
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%

No depreciation is provided on capital work-in-progress until it is completed and ready for their intended used.

Where major parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

At each reporting date, the residual values and useful lives of the property, plant and equipment are reviewed, and the effects of any changes are recognised prospectively as a change in accounting estimate.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the financial year in which the asset is derecognised.

Capital work-in-progress consist of building under construction is stated at cost and depreciation will only be provided upon completion.

3.3 Investment Property

Investment property is property which are owned or held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is treated as long-term investment and is 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.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment Property (cont'd)

The principal annual depreciation rate used are as follows:-

Shoplot	2%

Investment property is derecognised when either it is disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

3.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the estimated useful life of the assets, as follows:-

Leasehold land and building	Amortised over 50 years
Construction equipment	10% - 33%
Motor vehicles	20%
Office equipment	10% - 20%

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for lease of construction equipment in which the Group is lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.8.1 to the financial statements on impairment of non-financial assets.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of office, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office, machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequent measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

3.5.1 Financial Assets (cont'd)

Initial recognition and measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

(a) Financial assets at amortised cost (debt instruments);
(b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
(c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
(d) Financial assets at fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost includes trade and most of the other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

(a) The rights to receive cash flows from the asset have expired; or
(b) The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

3.5.1 Financial Assets (cont'd)

Derecognition (cont'd)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment for trade receivables and contract assets

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

To measure ECL, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for financial assets other than trade receivables and contract assets

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

3.5.1 Financial Assets (cont'd)

Impairment (cont'd)

Credit impaired

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

3.5.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

(a) Financial liabilities at fair value through profit or loss; or
(b) Financial liabilities at amortised cost.

The Group's and the Company's financial liabilities include borrowings, trade and other payables and amount due to a Director.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings.

Derecognition

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial Instruments (cont'd)

3.5.3 Offsetting of Financial Instruments

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

3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and fixed deposits with licensed financial institutions which are readily available to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits and pledged sinking fund.

3.7 Contract Assets and Contract Liabilities

For each contract, contract asset is where the net amount of costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the net amount is presented as contract liability. Contract liability includes down payments received from customers and other deferred income where the Group has billed or have collected the payment before the goods are delivered or services are provided to the customers.

Refer to accounting policy Note 3.5.1 to the financial statements on impairment on contract assets.

3.8 Impairment of Assets

3.8.1 Non-financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiary or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of Assets (cont'd)

3.8.1 Non-financial Assets (cont'd)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

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

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

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

When the construction of a qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare that part of its intended use or sale are completed.

3.10 Revenue Recognition

Revenue arises mainly from the construction contracts. To determine whether to recognise revenue, the Group and the Company follow a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Revenue Recognition (cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

3.10.1 Revenue from Construction Contracts

The Group's revenue from construction contracts is measured at fixed contract prices under the respective agreements with the project owners. The revenue from construction contracts is measured at the fixed transaction price agreed net of expected LAD payment, based on the expected value method.

Revenue from construction contract is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collects the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group. The Group has an enforceable right to payment for performance completed to-date. The Group recognises revenue over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

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. Costs incurred in the financial year in connection with future activity on a contract are excluded from the contract costs in determining the stage of completion. Such costs are presented as contract assets. Refer to accounting policies in Note 3.7 to the financial statements on contract assets and contract liabilities.

3.10.2 Dividend Income

Dividend is recognised when the Company's right to receive payment is establish, which is generally when shareholders approve the dividend.

3.10.3 Interest Income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Tax Expense

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

3.11.1 Current Tax

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

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.11.2 Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting date.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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

Unutilised business losses, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3.11.3 Indirect Tax

Goods and Services Tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate. Input tax that a company pays on business purchases is offset against output tax.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Tax Expense (cont'd)

3.11.3 Indirect Tax (cont'd)

Revenue, expenses and assets are recognised net of GST except:

- Where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

GST was reset to a standard rate of 0% on 1 June 2020 and Sales and Service Tax ("SST") was enacted with effective on 1 September 2020 to replace GST. SST is recognised as part of the cost of acquisition of the asset or as part of the expense item when incurred. The Group and the Company principal business activities are exempted from SST registration.

3.12 Employee Benefits Expense

Short-term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year/ period in which associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees which increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

Defined Contribution Plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund, a statutory defined contribution plan for all their eligible employees, based on certain prescribed rates of the employees' salaries. Once the contributions have been paid, the Group and the Company have no further payment obligations. The contributions are recognised as expenses as and when incurred.

3.13 Equity, Reserves and Distribution to Owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings/(accumulated losses) include all current and prior years'/periods' retained profits/ (accumulated losses).

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the Directors the authority to declare interim dividends.

Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholder's equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Equity, Reserves and Distribution to Owners (cont'd)

The distribution of non-cash assets to owners is recognised as a dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year, the Group reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable are recognised in equity. When the Group settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

All transactions with owners of the Company are recorded separately within equity.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.15 Contingencies

3.15.1 Contingent Liabilities

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

3.15.2 Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.16 Related Parties

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

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

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

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Related Parties (cont'd)

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

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

3.17 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 32 to the financial statements.

3.18 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company based on the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares during the year.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building RM	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	Capital work-in-progress RM	Total RM
Cost											
At 1 January 2019	770,000	-	2,284,738	902,891	12,269,591	4,530,935	737,026	132,717	729,321	7,722,156	30,079,375
Additions	-	-	1,272,339	482,688	1,917,294	1,057,770	415,560	140,759	77,980	1,892,272	7,256,662
Reclassifications	-	6,966,976	-	-	-	-	-	-	-	(6,966,976)	-
Transfer to investment property	-	(2,285,480)	-	-	-	-	-	-	-	-	(2,285,480)
Disposal	-	-	-	-	-	(51,148)	-	-	-	-	(51,148)
At 31 December 2019	770,000	4,681,496	3,557,077	1,385,579	14,186,885	5,537,557	1,152,586	273,476	807,301	2,647,452	34,999,409
Additions	-	-	104,850	122,157	6,673,897	326,421	220,088	7,050	21,600	529,175	8,005,238
Adjustment for rebate received	-	(136,336)	-	-	-	-	-	-	-	-	(136,336)
Disposal	-	-	-	-	-	(9,599)	-	-	-	-	(9,599)
At 31 December 2020	770,000	4,545,160	3,661,927	1,507,736	20,860,782	5,854,379	1,372,674	280,526	828,901	3,176,627	42,858,712
Accumulated depreciation											
At 1 January 2019	-	-	257,037	274,919	1,789,734	3,286,854	312,195	72,701	103,914	-	6,097,354
Transfer to investment property	-	(45,710)	-	-	-	-	-	-	-	-	(45,710)
Charge for the financial year	15,400	139,340	306,963	106,699	3,449,134	565,529	125,087	13,225	74,639	-	4,796,016
Disposal	-	-	-	-	-	(5,115)	-	-	-	-	(5,115)
At 31 December 2019	15,400	93,630	564,000	381,618	5,238,868	3,847,268	437,282	85,926	178,553	-	10,842,545
Charge for the financial year	15,400	91,357	352,245	129,035	4,662,149	563,875	163,895	24,026	78,421	-	6,080,403
Disposal	-	-	-	-	-	(9,599)	-	-	-	-	(9,599)
At 31 December 2020	30,800	184,987	916,245	510,653	9,901,017	4,401,544	601,177	109,952	256,974	-	16,913,349
Net carrying amount											
At 31 December 2020	739,200	4,360,173	2,745,682	997,083	10,959,765	1,452,835	771,497	170,574	571,927	3,176,627	25,945,363
At 31 December 2019	754,600	4,587,866	2,993,077	1,003,961	8,948,017	1,690,289	715,304	187,550	628,748	2,647,452	24,156,864

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

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

The net carrying amount of property, plant and equipment which are acquired under lease arrangements are as follows:-

	Group	
	2020 RM	2019 RM
Construction equipment	10,059,581	7,708,496
Motor vehicles	1,256,856	1,436,715
Office equipment	54,025	59,448
	11,370,462	9,204,659

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

	Group	
	2020 RM	2019 RM
Leasehold land and building	739,200	754,600
Construction equipment	10,059,581	7,708,496
Motor vehicles	1,256,856	1,436,715
Office equipment	45,988	59,448
	12,101,625	9,959,259

Addition to the right-of-use assets of the Group during the financial year amounted to RM6,945,661 (2019: RM2,722,240).

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

	Group	
	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM
Depreciation of right-of-use assets	4,803,295	3,589,132
Interest expenses on lease liabilities	596,579	504,031
	5,399,874	4,093,163

The leasehold land and building, shoplots and capital work-in-progress 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.

Capital work-in-progress consist of shoplots under construction which is stated at cost and depreciation will only be provided upon completion.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. INVESTMENT PROPERTY

Group	Shoplot RM
At cost	
At 1 January 2019	-
Transfer from property, plant and equipment	2,285,480
At 31 December 2019	2,285,480
Adjustment for rebate received	(76,631)
At 31 December 2020	2,208,849
Accumulated depreciation	
At 1 January 2019	-
Transfer from property, plant and equipment	45,710
At 31 December 2019	45,710
Charge for the financial year	44,432
At 31 December 2020	90,142
Net carrying amount	
At 31 December 2020	2,118,707
At 31 December 2019	2,239,770

The fair value of the investment property is RM2,560,000 (2019: RM2,400,000). Fair value estimated by the Directors by reference to the published selling price for the property in vicinity location. The investment property is classified as Level 3 in the fair value hierarchy.

The shoplot is pledged as securities for banking facilities granted to the Group as disclosed in Note 16 to the financial statements.

In prior financial year, the strata title of the above shoplot of the Group is yet to be issued by relevant authorities.

Income and expenses recognised in profit or loss

	Group	
	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM
(Income)/Expenses recognised in profit or loss:		
Rental income	(55,000)	-
Direct operating expenses for investment property		
- income generating investment property	2,195	-
- non-income generating investment property	-	699

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

6. INVESTMENT IN SUBSIDIARIES

6.1 Investment in subsidiaries

	Company 2020 RM	2019 RM
Unquoted shares, at cost	26,665,424	26,065,424

6.2 Newly acquired subsidiaries

In prior financial year, the Company entered into Shares Sale Agreement with TCS Construction Sdn. Bhd. ("TCS Construction") and TCS Infra Sdn. Bhd. ("TCS Infra") (formerly known as TCS Bina Sdn. Bhd.) on 15 May 2019.

(a) Acquisition of TCS Construction

The acquisition of 100% equity interest in TCS Construction for a purchase consideration of RM26,065,424 which has satisfied by issuance of 268,162,794 new ordinary shares.

The acquisition of TCS Construction has completed on 30 October 2019.

(b) Acquisition of TCS Infra

The acquisition of 5.63% equity interest in TCS Infra for a purchase consideration of RM178,576, which has satisfied by the issuance of 1,837,204 new TCS Infra shares on behalf of TCS Construction to Ooi Kee An.

The acquisition of TCS Infra has completed on 30 October 2019.

6.3 Incorporation of a subsidiary

TCS Amona Consortium Sdn. Bhd. ("TCS Amona Consortium") was incorporated as a subsidiary of the Company with an issued and paid up share capital of RM1,000,000 comprising of 1,000,000 ordinary shares. The Company has subscribed 60% of the ordinary shares in TCS Amona Consortium with cash subscription of RM600,000.

6.4 Details of subsidiaries

Name	Principal place of business/ Country of incorporation	Effective equity interest %	Principal activity
Direct interest			
TCS Construction	Malaysia	100	^
TCS Amona Consortium#	Malaysia	60	*
Indirect interest			
TCS Infra	Malaysia	100	^

Subsidiaries is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from it activities.

^ The principal activities of this subsidiary is engaged in provision of construction services for building infrastructure, civil and structural works

* Dormant

The subsidiary is newly incorporated. Therefore, the management account is used for consolidation purpose.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

6.6 Related balances

Company

The non-trade balance due from subsidiaries are unsecured and bear no interest.

7. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets

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

	Group	
	2020 RM	2019 RM
At 1 January	211,000	22,000
Recognised in profit or loss	330,000	189,000
At 31 December	541,000	211,000

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

	Group	
	2020 RM	2019 RM
Property, plant and equipment	347,000	186,000
Allowance for Expected Credit Losses ("ECLs")	14,000	-
Contract assets	180,000	25,000
	541,000	211,000

Deferred tax liabilities

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

	Group	
	2020 RM	2019 RM
At 1 January	(248,000)	(14,000)
Recognised in profit or loss	248,000	(234,000)
At 31 December	-	(248,000)

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax liabilities (cont'd)

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

	Group	
	2020 RM	2019 RM
Property, plant and equipment	-	(487,000)
Allowance for ECLs	-	112,000
Contract assets	-	127,000
	-	(248,000)

8. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current	11,138,355	12,409,196	-	-
Current	7,201,323	528,692	6,532,969	-
	18,339,678	12,937,888	6,532,969	-

Group

The fixed deposits with licensed banks amounting to RM11,138,355 (2019: RM12,409,196) are pledged as securities for banking facilities granted to the Group.

The effective interest rates on fixed deposits with licensed banks are ranging from 0.70% to 3.35% (2019: 2.70% to 3.35%) per annum.

Company

The effective interest rate on fixed deposit with a licensed bank is 2.04% (2019: Nil) per annum.

9. CASH AND BANK BALANCES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current	937,447	722,994	-	-
Current	40,903,291	14,490,955	10,497,632	3,002
	41,840,738	15,213,949	10,497,632	3,002

Group

The sinking fund amounting to RM937,447 (2019: RM722,994) is included in cash and bank balances which are pledged as securities for banking facilities granted to the Group.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

10. TRADE RECEIVABLES

	Group 2020 RM	Group 2019 RM
Trade receivables	27,587,992	48,932,153
Retention sum	32,174,492	35,024,989
	59,762,484	83,957,142
Less: Allowance for ECLs	(301,846)	(467,675)
	59,460,638	83,489,467

The Group's credit period granted to customers is ranging from 30 days to 60 days (2019: 30 days to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at financial year end 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			
2020			
Current (not past due)	53,601,491	(3,698)	53,597,793
1- 30 days past due	5,056,818	(3,063)	5,053,755
31- 60 days past due	804,016	(2,601)	801,415
Past due more than 120 days	300,159	(292,484)	7,675
	59,762,484	(301,846)	59,460,638
2019			
Current (not past due)	64,707,919	(78,009)	64,629,910
1- 30 days past due	15,712,694	(114,178)	15,598,516
31- 60 days past due	2,056,311	(16,999)	2,039,312
Past due more than 120 days	1,480,218	(258,489)	1,221,729
	83,957,142	(467,675)	83,489,467

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

10. TRADE RECEIVABLES (CONT'D)

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

	Lifetime ECLs RM	Individual impaired RM	Total RM
Group			
At 1 January 2019	258,848	-	258,848
Additions	-	243,687	243,687
No longer required	(34,860)	-	(34,860)
At 31 December 2019	223,988	243,687	467,675
No longer required	(165,829)	-	(165,829)
At 31 December 2020	58,159	243,687	301,846

11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020 RM	2019 RM
Contract assets	25,280,702	16,660,023
Less: Allowance for ECLs	(1,792)	-
	25,278,910	16,660,023
Contract liabilities	(13,317,797)	(43,682,670)
	11,961,113	(27,022,647)

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

	Lifetime ECLs RM
Additions/At 31 December 2020	1,792

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 days to 60 days.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

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

The contract liabilities primarily relate to the advance consideration received from customers for construction contract, which revenue is recognised overtime during the construction of residential, commercial and other civil works. The contract liabilities are expected to be recognised as revenue over a period of 90 days.

	Group	
	2020 RM	2019 RM
Contract liabilities at beginning of the period recognised as revenue	43,682,670	34,263,561

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 Company is RM832,909,596 (2019: RM 534,580,392). The Company expects to recognise this revenue over the next 3 months to 61 months (2019: 4 months to 35 months).

12. OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-trade receivables	128,153	133,476	-	-
Deposits	6,047,508	4,183,779	1,000	-
Prepayment	273,786	1,990,827	-	-
GST recoverable	3,570	21,915	-	-
Accrued interest income	112,227	131,155	10,560	-
	6,565,244	6,461,152	11,560	-

Group

Included in non-trade receivables is an amount of RM34,000 and RM30,000 (2019: RM29,000 and RM90,750) are due from individuals in which connected to a Director and a Director of the subsidiary respectively. The said amounts are unsecured and bear no interest.

13. SHARE CAPITAL

	Number of ordinary shares 2020 unit	Amount 2020 RM	Number of ordinary shares 2019 unit	Amount 2019 RM
Group and Company				
Issued and fully paid-up with no par value				
At 1 January/At date of incorporation	270,000,000	26,244,002	2	2
Issued pursuant to acquisition of subsidiaries	-	-	269,999,998	26,244,000
Issuance of shares	90,000,000	20,700,000	-	-
Share issuance expenses	-	(768,439)	-	-
At 31 December	360,000,000	46,175,563	270,000,000	26,244,002

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

13. SHARE CAPITAL (CONT'D)

On 30 October 2019, the Company acquired subsidiaries as disclosed in Note 6 to the financial statements by issuing new shares.

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.

14. MERGER DEFICIT

The merger deficit arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in TCS Construction and TCS Infra as disclosed in Note 6 to the financial statements.

15. LEASE LIABILITIES

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

	Group	
	2020 RM	2019 RM
Current	5,411,602	3,821,569
Non-current	5,250,703	5,101,521
	10,662,305	8,923,090

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

	Group	
	2020 RM	2019 RM
Within 1 year	5,843,868	4,216,323
After 1 year but not later than 5 years	5,392,652	5,278,232
More than 5 years	170,447	108,572
	11,406,967	9,603,127

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

	Group	
	2020 RM	2019 RM
Short-term leases	9,226,980	18,748,153

The total cash outflow for leases amounted to RM14,690,945 (2019: RM24,212,118).

Lease liabilities bear interest rates ranging from 3.30% to 9.11% (2019: 4.53% to 8.98%) per annum.

The lease liabilities of RM2,739,257 (2019: RM8,487,667) are secured against the personal guarantee by certain Directors.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

16. BORROWINGS

	Group 2020 RM	Group 2019 RM
Term loans		
Secured:-		
Current	1,372,185	280,911
Non-current	9,629,788	9,366,885
	11,001,973	9,647,796
Analysed as:		
- within 1 year	1,372,185	280,911
- between 2 to 5 years	1,561,580	1,556,460
- more than 5 years	8,068,208	7,810,425
	11,001,973	9,647,796

The borrowings are secured in the following manner:-

(i) Charge and deeds of assignment over the leasehold land and building, shoplots and capital work-in-progress of the Group as disclosed in Notes 4 and 5 to the financial statements;
(ii) Deed of assignment of contract proceeds;
(iii) Pledged of sinking fund of the Group as disclosed in Note 9 to the financial statements;
(iv) Jointly and several guarantees by certain Directors of the Company; and
(v) Absolute assignment of life policy of a Director.

The interest rate of bank overdraft is charged at rates ranging from 6.70% to 7.95% (2019: 7.70% to 7.95%) per annum.

The interest rate of term loans charged at rates ranging from 3.22% to 5.60% (2019: 4.47% to 8.82%) per annum.

The repayment term of term loans is by monthly basis.

17. TRADE PAYABLES

	Group 2020 RM	Group 2019 RM
Trade payables	39,720,095	23,416,227
Retention sum	15,880,758	14,060,735
	55,600,853	37,476,962

The average credit periods granted to the Group by suppliers are ranging from cash terms to 90 days (2019: 30 days to 90 days).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

18. OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-trade payables	1,110,479	1,845,511	37,862	-
Accruals	8,946,759	14,348,858	31,200	9,000
Amount due to a company in which certain Directors have interests	-	2,000	-	-
	10,057,238	16,196,369	69,062	9,000

In prior financial year, the amount due to a company in which certain Directors have interests is unsecured and bear no interest.

19. AMOUNT DUE TO A DIRECTOR

Group

In prior financial year, the non-trade balance due to a Director is unsecured and bear no interest.

20. REVENUE

20.1 Disaggregated revenue information

	Group		Company	
	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	11.2.2019 to 31.12.2019 RM
Revenue from contracts with customers in Malaysia				
- Construction	242,642,840	358,423,861	-	-
- Dividend income	-	-	6,500,000	-
	242,642,840	358,423,861	6,500,000	-
Timing and recognition				
- Over time	242,642,840	358,423,861	-	-
- Point in time	-	-	6,500,000	-
	242,642,840	358,423,861	6,500,000	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

21. FINANCE INCOME

	Group		Company	
	1.1.2020 to 31.12.2020 RM	**1.1.2019 to 31.12.2019 RM**	**1.1.2020 to 31.12.2020 RM**	**11.2.2019 to 31.12.2019** RM
Bank interest received	78,752	61,294	1,225	-
Fixed deposit interest income	462,695	378,058	92,448	-
	541,447	439,352	93,673	-

22. FINANCE COSTS

	Group	
	1.1.2020 to 31.12.2020 RM	**1.1.2019 to 31.12.2019** RM
Bank overdraft interest	527	2,541
Lease liabilities interest	596,579	504,031
Term loans interest	365,556	418,633
	962,662	925,205

23. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	1.1.2020 to 31.12.2020 RM	**1.1.2019 to 31.12.2019 RM**	**1.1.2020 to 31.12.2020 RM**	**11.2.2019 to 31.12.2019** RM
Auditors' remuneration:				
- statutory audit	130,000	130,000	20,000	10,000
- others	14,750	-	6,000	-
Bad debts (recovered)/written off	(2,600)	7,884	-	-
Directors' fee	198,000	116,500	-	116,500
Gain on disposal of property, plant and equipment	(600)	(13,818)	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

24. TAX EXPENSE

	Group		Company	
	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	11.2.2019 to 31.12.2019 RM
Tax expense				
- Current year	7,750,675	6,019,810	22,000	-
- (Over)/Under provision in prior financial year	(194,160)	190,752	-	-
	7,556,515	6,210,562	22,000	-
Deferred tax				
- Current year	(596,000)	(43,000)	-	-
- Under recognised in prior financial year	18,000	88,000	-	-
	(578,000)	45,000	-	-
	6,978,515	6,255,562	22,000	-

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

	Group		Company	
	1.1.2020 to 31.12.2020 RM	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	11.2.2019 to 31.12.2019 RM
Profit/(Loss) before tax	23,147,712	21,912,345	3,489,002	(133,039)
Tax at statutory tax rate of 24%	5,555,451	5,258,963	837,360	(31,929)
Tax effects in respects of:-				
Non-deductible expenses for tax purposes	1,599,848	787,847	744,640	31,929
Change in tax rate for the first tranche of chargeable income	-	(70,000)	-	-
Income not subject to tax	(624)	-	(1,560,000)	-
(Over)/Under provision of tax expense in prior financial year	(194,160)	190,752	-	-
Deferred tax under recognised in prior financial year	18,000	88,000	-	-
	6,978,515	6,255,562	22,000	-

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

25. EARNINGS PER SHARE

Basic earnings per ordinary share

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

	Group	
	2020	2019
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	16,171,765	15,656,783
Weighted average number of ordinary shares at 31 December	309,836,066	46,602,741
Basic earnings per share (sen)	5.22	33.60

Diluted earnings per share

Diluted earnings per share is not computed as there were no dilutive potential equity instruments in issue that gave diluted effect to the earnings per share.

26. DIVIDEND

The amount of dividend declared and paid by the Company since the end of previous financial period is as follows:-

	Group and Company	
	2020 RM	2019 RM
In respect of the financial year ended 31 December 2020		
First interim single tier dividend of RM0.01 per ordinary share, paid on 29 September 2020	3,600,000	-

On 25 February 2021, the Company declared second interim single tier dividend of RM0.01 per ordinary share amounting to RM3,600,000 in respect of the current financial year, payable on 8 April 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

The Directors do not propose any final dividend for the current financial year.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

27. EMPLOYEE BENEFITS EXPENSES

	Group	
	1.1.2020 to 31.12.2020 RM	**1.1.2019 to 31.12.2019** RM
Staffs' remuneration		
Salaries, wages and other emoluments	10,195,299	11,947,818
Defined contribution plan	1,148,712	1,123,150
Social security benefits	149,582	138,905
	11,493,593	13,209,873
Directors' remuneration		
Salaries, wages and other emoluments	1,208,000	1,073,000
Defined contribution plan	106,560	95,760
Social security benefits	1,575	1,752
	1,316,135	1,170,512
	12,809,728	14,380,385

Included in Directors' other benefits are benefits-in-kind (based on estimated monetary value) for the Group that amounted to RM61,850 (2019: RM75,100).

28. CAPITAL COMMITMENT

	Group	
	2020 RM	**2019 RM**
Authorised and contracted for:		
- Shoplots	188,951	718,126
- Construction equipment	998,416	-
	1,187,367	718,126

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

29. CONTINGENT LIABILITIES

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
(a) Corporate guarantee				
Corporate guarantee given to financial institution for credit facilities granted to companies in which certain Directors have interests				
Granted	11,200,000	16,077,487	-	-
Utilised	9,821,363	14,713,380	-	-
Corporate guarantee given to financial institution for credit facilities granted to subsidiaries				
Granted	-	-	23,565,807	-
Utilised	-	-	15,183,988	-
(b) Performance bond				
Performance bonds guarantee for construction projects	47,472,948	30,585,455	-	-

30. RELATED PARTY DISCLOSURES

The Group and the Company have related party relationship with its subsidiaries, Directors and key management personnel.

(a) Related party transactions

	Group 1.1.2020 to 31.12.2020 RM	Group 1.1.2019 to 31.12.2019 RM	Company 1.1.2020 to 31.12.2020 RM	Company 11.2.2019 to 31.12.2019 RM
Dividend income received from a subsidiary	-	-	6,500,000	-
Sales to the companies in which certain Directors have interests	-	162,749	-	-
Rental expenses paid to the companies in which certain Directors have interests	282,000	227,500	-	-
Salary reimbursement paid to a company in which a Director has interests	21,552	59,267	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

30. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6, 12, 18 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 27 to the financial statements.

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

	Group	
	1.1.2020 to 31.12.2020 RM	**1.1.2019 to 31.12.2019** RM
Salaries, wages and other emoluments	849,859	874,330
Defined contribution plan	87,984	76,188
Social security benefits	6,156	5,540
	943,999	956,058

Included in key management personnel's other benefits are benefits-in-kind (based on estimated monetary value) for the Group that amounted to RM17,967 (2019: RM25,425).

31. 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	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Financial assets				
Trade receivables	59,460,638	83,489,467	-	-
Other receivables	6,287,888	4,448,410	11,560	-
Amount due from subsidiaries	-	-	2,293,003	51,537
Fixed deposits with licensed banks	18,339,678	12,937,888	6,532,969	-
Cash and bank balances	41,840,738	15,213,949	10,497,632	3,002
	125,928,942	116,089,714	19,335,164	54,539
Financial liabilities				
Trade payables	55,600,853	37,476,962	-	-
Other payables	10,057,238	16,196,369	69,062	9,000
Amount due to a Director	-	1,737	-	-
Borrowings	11,001,973	9,647,796	-	-
	76,660,064	63,322,864	69,062	9,000

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management

The Group and the Company are exposed to financial risks arising from its 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.

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:-

<u>Receivables</u>

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.

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 past due for more than 3 years. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Notes 10 and 11 to the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. 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)

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			
	2020		2019	
	RM	%	RM	%
Top 3 customers (2019: 4 customers)	32,663,795	55	68,611,909	82

Corporate Guarantee

The maximum exposure to credit risk amounting to RM9,821,363 (2019: RM14,713,380) representing the outstanding banking facilities of companies which certain Directors have interests as at the end of the reporting year.

The Group provides unsecured financial guarantees to bank in respect of banking facilities granted to companies which certain Directors have interests. The Group monitors on an ongoing basis the results of the companies which certain Directors have interests and repayments made by the companies which certain Directors have interests. As at the end of the reporting period, there was no indication that the companies which certain Directors have interests would default on repayment.

The corporate guarantee does not have a determinable effect on the term of the credit facilities due to the bank requiring the Group's guarantees as a pre-condition for approving the banking facilities granted to companies which certain Directors have interests. 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 companies which certain Directors have interest. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

Performance Bonds

Performance bonds require the Group to make payments to third parties in the event that the Group does not perform in according to the terms of any related contracts. The maximum exposure to credit risk is amounted to RM47,472,948 (2019: RM30,585,455).

Intercompany Balances

The Group provides unsecured advances to a subsidiary and monitors the results of the subsidiary regularly.

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. 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):-

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 its financial obligations as and when they fall due because of shortage of funds.

In managing its 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 it will have sufficient liquidity to meet its liabilities as and when they fall due.

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 its 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 RM	Total contractual cash flows RM	On demand/ Less than 1 year RM	2 to 5 years RM	More than 5 years RM
2020					
Group					
Non-derivative financial liabilities					
Secured:-					
Borrowings	11,001,973	16,145,750	1,119,010	4,239,490	10,787,250
Lease liabilities	10,662,305	11,406,967	5,843,868	5,392,652	170,447
Unsecured:-					
Trade payables	55,600,853	55,600,853	55,600,853	-	-
Other payables	10,057,238	10,057,238	10,057,238	-	-
Total undiscounted financial liabilities	87,322,369	93,210,808	72,620,969	9,632,142	10,957,697
Corporate guarantee*	9,821,363	9,821,363	-	-	-
Performance bonds*	47,472,948	47,472,948	-	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. 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):-

	Carrying amount RM	Total contractual cash flows RM	Current On demand/ Less than 1 year RM	Non-current 2 to 5 years RM	Non-current More than 5 years RM
2020 (cont'd)					
Company					
Non-derivative financial liabilities					
Unsecured:-					
Other payables	69,062	69,062	69,062	-	-
Total undiscounted financial liabilities	69,062	69,062	69,062	-	-
Corporate guarantee*	15,183,988	15,183,988	-	-	-
2019					
Group					
Non-derivative financial liabilities					
Secured:-					
Borrowings	9,647,796	14,491,264	667,718	3,275,156	10,548,390
Lease liabilities	8,923,090	9,603,127	4,216,323	5,278,232	108,572
Unsecured:-					
Trade payables	37,476,962	37,476,962	37,476,962	-	-
Other payables	16,196,369	16,196,369	16,196,369	-	-
Amount due to a Director	1,737	1,737	1,737	-	-
Total undiscounted financial liabilities	72,245,954	77,769,459	58,559,109	8,553,388	10,656,962
Corporate guarantee*	14,713,380	14,713,380	-	-	-
Performance bonds*	30,585,455	30,585,455	-	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. 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):-

	Carrying amount RM	Total contractual cash flows RM	Current On demand/ Less than 1 year RM	← Non-current → 2 to 5 years RM	More than 5 years RM
2019 (cont'd)					
Company					
Non-derivative financial liabilities					
Unsecured:-					
Other payables	9,000	9,000	9,000	-	-
Total undiscounted financial liabilities	9,000	9,000	9,000	-	-

* 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.

(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.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

31. 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:-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fixed rate instruments				
Financial asset				
Fixed deposits with licensed banks	18,339,678	12,937,888	6,532,969	-
Financial liability				
Lease liabilities	(10,662,305)	(8,923,090)	-	-
	7,677,373	4,014,798	6,532,969	-
Floating rate instrument				
Financial liability				
Borrowings	(11,001,973)	(9,647,796)	-	-

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/- 25 (2019: +/-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	
	2020 RM	2019 RM
Effective on profit/equity for the year/period		
+25bp	(27,505)	(24,119)
-25bp	27,505	24,119

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.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. FINANCIAL INSTRUMENTS (CONT'D)

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 instrument measured at fair value.

32. SEGMENTAL INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic business three units. The strategic business units offer different products and services, and are managed separately because they require different technology and managing strategies. For each of the strategic business units, the Group's Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes the operation in each Group's reportable segments.

Business segments	Business activities
Residential	Residential type of condominiums.
Commercial	Commercial type included retail shoplots, shopping center, mixed of residential service suites.
Other	Investment holding and rental income.

Performance is measured on segment revenue that is reviewed by the Group's Managing Director who is the Group's chief operating decision maker. Segment revenue is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the Managing Director. Hence, no disclosure is made on segment assets and liabilities.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

32. SEGMENTAL INFORMATION (CONT'D)

2020	Note	Residential RM	Commercial RM	Other RM	Eliminations RM	Total RM
Revenue:-						
External revenue		238,823,235	3,819,605	-	-	242,642,840
Inter-segment revenue	(a)	-	-	8,323,680	(8,323,680)	-
Total revenue		238,823,235	3,819,605	8,323,680	(8,323,680)	242,642,840
Segment results*						36,550,609
Amortisation of investment properties						(44,432)
Depreciation of property, plant and equipment						(6,080,403)
Interest income						541,447
Interest expense						(962,662)
Net gain on impairment of financial assets						164,037
Unallocated income						172,835
Unallocated expenses						(7,193,719)
Tax expense						(6,978,515)
Segment profit						16,169,197
Assets:-						
Additions to non-current assets	(b)					8,005,238
Segment assets	(c)					179,549,278
Liabilities:-						
Segment liabilities	(d)					78,975,888

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

32. SEGMENTAL INFORMATION (CONT'D)

2019	Note	Residential RM	Commercial RM	Other RM	Eliminations RM	Total RM
Revenue:-						
External revenue		279,361,922	79,061,939	-	-	358,423,861
Inter-segment revenue	(a)	-	-	-	-	-
Total revenue		279,361,922	79,061,939	-	-	358,423,861
Segment results*						33,795,262
Depreciation of property, plant and equipment						(4,796,016)
Interest income						439,352
Interest expense						(925,205)
Net loss on impairment of financial assets						(208,827)
Unallocated income						125,160
Unallocated expenses						(6,517,381)
Tax expense						(6,255,562)
Segment profit						15,656,783
Assets:-						
Additions to non-current assets	(b)					7,256,662
Segment assets	(c)					161,159,113
Liabilities:-						
Segment liabilities	(d)					97,357,738

* The breakdown of segment results between residential, commercial and others are not available.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

32. SEGMENTAL INFORMATION (CONT'D)

Note:-

(a) Inter-segment revenue are eliminated on consolidation.

(b) Additions to non-current assets consists of:-

	2020 RM	2019 RM
Property, plant and equipment	8,005,238	7,256,662

(c) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2020 RM	2019 RM
Segment assets	179,549,278	161,159,113
Deferred tax assets	541,000	211,000
Tax recoverable	2,018	-
Total assets	180,092,296	161,370,113

(d) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2020 RM	2019 RM
Segment liabilities	78,975,888	97,357,738
Deferred tax liabilities	-	248,000
Lease liabilities	10,662,305	8,923,090
Borrowings	11,001,973	9,647,796
Tax payable	4,665,605	3,307,722
Total liabilities	105,305,771	119,484,346

Geographical Information

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

Notes to the Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

32. SEGMENTAL INFORMATION (CONT'D)

Information about Major Customers

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

	RM	%	Segment
2020			
Customer A	74,267,585	31	Residential
Customer B	42,085,812	17	Residential
Customer C	37,864,602	16	Residential
Customer D	36,780,241	15	Residential
	190,998,240	79	
2019			
Customer A	78,399,176	22	Commercial
Customer B	71,495,561	20	Residential
Customer C	66,421,486	19	Residential
Customer D	48,627,143	14	Residential
Customer E	43,641,915	12	Residential
	308,585,281	87	

33. CAPITAL MANAGEMENT

The primary capital management objective of the Group and the Company is to achieve sustainable growth and maximise return to shareholder and there is no change to the objective in financial year ended 2020.

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

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Listing on ACE Market

On 27 July 2019, RHB Investment Bank on behalf of the Board of Directors of the Company submitted an application to the Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the proposed admission of the Company to the Official List and the listing of the quotation for entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia. On 25 October 2019, Bursa Malaysia has approved the said application.

On 9 March 2020, Bursa Malaysia grant extension of time until 31 July 2020 to complete the implementation of the listing.

On 29 June 2020, the Company has launched its prospectus and aims to list on the ACE Market of Bursa Malaysia.

On 23 July 2020, the Company has successfully listed on the ACE Market of Bursa Malaysia.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Coronavirus Disease 2019

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operates.

The Group is significantly impacted by the COVID-19. As such, the Group has implemented several measures to weather through this current challenging time. These efforts are on-going as the Group continues to seek support from their vendors and business partners to address their cash flow requirements.

Operations

The Group has temporary shut down its premises from 18 March 2020 in alignment with the MCO Policy. The Group's operation resumed gradually from early April 2020 with proper Standard Operating Procedures put in place and achieved full operation in early May 2020. The disruption of its operations during the financial year due to MCO and the relevant financial impact has been taken into account in the financial result of the Group.

Working Capital Management

The Group has opted for 6 months of moratorium by seeking deferrals for payments of construction equipment, motor vehicles and office equipment finance leases and borrowings with certain financial institutions.

Proposed Issue of Free Warrants

On 17 November 2020, the Company proposed to undertake an issuance of up to 180,000,000 free warrants in the Company on the basis of one warrant for every two existing Company ordinary shares held on an entitlement date.

The transaction is completed on 22 March 2021.

35. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Coronavirus Disease 2019

The Government of Malaysia has again imposed the MCO and Conditional Movement Control Order ("CMCO") for selected states which are severely affected by the novel COVID-19 on 11 January 2021. Besides, the Malaysia's King declared state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as the Group main constructions services was allowed to operate throughout the MCO and CMCO, under guidelines set by the National Security Council, Ministry of Health and Ministry of International Trade and Industry respectively.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

Incorporation of a subsidiary

On 5 April 2021, the Company has incorporated a new 65% controlled subsidiary, TCS SS Precast Construction Sdn. Bhd. with an issued and paid up share capital of RM100 comprising of 100 ordinary shares.

LIST OF PROPERTIES

as at 31 December 2020

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Approximate Age (years)	Approximate Area (square meter)	Date of Acquisition	Audited NBV as at 31 December 2020
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	9	1,715 sqft	21 July 2016	740
2	H-11-01, Block H, Setia Eco Hill Walk, 43500 Semenyih, Selangor	1 unit shop office at Level 1	Freehold	N/A	2,088 sqft	31 December 2016	1,588
3	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	953
4	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	635
5	12-G & 12-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office	Leasehold/ 91 years expiring on 9 November 2110	3	5,274 sqft	15 March 2018	2,835
6	23-G & 23-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office	Leasehold/ 91 years expiring on 9 November 2110	3	3,122 sqft	29 March 2018	1,525
7	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	3	4,262 sqft	29 March 2018	2,119

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2021

SHARE CAPITAL

Total Number of Issued Shares	:	360,000,000
Issued Share Capital	:	RM46,944,001.81
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF ORDINARY SHARES	%
Less than 100	1	4	0
100 to 1,000	368	239,400	0.067
1,001 to 10,000	1,561	8,966,800	2.491
10,001 to 100,000	894	29,881,500	8.300
100,001 to less than 5% of issued shares	145	89,773,919	24.937
5% and above of issued shares	3	231,138,377	64.205
Total	2,972	360,000,000	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	0.083	-	-
2.	Dato' Ir Tee Chai Seng	206,838,377	57.455	36,324,419 (1)	10.090
3.	Datin Koh Ah Nee	36,324,419	10.090	206,838,377 (2)	57.455
4.	Dato' Seri Ir Mohamad Othman bin Zainal Azim	500,000	0.139	-	-
5.	Ooi Guan Hoe	600,000	0.167	-	-

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*

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)
As per the Register of Substantial Shareholder

No.	Name	No. of Shares Held	Percentage
1.	Dato' Ir Tee Chai Seng	206,838,377	57.455
2.	Datin Koh Ah Nee	36,324,419	10.090

Analysis of Shareholdings
as at 31 March 2021 (cont'd)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	Percentage
1.	TEE CHAI SENG	137,700,000	38.250
2.	TEE CHAI SENG	69,138,377	19.205
3.	KOH AH NEE	24,300,000	6.750
4.	LANDASAN POTENSI SDN BHD	12,633,000	3.509
5.	KOH AH NEE	12,024,419	3.340
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG SAI MUN	3,500,000	0.972
7.	HIGHDEAL CAPITAL SDN BHD	3,150,000	0.875
8.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	3,073,300	0.854
9.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH (MARGIN)	3,040,000	0.844
10.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJINDER KAUR A/P PIARA SINGH (MARGIN)	3,000,000	0.833
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOONG LEO	2,096,100	0.582
12.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG CHOON KAI (M&A)	2,000,000	0.556
13.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	1,592,000	0.442
14.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG KIAH YEOW (M&A)	1,500,000	0.417
15.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG NGAN TENG (M&A)	1,500,000	0.417
16.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TOK BENG TIONG	1,500,000	0.417
17.	NG KUAN HUA	1,460,000	0.406
18.	E&J DAMAI SDN BHD	1,100,000	0.306
19.	SOAM HENG CHOON	1,000,000	0.278
20.	YAP POH ONN	1,000,000	0.278
21.	YOO WEI HOW	985,000	0.274
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK (8058967)	973,500	0.270
23.	NG KWANG HUA	917,300	0.255
24.	YAP NAM FEE	900,000	0.250
25.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	672,000	0.187
26.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MUHAMMAD RADHI BIN AZIZAN	600,000	0.167
27.	CHENG LI	600,000	0.167
28.	KONG KAM ONN	600,000	0.167
29.	NG KUAN HUA	600,000	0.167
30.	OOI GUAN HOE	600,000	0.167
	Total	293,754,996	81.599

ANALYSIS OF WARRANT HOLDINGS
AS AT 31 MARCH 2021

NO. OF OUTSTANDING WARRANTS : 180,000,000
NO. OF WARRANT HOLDERS : 2,220

ANALYSIS BY SIZE OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	No. of Warrant Holders	No. of Warrants Held	%
Less than 100	105	5,176	0.003
100 to 1,000	452	273,185	0.152
1,001 to 10,000	1,071	5,021,191	2.789
10,001 to 100,000	498	17,542,750	9.746
100,001 to less than 5% of issued warrant A	91	62,120,300	34.511
5% and above of issued warrant A	3	95,037,398	52.799
TOTAL	2,220	180,000,000	100.00

DIRECTORS' WARRANT HOLDINGS
As per the Directors' Warrant Holdings

		Direct		Indirect	
No.	Names	No. of Warrants	%	No. of Warrants	%
1.	Tan Sri Dato' Sri Izzuddin bin Dali	250,000	0.139	-	-
2.	Dato' Ir Tee Chai Seng	56,819,189	31.566	18,762,209 (1)	10.423
3.	Datin Koh Ah Nee	18,762,209	10.423	56,819,189 (2)	31.566
4.	Dato' Seri Ir Mohamad Othman bin Zainal Azim	250,000	0.139	-	-
5.	Ooi Guan Hoe	300,000	0.167	-	-

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 Warrant Holdings
as at 31 March 2021 (cont'd)

LIST OF TOP 30 WARRANT HOLDERS

No.	Name	No. of Warrants A Held	Percentage
1.	TEE CHAI SENG	56,819,189	31.566
2.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH (MARGIN)	19,456,000	10.809
3.	KOH AH NEE	18,762,209	10.423
4.	NG LAI KENG	6,146,600	3.415
5.	CHENG, AIJIN	5,000,000	2.778
6.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	4,650,000	2.583
7.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASVINDER SINGH A/L PIARA SINGH	4,550,000	2.528
8.	LANDASAN POTENSI SDN BHD	4,100,000	2.278
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SCURITIES ACCOUNT FOR LEONG YUET MOOI (8105904)	3,300,000	1.833
10.	NG KUAN HUA	2,800,000	1.556
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BOON POCK	2,151,100	1.195
12.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TOK BENG TIONG	1,650,000	0.917
13.	HIGHDEAL CAPITAL SDN BHD	1,575,000	0.875
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG SAI MUN	1,500,000	0.833
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOONG MIN CHONG	1,200,000	0.667
16.	YAP NAM FEE	1,015,050	0.564
17.	LEE WAI SUM	1,003,200	0.557
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE SENG	911,700	0.507
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MEGAN PAT JENG YI	750,000	0.417
20.	CHEW SENG KEAT	729,600	0.405
21.	LEM KONG SOON	700,000	0.389
22.	SOO HOO VEN SOON	680,000	0.378
23.	YOO WEI HOW	677,500	0.376
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAI SUM	623,500	0.346
25.	NG CHEE SIANG	600,000	0.333
26.	SOON FOOK KIAN	600,000	0.333
27.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN BOON POCK (TAN1290C)	500,000	0.278
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BAN TATT	500,000	0.278
29.	SOAM HENG CHOON	500,000	0.278
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK (8058967)	486,750	0.270
	TOTAL	143,937,398	79.965

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second ("2nd") Annual General Meeting ("AGM") of the Company will be held and conducted by way of Virtual Meeting entirely through live streaming via a Remote Participating and Voting ("RPV") facilities from the broadcast venue at Boardroom, No 1 & 3, Bangunan TCS, Jalan SP 1/1, Bandar Saujana Putra, 42610, Jenjarom, Selangor Darul Ehsan, on Tuesday, 1 June 2021 at 11.00 a.m., to transact the following businesses:-

1. To receive the audited financial statements for the year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon.
   Please refer to Note A.

2. To re-elect the following Directors who are retiring pursuant to the Company's Constitution:

   i) Tan Sri Dato' Sri Izzuddin Bin Dali (Article 105(1)) **Ordinary Resolution 1**
   ii) Datin Koh Ah Nee (Article 105(1)) **Ordinary Resolution 2**

3. To approve the payment of Directors' fees and other benefits payable of up to RM280,000 for the period commencing from 2nd AGM up to the Third AGM of the Company. **Ordinary Resolution 3**

4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

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

5. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 5**

   "THAT subject to passing of the Special Resolution 1 of the Notice of AGM dated 30 April 2021, and subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issue by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons 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 twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate");

   AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities; AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company"

6. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 6**

   "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 30 April 2021 for the purposes of Paragraph 10.09, Chapter 10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), 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;

Notice of Annual General Meeting
(cont'd)

6. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") (cont'd)**

   (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) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual report for the subsequent financial year during which this shareholders' mandate is in force, where:-

   (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1.0 million or more; or

   (b) any one of the percentage ratios of such aggregated transactions is 1.0% or more,

   whichever is the higher;

   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."

7. **Proposed Amendments to the Constitution of the Company ("Proposed Amendments")** **Special Resolution 1**

   "THAT the Proposed Amendments to the Constitution of the Company as set out in the Appendix A which has been circulated to the shareholders together with this notice, be approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendments for and on behalf of the Company."

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.201908002253)
Thien Lee Mee (LS0009760/ SSM PC NO. 201908002254)
Company Secretaries

Selangor Darul Ehsan
30 April 2021

Notice of 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.app.

2. A member of the Company entitled to participate and vote at the 2nd 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 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the 2nd 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 2nd 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 2nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 25 May 2021. Only members whose name appears on the Record of Depositors as at 25 May 2021 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.

Notice of Annual General Meeting
(cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESSES

Note A: Audited Financial Statements for the year ended 31 December 2020

This Agenda item is meant for discussion only as Section 340(1) of the Companies Act, 2016 and the Company's Constitution 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.

Ordinary Resolution 5: Authority to Directors to Allot and Issue Shares

Bursa Securities has via its letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the forthcoming Second (2nd) AGM of the Company.

The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such purpose. The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding its business plans, future investment project(s), working capital and/or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

Ordinary Resolution 6: Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 6, 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 annual general meeting of the Company.

Special Resolution 1: Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance with the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Proposed Amendments to be made to the Constitution are listed as per Appendix A, which is circulated to the shareholders together with the Notice of the 2nd AGM dated 30 April 2021.

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the TCS Group Holdings Berhad is proposed to be amended in the following manner:

CLAUSE NO.	EXISTING CLAUSE	PROPOSED AMENDMENT
21.	Subject to the Listing Requirement, the Central Depositories Act and/or the Rules, and notwithstanding the existence of a resolution pursuant to the Act, the Company must ensure that it shall not issue any shares or convertible Securities if those shares or convertible Securities, when aggregated with any such shares or convertible Securities issued during the preceding twelve (12) months, exceeds ten per cent (10%) of the value of the issued and paid-up capital of the Company, except where the shares or convertible Securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible Securities that may be issued by the Company, if the Security is a convertible Security, each such Security is counted as the maximum number of shares into which it can be converted or exercised.	Subject to the provisions of this Constitution and the Listing Requirement, and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.

This page is intentionally left blank

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 in Block Letters) ____________________

NRIC No. / Passport No. / Company No. __________ of __________ *Tel no: __________

*email address: ____________________ being a member / members of TCS GROUP HOLDINGS BERHAD

(Registration No. 201901004613 (1313940-W)), hereby appoint ____________________

NRIC No. / Passport __________ of __________ *Tel no: __________

*email address: __________ and/or __________ of __________

NRIC No. / Passport No. __________ *Tel no: __________ *email address: __________

*(*You are required to fill in the contact no. and email address in order to participate the Annual General Meeting ("AGM") of our Company, otherwise we are unable to register you as the participant of the meeting.)*

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on my/our behalf at the 2nd AGM of the Company to be held and conducted by way of Virtual Meeting entirely through live streaming via a Remote Participating and Voting ("RPV") facilities from the broadcast venue at Boardroom, No 1 & 3, Bangunan TCS, Jalan SP 1/1, Bandar Saujana Putra, 42610, Jenjarom, Selangor Darul Ehsan, on Tuesday, 1 June 2021 at 11.00 a.m. and at any adjournment thereof in the manner as indicate below:

RESOLUTIONS			FOR	AGAINST
Ordinary Resolution 1	-	To re-elect Tan Sri Dato' Sri Izzuddin Bin Dali as Director		
Ordinary Resolution 2	-	To re-elect Datin Koh Ah Nee as Director		
Ordinary Resolution 3	-	To approve the payment of Directors' fees and other benefits for the period commencing from 2nd AGM up to the Third AGM of the Company.		
Ordinary Resolution 4	-	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company		
Ordinary Resolution 5	-	To approve the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 6	-	To approve the Proposed Shareholders' Mandate		
Special Resolution 1	-	Proposed amendments to the Constitution of the Company		

Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

The proportions of my/our holdings to be represented by my/our proxies are as follows: -

First Proxy

No. of Shares: ……………………………

Percentage: ……………………………%

Second Proxy

No. of Shares: ……………………………

Percentage : ……………………………%

Signed this __________ day of ____________________, 2021.

Signature: ______________________________

(If shareholder is a corporation, this form should be executed under seal)

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.app.
2. A member of the Company entitled to participate and vote at the 2nd 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 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the 2nd 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 2nd 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 2nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 25 May 2021. Only members whose name appears on the Record of Depositors as at 25 May 2021 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.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

TCS GROUP HOLDINGS BERHAD
201901004613 (1313940-W)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

1st fold here

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