



**TCS Group<sup>®</sup>**

201901004613 (1313940-W)

# ANNUAL REPORT 2021

# 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 QCLASSIC and Best QCLASSIC 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.



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# CORPORATE INFORMATION



## BOARD OF DIRECTORS

### TAN SRI DATO' SRI IZZUDDIN BIN DALI

*Independent Non-Executive Chairman*

### DATO' IR TEE CHAI SENG

*Managing Director*

### DATIN KOH AH NEE

*Executive Director*

### WONG CHOO LEONG

*Executive Director*

### DATO' SERI IR MOHAMAD OTHMAN BIN ZAINAL AZIM

*Independent Non-Executive Director*

### Ooi Guan Hoe

*Independent Non-Executive Director*

## 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. 202208000250)

**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

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

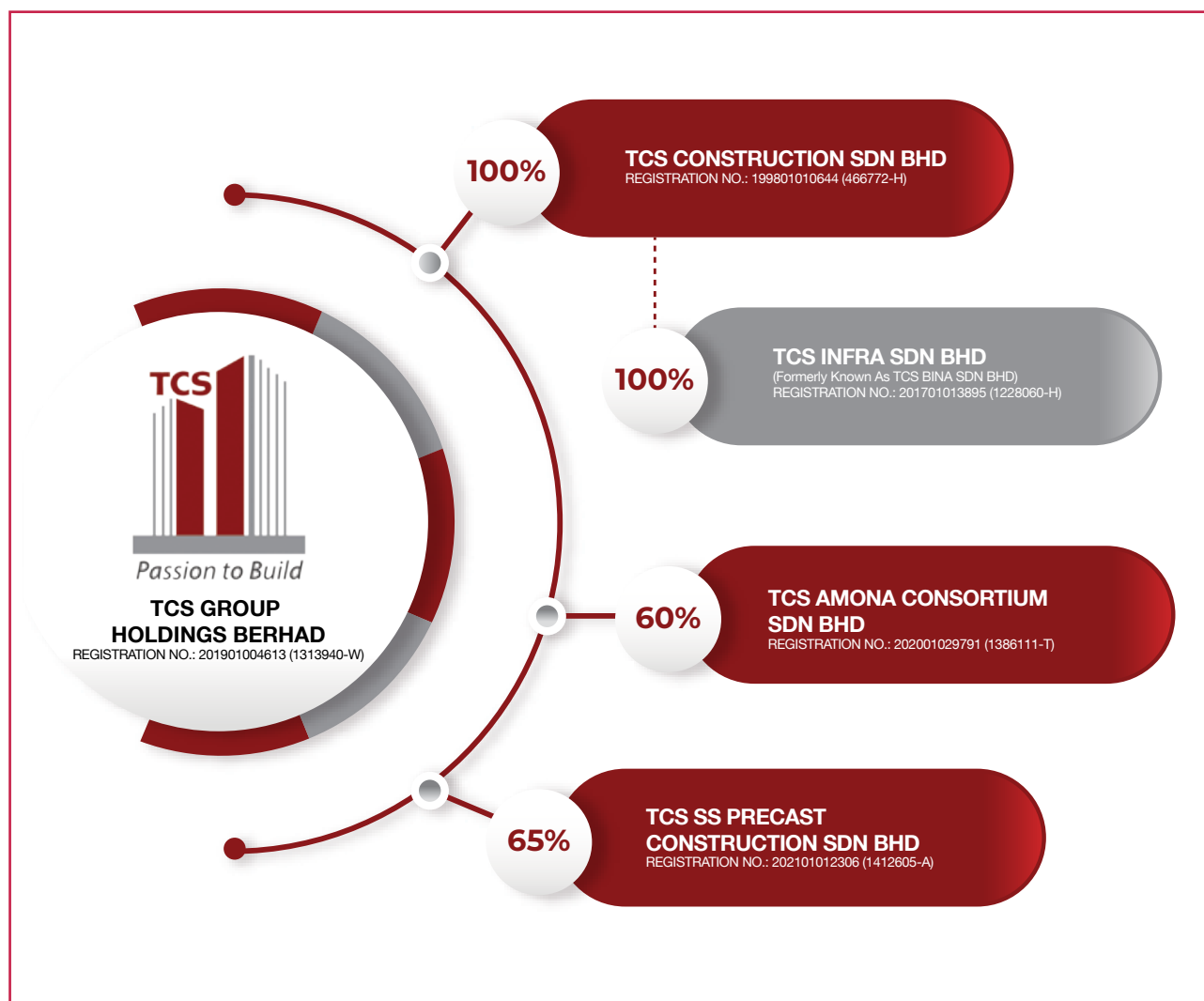
UOB Kay Hian Securities (M) Sdn Bhd  
Suite 19.03, 19th Floor  
Menara Keck Seng  
203, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel No. : 603 - 2147 1900  
Fax No. : 603 - 2147 1950

## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia  
Securities Berhad

Stock Name : TCS  
Stock Code : 0221

# CORPORATE STRUCTURE



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

# FIVE-YEARS FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	2021	2020	2019	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>FINANCIAL RESULTS</b>					
Revenue	204,047	242,643	358,424	146,266	71,718
Profit Before Taxation	7,351 <sup>(3)</sup>	25,877	21,912	13,062	8,524
Profit After Taxation ("PAT")	2,473	16,169	15,657	9,812	6,189
<b>FINANCIAL POSITION</b>					
Total Assets	181,711	180,092	161,370	134,673	60,591
Total Borrowings	25,683	21,664	18,571	23,454	1,847
Total Equity	86,222	74,787	41,886	26,229	18,887
Cash and Cash Equivalents	31,921	48,105	15,020	4,618	17,518
<b>FINANCIAL RATIOS</b>					
PAT Margin (%)	1.21	6.66	4.37	6.71	8.63
Basic Earnings Per Share <sup>(1)</sup> ( <i>sen</i> )	0.67	4.49	4.35	2.73	1.72
Gearing Ratio ( <i>times</i> )	Net Cash	Net Cash	0.08	0.72	Net Cash
Net assets Per Share <sup>(2)</sup> ( <i>sen</i> )	22.11	20.77	11.64	7.29	5.25

## Notes:

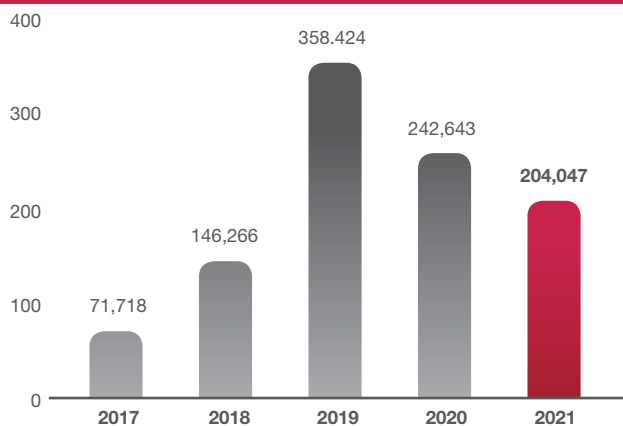
<sup>(1)</sup> Calculated based on PAT over the issued share capital of 369,468,493 shares.

<sup>(2)</sup> Calculated based on Total Equity over the issued share capital of 390,000,000 shares.

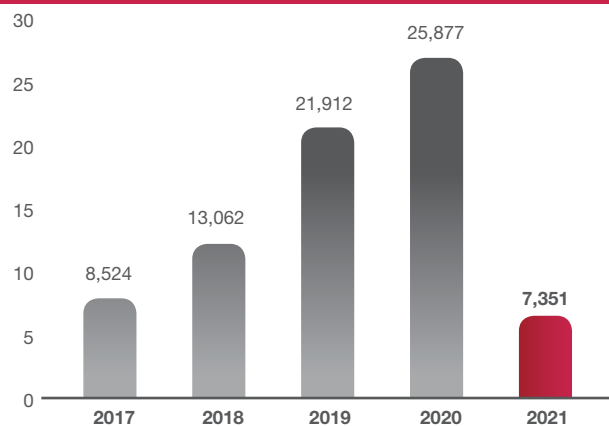
<sup>(3)</sup> Adjusted for one-off impairment of financial assets amounting to RM4.135 million.

## Five-Years Financial Highlights (Cont'd)

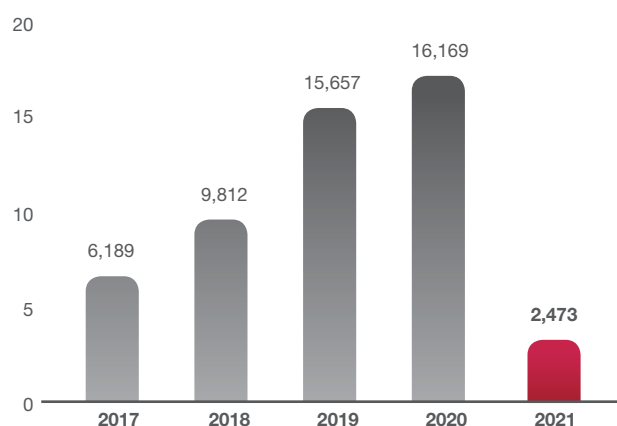
**Revenue**  
(in RM '000)



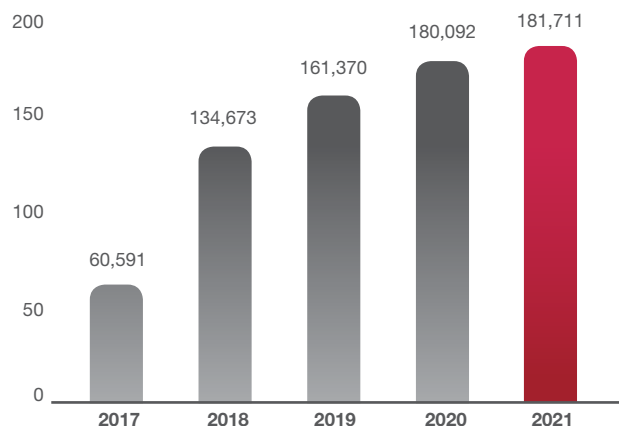
**Profit Before Taxation (PBT)**  
(in RM '000)



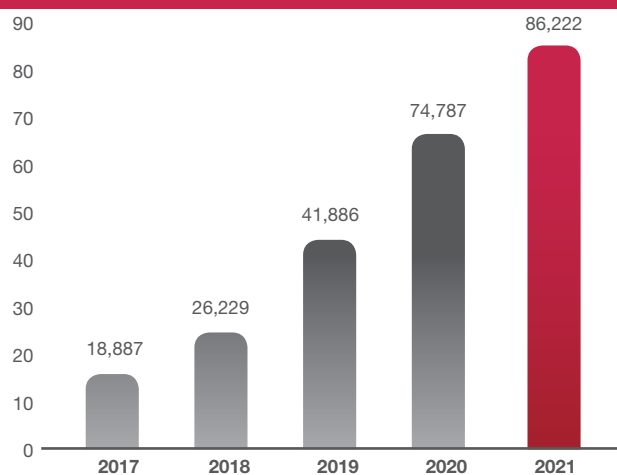
**Profit After Taxation (PAT)**  
(in RM '000)



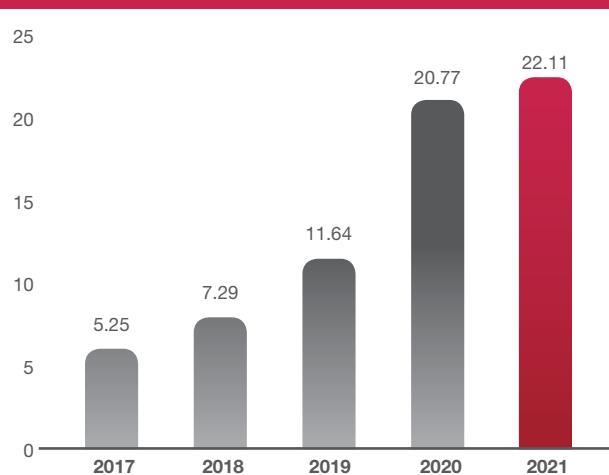
**Total Assets**  
(in RM '000)



**Total Equity**  
(in RM '000)



**Net Asset Per Share**  
(in SEN)



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



## DIRECTORS' PROFILES

Tan Sri Dato' Sri Izzuddin bin Dali, a Malaysian male aged 73, 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 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. Currently, Tan Sri Izzuddin sits on CTOS Digital Berhad as an Independent Non-Executive Chairman, a position which he has held since August 2014.

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.

### Tan Sri Dato' Sri Izzuddin bin Dali

73 | Male | Malaysian

*Independent Non-Executive Chairman*



## Directors' Profiles

### (Cont'd)

#### Dato' Ir Tee Chai Seng

62 | Male | Malaysian

*Managing Director (Non-Independent)*



Dato' Ir Tee Chai Seng, a Malaysian male aged 62, 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 37 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, a Malaysian female aged 60, 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.

## Datin Koh Ah Nee

60 | Female | Malaysian

*Executive Director*



## Directors' Profiles

(Cont'd)

### Dato' Seri Ir Mohamad Othman Zainal Azim

68 | Male | Malaysian

*Independent Non-Executive Director*



Dato' Seri Ir Mohamad Othman Zainal Azim, a Malaysian aged 68, 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, a Malaysian male aged 47, 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. In June 2011, he completed an executive education program co-organised by Harvard Business School and Tsinghua University and obtained a certificate in Private Equity and Venture Capital - China. He is a member of the Malaysian Institute of Accountants since 2002.

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

From 2010 to July 2017, he was the Director and Management Board member of various listed companies in Malaysia and Germany. He was appointed as the Independent Non-Executive Director of Only World Group Holdings Berhad in 2013 and retired in December 2021. He was the Chief Financial Officer of MOG Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited from 1 January 2019 to 31 March 2022. He also sits on the board of Revenue Group Berhad, Techbond Group Berhad and Vertice Berhad as Independent Non-Executive Director since December 2017, January 2018 and December 2021 respectively.

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.

## Ooi Guan Hoe

47 | Male | Malaysian

*Independent Non-Executive Director*



## Directors' Profiles

(Cont'd)

### Wong Choo Leong

30 | Male | Malaysian

*Executive Director*



Wong Choo Leong, a Malaysian male aged 30, was appointed as our Executive Director on 1 December 2021.

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

He began his career in July 2015 with TCS Construction Sdn Bhd as a Site Engineer and was subsequently promoted to Project Manager and Project Director in May 2018 and August 2019 respectively. As at 1 December 2021, he is a director of subsidiaries of TCS Group, namely TCS Infra Sdn Bhd, TCS Amona Consortium Sdn Bhd and TCS SS Precast Construction Sdn Bhd.

He is primarily responsible for overseeing, planning and managing TCS Group's construction projects. He has more than 6 years of experience in project planning and management, sites coordination and supervision as well as liaison with other stakeholders such as local authorities, project consultants and clients.

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

## MR ERIC LAI PAK LIM

*Chief Financial Officer*

**Mr Eric Lai Pak Lim**, male, a Malaysian, aged 42, is our Chief Financial Officer since March 2022. He is responsible for the company's financial planning and review, cash flow management and financial reporting. He has more than 16 years of experience in accounting, finance, corporate finance, strategic planning, treasury and auditing across a variety of industries.

He completed his Association of Chartered Certified Accountant programme since August 2014. He is a member of the Association of Chartered Certified Accountant and the Malaysian Institute of Accountants since January 2022.

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 35 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, preparing 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.

## MR LIEW KOK YOONG

*Group Accountant*

**Mr Liew Kok Yoong**, male, a Malaysian, aged 33, 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.

## Key Management Profiles (Cont'd)

### MDM JENNY KOO YOKE PING

*Corporate Affairs Manager*

**Mdm Jenny Koo Yoke Ping**, female, a Malaysian, aged 54, 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 43 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 my honour to present to you the annual report and audited financial statements of TCS Group Holdings Berhad and its subsidiaries ("TCS" or the "Group") for the financial year ended December 2021 ("FY2021").



### BUILDING RESILIENCE

The Group was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in July 2020, and hence, this marks the second year of TCS as a listed business entity in the local bourse. The period coincided with the onset of the Coronavirus Disease 2019 ("COVID-19"). As such, the journey since then has been nothing short of challenging as we grappled with the after-effects with both health and economic crises happening simultaneously.

Notwithstanding, we at TCS adapted as swiftly as we possibly could by implementing various measures to protect the health and safety of our people while minimizing disruption to construction work where feasible. The silver lining in this is that the pandemic has taught us to be more resilient, resourceful and innovative in managing uncertainties and overcoming challenges. I strongly believe the Group as a whole has emerged stronger post pandemic, with renewed conviction of our growth prospects ahead.

### INDUSTRY AND BUSINESS OVERVIEW

COVID-19 continued to dominate headlines in 2021 as the world entered into the second year of the pandemic. The global economy remained mired in a myriad of stumbling blocks, which among others, included logistical and supply chain disruptions as multiple lockdowns in Malaysia and overseas dampened the flow of raw materials and finished goods. In turn, this resulted in shortage of numerous raw materials and commodities, causing a surge in prices across various goods with inflation returning with a vengeance.

Locally, in response to the acute surge in COVID-19 cases in mid-2021, the Government had implemented the Full Movement Control Order ("FMC"), which took effect from 1 June 2021. This brought operations of many industries, including construction, to a halt and derailed the economic recovery of Malaysia. At the same time, the Government spared no effort in ramping up the vaccination exercise on a national scale. In addition, having understood the businesses and rakyat's concerns on livelihood, it had also launched the National Recovery Plan ("NRP") on 15 June 2021 to chart the roadmap to recovery for the country.

After many months with varying progress by different states, the country as a whole has finally moved into Phase 4 of the NRP in early January 2022, backed by high national vaccination rate. On a brighter note, despite the numerous hurdles faced, the Malaysian gross domestic product ("GDP") expanded 3.6% in the fourth quarter of 2021, with full year GDP growth of 3.1% according to Bank Negara Malaysia ("BNM"). By comparison, our GDP contracted 5.6% in 2020.

It was an onerous year for us at TCS as the economic recovery that was anticipated earlier did not materialize. On the contrary, as with all the other construction peers, TCS had to navigate through operational disruptions once again owing to various versions of MCOs imposed. We halted certain construction sites that were deemed non-essential temporarily during FMC.

Furthermore, the prevailing foreign labour shortage in Malaysia due to the freeze in foreign recruitment and international border closure also weighed on our industry. Fortunately, the experience gained from previous lockdowns had enabled us to adapt swiftly to the situation and made necessary adjustments to our project execution timeline.

# Chairman's Statement

## (Cont'd)

### INDUSTRY AND BUSINESS OVERVIEW (CONT'D)

Subsequently, we resumed construction works expeditiously following receipt of regulatory approval to operate at optimal capacity. It is noteworthy to highlight that throughout the pandemic period, the Group has been and continues to be fully compliant with the Standard Operating Procedures ("SOPs") imposed by the authorities. All in all, with all the measures in place, alongside prudent management and strict cost discipline, our business fundamentals had remained largely intact.

It is also heartening to share that notwithstanding the challenges from multiple fronts, we successfully clinched 5 projects with an aggregate value of RM967.08 million in 2021. A notable contract secured was our single-largest project win in the history of TCS valued at RM555.00 million from Jayyid Land Sdn. Bhd. for the main building works for a mixed-use development in Setapak, Kuala Lumpur known as J. Satine. The project is a joint-venture between Platinum Victory Group and Jakel Group's property development arm. These achievements in the midst of trying times exemplified our robust track record and technical capabilities in the industry. As at 31 December 2021, our outstanding orderbook stood at RM1.59 billion which will keep our hands full for the next 3 years.

### FINANCIAL HIGHLIGHTS

For FY2021, TCS recorded a revenue of RM204.05 million while the Group's profit before tax ("PBT") stood at RM3.22 million, which included one-off impairment losses on financial assets amounting to RM4.14 million in relation to the KTCC Mall project. Excluding the impairment losses, PBT would have been RM7.36 million. Post tax effects, TCS registered a profit after tax and non-controlling interest ("PATNCI" or "net profit") of RM2.47 million.

### LOOKING AHEAD

Following the tepid economic growth in 2021, the Malaysian economy is expected rebound in 2022 with BNM estimating GDP to grow between 5.3% and 6.3% supported by economic recovery in line with expansion in both global and domestic demand.

According to the Ministry of Finance, the GDP of construction sector is forecasted to grow 11.5% in 2022, supported by the continuation and acceleration of major infrastructure projects such as the Light Rail Transit Line 3 ("LRT3"), Mass Rail Transit Line ("MRT3"), and Johor-Singapore Rapid Transit System ("RTS"), among others. In addition, many property developers are planning for new launches in 2022 after having deferred them for the past two years, and this bodes well for the construction industry, including TCS. We aim to ride on the recovery momentum and secure projects that would contribute positively to the Group.

Overall, the long-term growth trajectory of the construction industry remains positive underpinned by the robust pipeline of infrastructure projects by the Government to recoup and accelerate the Malaysian economy, coupled with healthy investment from the private sector. Against this backdrop and barring any unforeseen circumstances, TCS is cautiously optimistic about its growth prospects, buoyed by an extensive orderbook in hand as well as improving tender activities on the back of recovery in the construction sector.

### APPRECIATION

On behalf of the Board, I would like to extend my heartfelt appreciation to our management and staff for their hard work and commitment to TCS in the midst of these challenging times.

My sincere gratitude also goes to all our stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers, suppliers for their continued support and confidence in us.

In addition, I am pleased to welcome Mr. Wong Choo Leong who joined as Executive Director since December 2021. He brings with him valuable expertise and experience in the construction industry, which we are confident will contribute positively to the Group.

Finally, I would like to thank my fellow Board members for their dedication, invaluable counsel and advice. I believe that the stewardship of our Board will steer the Group towards greater heights.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

2021 was indeed another challenging year for us at TCS Group Holdings Berhad (“TCS” or the “Group”) as we entered the second year of the Coronavirus disease 2019 (“COVID-19”) pandemic. The difficult operating conditions in FY2020 continued into the financial year under review, which unavoidably impacted our operations and performance. Nevertheless, we are proud that we were able to overcome these challenges through perseverance and grit. Emerging stronger with greater resilience, this is clear demonstration of our collective strength as a group.



Despite the ongoing pandemic, our order book replenishment in FY2021 was very healthy. The Group managed to reach a new milestone by securing the single-largest contract in our history – a project worth RM555.00 million for a mixed-use development in Setapak, Kuala Lumpur known as the J.Satine. This project is a joint venture between Platinum Victory Group and Jakel Group’s property development arm.

Cumulatively, we have secured 5 contracts in FY2021 with a total contract value of RM967.08 million, bringing the Group’s outstanding order book to approximately RM1.59 billion as of 31 December 2021. With this, TCS has clear earnings visibility for the next few financial years. Against this backdrop, plus the fact that our country is gradually transitioning into endemicity with the COVID-19 virus, we are cautiously optimistic that prospects will be much better for our country and TCS going forward.

## Outstanding Order Book

*as at 31 December 2021*



**RM 1.59**  
**BILLION**

## BUSINESS & OPERATIONAL REVIEW

The Group has been providing construction services for buildings, infrastructure, civil and structural works in Malaysia since 1999. Under our building construction segment, TCS 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. Besides, the Group has 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.

Our 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, the operating environment has been taxing as the world continued to grapple with the effects of the COVID-19 pandemic. The health crisis turned into an economic crisis that has been and continued to be detrimental to many businesses worldwide. Likewise, TCS has not been spared by the impact and experienced disruptions arising from the various forms of movement control orders (“MCO”). This has also caused major disruptions in the entire construction industry value chain. Raw material prices ballooned as a result of manufacturing and logistics interruptions, with labour shortage further exacerbated the situation following the foreign worker hiring freeze.

In response to these upheavals, we dug deep and leveraged on our experience, solid balance sheet and prudent management to manoeuvre through these challenges. For the shortage of raw material situation, which is faced by many industries, including construction, the Group managed it both from the internal as well as external perspectives.

Internally, we implemented strict cost discipline and proactively engaged with our large pool of suppliers’ base to optimise our procurement process to manage our input costs. In addition, we also continuously enhanced our operational efficiency by streamlining our operations to minimise wastage. On the other hand, externally, we were in discussions with our clients to deliberate on the quotation for current and future projects so as to achieve mutual benefits for both parties. Our clients have been very understanding of our situations and the progress made was encouraging.

# Management Discussion and Analysis

## (Cont'd)

### BUSINESS & OPERATIONAL REVIEW (CONT'D)

As the supply chain makes gradual progress towards normalisation, we are seeing signs that prices of certain materials are either stabilizing or decreasing. This is certainly a welcome development that eases the cost pressure.

On the other hand, we managed to achieve good momentum for all our projects in the first half of 2021 before the imposition of the third Movement Control Order ("MCO 3.0") and Full Movement Control Order ("FMCO") in May and June 2021, respectively. We have resumed operations with full workforce since the 4th quarter of 2021 in-line with the reopening of the economy. We continue to comply with the stringent Standard Operating Procedures ("SOPs") imposed by the authorities.

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



**Delivering  
Exceptional  
Quality**



**Priority on  
Health &  
Safety at Work**



**Timely  
Completion**

We do not take anything for granted and are always looking for ways to improve our operational efficiency and workmanship to deliver above and beyond our clients' expectations.

Reputation is vital and of utmost importance to us, and our track record speaks for itself with our accomplishment of high scores in Quality Assessment System in Construction ("QLASSIC") and Safety and Health Assessment System in Construction ("SHASSIC") awarded by Construction Industry Development Board ("CIDB"). The Group achieved a high QLASSIC score of 84% and SHASSIC score of 97% in two of our projects respectively, which are the highest scores ever achieved by our Group and our customers for QLASSIC and SHASSIC respectively.

Besides, the high number of repeat customers and the number of projects we secured in FY2021 is also a testament to our technical and execution capabilities as well as exceptional quality delivery. We are pleased to share that we secured 5 construction contracts with a total value of RM967.08 million in the financial year under review.

This included the single-largest contract TCS has ever secured worth RM555.00 million for a mixed-use development comprising 3,600 units of Residensi Wilayah apartments, 661 units small office/home office ("SOHO"), and 42 commercial units in Setapak, Kuala Lumpur known as the J.Satine.

The J.Satine project is a joint venture between Platinum Victory Group and Jakel Group's property development arm. Platinum Victory Group, a returning customer of our Group, has an established track record in undertaking property development in the Klang Valley region. We are very grateful to Platinum Victory and Jakel Group for trusting us to undertake this large-scale construction project for them.





# Management Discussion and Analysis

## (Cont'd)



**Secured 5 contracts  
with total value  
RM967.08 MILLION  
in FY2021**

### 1 Arcadia Project RM126.00 million

- Secured in December 2021
- Design, construction and completion of foundation and main building works for a condominium project in Kuala Langat, Selangor

### 2 J. Satine Project RM555.00 million

- Secured in June 2021
- Single largest contract in the Group's history
- Main building works for mixed-use development comprising 3,600 units of Residensi Wilayah apartments, 661 units SOHO, and 42 commercial units in Setapak, KL

### 3 West Coast Expressway RM177.19 million

- Secured in April 2021
- Maiden infrastructure project
- Infrastructure works for the final section of WCE, totaling part of the 10 km out of the 233 km expressway

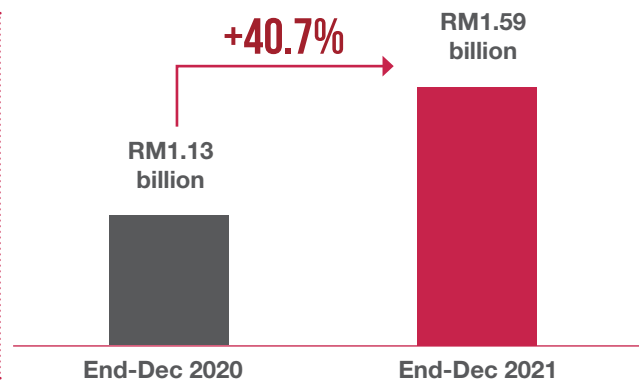
### 4 Tropicana Miyu RM92.72 million

- Secured in February 2021
- 1 block of 41-storey condominium in Petaling Jaya

### 5 Top Glove Project RM16.17 million

- Secured in February 2021
- 2 block of workers' hostel and 1 block of office building

With the 5 new projects, we achieved a healthy order book replenishment. As at 31 December 2021, the Group has 10 ongoing projects with an outstanding order book of RM1.59 billion.



## CORPORATE DEVELOPMENTS

On the corporate front, the Group had in July 2021, proposed to undertake a private placement of up to 20% of the total number of issued shares of TCS. Under the minimum scenario, up to 72 million new TCS shares ("Placement Shares") will be issued while up to 108 million Placement Shares may be issued under the maximum scenario. The proceeds raised will be utilized for the working capital of our construction projects. The issue price of the Placement Shares will be determined and fixed by the Board, and may be issued based on a discount of not more than 10% to the 5-day volume-weighted average price ("VWAP") of TCS shares.



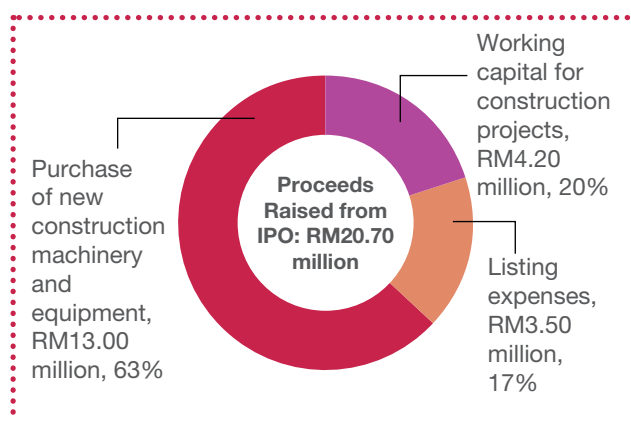
# Management Discussion and Analysis

## (Cont'd)

### CORPORATE DEVELOPMENTS (CONT'D)

After due consideration of the various methods of fund raising, the Board opined that the proposed private placement is the most appropriate avenue of fund raising as it enables the Group to raise additional funds without incurring interest costs as compared to conventional bank borrowings, which may affect our bottom-line. So far, two tranches of the proposed private placement amounting to 30 million Placement Shares were issued at RM0.41 per share, raising a total of RM12.30 million. Of which, RM3.33 million has been utilized for the working capital for our projects thus far and RM0.12 million has been used to defray the expenses of the exercise. Meanwhile, the private placement exercise remains ongoing and in January 2022, Bursa Malaysia Securities Berhad ("Bursa Malaysia") has granted TCS an extension of time to 15 July 2022 to complete the exercise.

On the other hand, the RM20.70 million proceeds that we successfully raised from the initial public offering ("IPO") exercise in 2020, were fully utilized in FY2021. The bulk of it was utilized for the purchase of new construction machinery and equipment to enhance our capabilities and capacity. This continues to play a key role in executing and delivering our existing projects and allowing us to further grow our building construction activities.



### FINANCIAL REVIEW

#### Revenue

For the financial year under review, TCS posted a revenue of RM204.05 million as compared to RM242.64 million a year ago. This was primarily attributed to the completion of previous projects and lower-than-expected contributions from new projects due to impact from the COVID-19 pandemic as well as imposition of MCO 3.0 and FMCO, which affected the pace of construction progress.

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

For FY2021, the Group recorded a net profit of RM2.47 million versus RM16.17 million in the previous financial year. The softer performance was due to several factors that included lower revenue achieved, and higher building materials costs as a result of the supply chain disruptions stemming from the continuous impact of the pandemic. Additionally, the net profit for the financial year under review was further impacted by a one-off impairment loss on financial assets amounting to RM4.14 million in relation to the KTCC Mall project. This exercise was carried out as part of prudent provisioning in accordance with the accounting standards.

#### Capital Structure & Capital Resources

As at 31 December 2021, the Group's total assets stood at RM181.71 million, a slight increase of RM1.62 million over RM180.09 million a year ago. TCS' total cash and cash equivalent amounted to RM31.92 million at the close of the financial year.

The Group's total liabilities, meanwhile, were at RM95.49 million as compared to RM105.31 million a year ago. This represented a reduction of RM9.82 million, which was mainly due lower contract liabilities and tax payable.

## Management Discussion and Analysis

### (Cont'd)

#### Net Gearing & Cash per Share

At the end of FY2021, TCS continued to be in a net cash position with net cash per share of 1.60 sen.

#### BALANCE SHEET HIGHLIGHTS AS AT 31 DECEMBER 2021



Total Assets  
**RM181.71**  
**MILLION**



Total Equity  
**RM86.22**  
**MILLION**



Net Assets  
**RM0.22**  
per Share



Net Cash  
**1.60 SEN**  
per Share

RM million	FY2021	FY2020
Total Assets	181.71	180.09
Cash & Cash Equivalent	31.92	48.11
Total Equity	86.22	74.79
Total Liabilities	95.49	105.31
Current Ratio (x)	1.80	1.54
Net Assets per Share (RM)	0.22	0.21
Net Gearing	Net Cash	Net Cash
Net Gearing (times)	Net Cash	Net Cash

#### ANTICIPATED AND KNOWN RISK

While we are confident of our business fundamentals and our extensive track record as a construction services provider, we are mindful of the industry risks, which may potentially pose a threat to the Group. The anticipated and known risks that may hinder the value creation process for our stakeholders are outlined below. We have also put in place mitigation measures to tackle the specified risks.

#### Maintaining Competitiveness to Securing New Construction Projects

With more than 100,000 contractors registered with the CIBD, there are approximately more than 8,500 contractors that were registered with Grade G7. With the high number of players in the industry, TCS is operating in a fragmented construction industry.

# Management Discussion and Analysis

## (Cont'd)

### ANTICIPATED AND KNOWN RISK (CONT'D)

#### Maintaining Competitiveness to Securing New Construction Projects (Cont'd)

Intensive competition in the construction industry may dampen our ability to clinch new contracts to maintain or increase our orderbook in hand. As our future financial performance is dependent on our existing orderbook, the inability to replenish our orderbook consistently, should it happen, would negatively impact our earnings moving forward.

We will rely on our robust track record, extensive experience, and technical competency to maintain our competitive edge in the industry with the aim to be the preferred construction services provider for our clients and ensure that our financial performance is not affected in the long run.

The Group is also committed to providing excellence in three focus areas across all projects – delivering exceptional quality, timely completion, and priority on health & safety at work.

#### Volatility in Raw Material Costs

As a player in the construction industry, we are presented with the challenge of managing any drastic changes in the costs of commodities or building materials such as steel, cement and sand, which could impact the Group's procurement planning and ultimately, our overall profitability.

To mitigate against the supply chain risk, various mechanisms and contingency plans have been put in place to alleviate the effect of cost fluctuations. Moreover, our years of experience in the industry enables us to tap into our long-term relationships with a large pool of suppliers to secure the best deal possible while ensuring availability of raw materials as and when we need it at industry competitive prices.

#### Operational Disruptions

As a construction business is run on a project basis, we are dependent on our operations at all project sites to run smoothly in order to ensure timely delivery of our projects. Any unplanned shutdowns or operational disruptions would have an adverse impact on our performance.

Furthermore, our operations are exposed to external risks that are beyond our control such as pandemics, natural disasters, riots and general strikes, which may negatively affect our operations and financial performance. For instance, some of our construction sites that were deemed non-essential faced temporary stoppage during the FMCO. This negatively impacted the progress recognition in our projects as well as our financial performance.

Being involved in a labour-intensive industry also subjects us to labour shortage risk. Therefore, we work very closely with a wide number of trusted subcontractors with whom we have had long-standing business relationships so we can leverage on their resources to mitigate the risk.

With regards to the risk brought upon by COVID-19, we have put in place strict SOPs in accordance with those stipulated by the authorities to keep everyone safe and minimise transmission risk. We also ensure our employees have been fully inoculated. In turn, this reduces the risk of virus infection and allows our operations to run smoothly without interruptions.

#### Political, Economic and Regulatory Risks

As the construction industry is relatively cyclical, changes in political leadership, economic downturn and virus outbreaks, among others, may affect the Group's financial and business prospects.

In mitigation, we implement prudent management and proper risk management before embarking on any major investments during any economic cycle. We also proactively maintain our communications with the relevant authorities to keep abreast of the government policies, rules and regulation to ensure compliance.



# Management Discussion and Analysis

## (Cont'd)

### OUTLOOK AND PROSPECTS

Moving ahead, we expect the arduous business operating landscape to persist in 2022 stemming from the lingering effects of the pandemic. On a brighter note, the economic recovery is expected to gain further traction as our country moves toward endemicity with regards to the COVID-19 situation.

In the same breath, we continue to see signs of more jobs being awarded in tandem with the economic recovery. At present, the Group's tender book remains healthy with our team kept busy working on more tenders. We are targeting projects such as residential and commercial buildings, infrastructure projects, purpose-built buildings such as private hospitals and schools as well as institutional buildings such as government hospitals.

Meanwhile, our key focal point remains on the execution and delivery of all our existing projects. TCS' outstanding orderbook, as at 31 December 2021, amounts to approximately RM1.59 billion, which provides healthy earnings visibility for the next 3 years up to 2024. We continue to place utmost emphasis on ensuring quality delivery, timely completion, safe and healthy work environment, and optimal cost efficiency.

On the other hand, we are cognizant of the ongoing challenges such as supply chain disruptions, rising raw material prices and labour shortage. The Group has been proactively addressing these issues and the situation remains manageable at this juncture. All in all, we continue to be cautiously optimistic on the outlook of the Group underpinned by the aforementioned factors while being mindful of the challenges ahead.

### ACKNOWLEDGEMENT

In closing, I would like to express my sincere gratitude to our team at TCS for their hard work, adaptability and dedication. I am proud of all achievements and efforts the team has managed to accomplish, especially on the backdrop of an increasingly challenging environment. The demanding conditions have pushed the Group's resilience and unity to a new level. I am confident that with our collective effort, TCS will continue to grow from strength to strength.

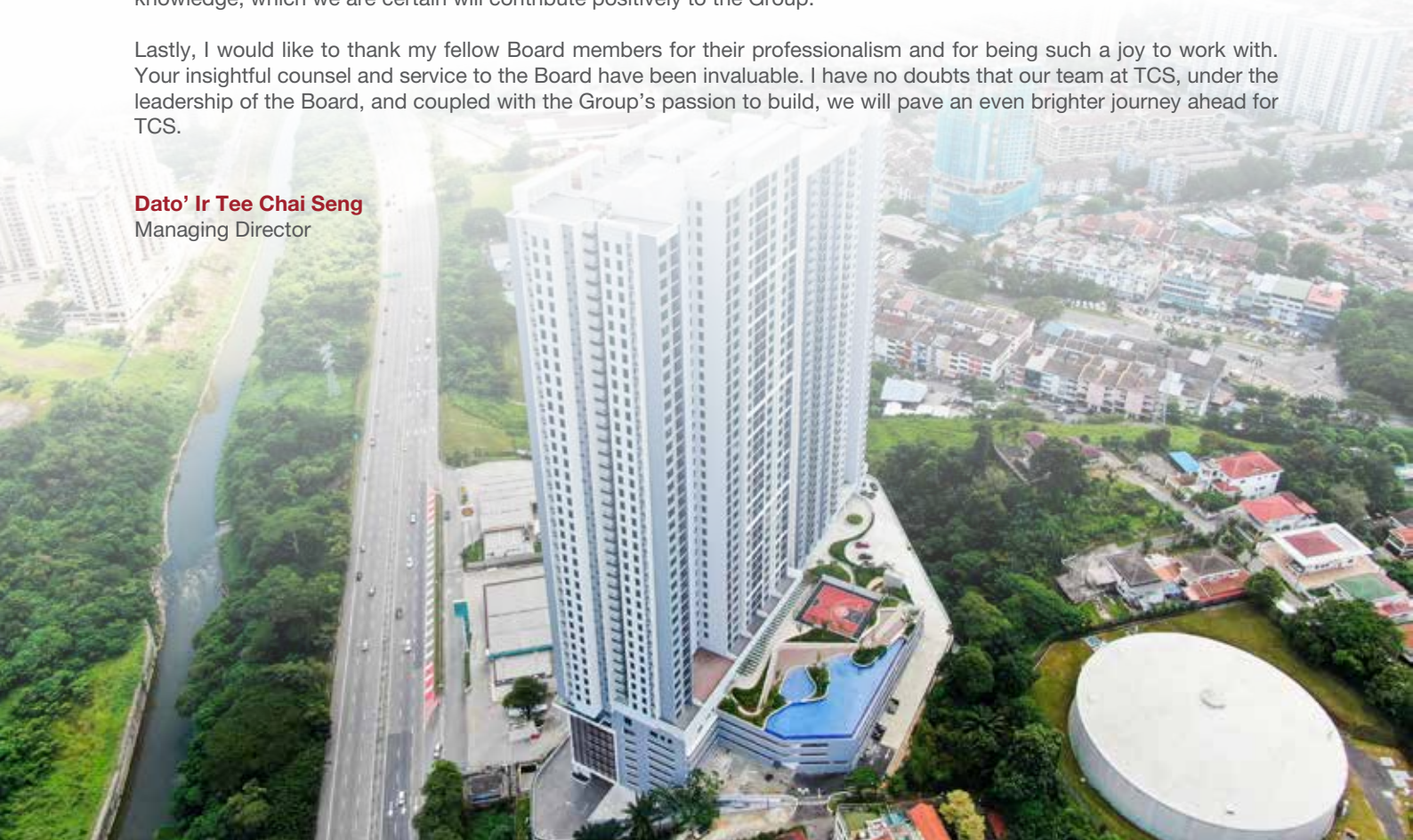
Furthermore, my heartfelt appreciation goes out to all our distinguished customers, shareholders, business partners, associates, suppliers and the respective regulatory authorities for the trust that have put in us and we look forward to their continued support in the future.

I am delighted to welcome Mr. Wong Choo Leong to the Board as our Executive Director. He brings with him valuable knowledge, which we are certain will contribute positively to the Group.

Lastly, I would like to thank my fellow Board members for their professionalism and for being such a joy to work with. Your insightful counsel and service to the Board have been invaluable. I have no doubts that our team at TCS, under the leadership of the Board, and coupled with the Group's passion to build, we will pave an even brighter journey ahead for TCS.

**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 2021 (“FY2021”).

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 reviews 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 relationships with. In this respect, we adhere to procurement procedures in assessing and evaluating TCS’ subcontractors and suppliers, based on their track record and quality and pricing of their products and services. The procedures used to ensure fair and transparent procurement practices include:

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

# Sustainability Statement

## (Cont'd)

### 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 and external works.

We are committed to 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 our good performance and effectiveness in maintaining the recognised quality management system.

### 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 of resource conservation in our day-to-day business activities and have fostered environmental awareness among our employees by proactively encouraging them through communication and displaying signages within the Group's premises, to supporting 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 wastepaper, 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 to sending to authorized landfills.



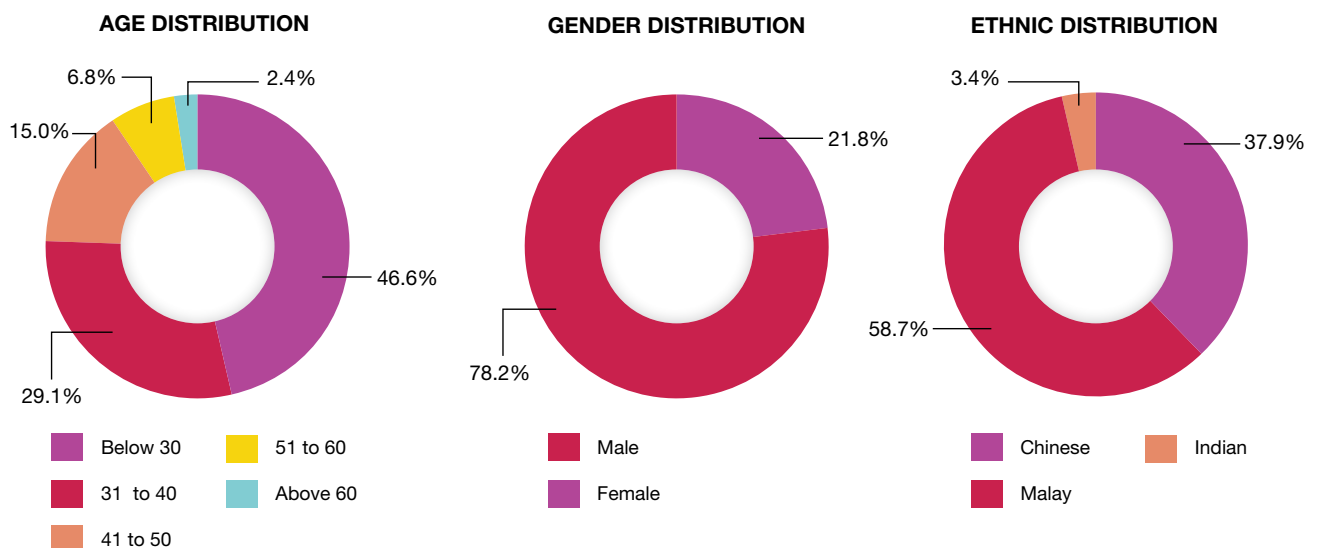
We believe the Group's environmental care culture and initiatives will foster a positive impact on the surrounding environment in the long-run.

### 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 performances or achievements 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 training

We conduct Self-climbing process should strictly comply with the operation procedures. Before self-climbing, it is necessary to clear all scattered objects and only the workers are allowed on the work-platform. During self-climbing, it is necessary to pay special attention to monitor the sliding guide, climbing speed and dynamical system. After reaching a new pendant point, hydraulic climb formwork could come into use only by safety acceptance.



#### 3. Safety Training (Harness)

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 of our site officers conduct monthly inspections to ensure the Group's sites are in compliance with relevant safety regulations and policies.

We conduct safety harness training to fulfill the safety programme base on our annual training plan. The purpose is to provide appropriate training for building guidance on the need for proper protection, selection, care, use and inspection of equipment with the appropriate OSHA standards pertaining to their use



# 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 undertaken by the employees in FY2021:

#### 1. QCLASSIC Training

TCS engaged with QCLASSIC certified trainer, Mr. Thiagu Arasan from EBC Effective Building & Consultancy to train the staff on 7th August 2021 on how to manage quality in construction and set up the most effective and efficient quality, assurance, and control for the work process. The attractive training was conducted via the zoom application and participated by almost 22 site staff.



Apart from the QCLASSIC training, we had also conducted other training courses during FY2021, as follows:

No	Course Title	Duration / Period
1	Budget 2021: Implication for HR & Payroll (Sage Training Consultancy)	8 January 2021 (1 Day)
2	Training on UBS Payroll System (96 Software Sdn Bhd)	15 January 2021 (1/2 Day)
3	Introduce of NIUACE software (Contract dept)	24 February 2021 (1 Day)
4	Precast Concrete vs Cast in Place (Acadamy of Concrete Technology)	24 Jun 2021 (1 Days)
5	Tile Training (Niro Granite)	26 Jun 2021 (1 Day)
6	OSH Management System Online Course-Recommend team all site staff filling system & document control for recording & reference purpose. (Doshtech Group Sdn Bhd)	7-8 August 2021 (2 Days)
7	EBC Qlassic Webinar (EBC Effective Building & Consultancy)	7 August 2021 (1 Days)
8	Understanding on Employment ACT 1955 procedure	1 September 2021 (1 Days)

# Sustainability Statement

## (Cont'd)

### CSR PROGRAMMES

As a 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. Vaccination Programme with CIDB Malaysia

As one of the Group's initiatives to fight against COVID-19, we took the opportunity to participate in a vaccination program organized by CIDB Malaysia to prevent the spread of COVID-19 on 17th and 18th July 2021. This program was an effort to accelerate the vaccination uptake among the construction workforce to achieve herd immunity and reduce the number of COVID-19 workplace clusters. This would protect the well-being of employees and consequently help expedite Malaysia's economic recovery.



#### 2. Donation for Persatuan Ragbi Malaysia

Sport is a leisure activity that teaches us about the social changes that are taking place and the nature of the sport. On 19th April 2021 TCS Group made history by contributing to the field of sport to Persatuan Ragbi Malaysia.



#### 3. Donation of basic necessities for Deepavali Festival

In conjunction with the recent Deepavali festival, TCS Group contributed essentials packs to some of Sentul Park Apartment residents through JMB for Sentul Park Apartment Blok 6. The contribution was made to ease the burden of those celebrating in these tough times. TCS Group strongly believes that supporting the local community is the key to a sustainable economy and sustainable development.





# 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.

During the year, we enhanced our governance processes to reflect the new MCCG guidance. Environmental, social and governance (“ESG”) considerations with our goal is for the Group to be a socially and environmentally responsible organisation, with strong governance at the core of how we operate. This section together with the CG report 2021 provides a description of how the Group has applied the main principles of MCCG and complied with the relevant provisions.

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](http://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](http://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](http://www.tcsgroup.com.my).

#### 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.

#### Chairman

The Board took cognisance that having the same person assume the position of chairman of the Board and member of other board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the board committees. However, the Chairman is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committees respectively based on different perspectives as a Board Chairman and member of Board Committees. In addition, the presence of the two (2) Independent Directors from a total of the three (3) committees members are sufficient to provide the necessary checks and balances on the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board committees.



# Corporate Governance Overview Statement

## (Cont'd)

### 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.

### Board Delegation

#### a) Audit Committee ("AC")

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

#### b) Nomination Committee ("NC")

The NC is responsible to review and recommend nomination 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 based on criteria specified in the Company's Fit and Proper Policy;
- 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.

### Sustainability

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

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

# Corporate Governance Overview Statement

## (Cont'd)

### Sustainability (cont'd)

As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthened the Environmental, Social and Governance integration into the group wide operations in the financial year 2021, with a particular focus on environmental and social dimensions. Please refer to the Sustainability Report in the Annual Report for further details.

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

The Board through the NC assesses the training programmes attended by each Director during the financial year 2021 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.

### Board Composition and their attendances

The Company is led by an experienced Board comprising six (6) members comprising an Independent Non-Executive Chairman, a Managing Director, two (2) Independent Non-Executive Directors and two (2) Executive Directors.

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 13.

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 2021, five (5) 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.

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	5/5
(b) Dato' Ir Tee Chai Seng	5/5
(c) Datin Koh Ah Nee	5/5
(d) Dato' Seri Ir Mohamad Othman bin Zainal Azim	5/5
(e) Mr Ooi Guan Hoe	5/5
(f) Mr Wong Choo Leong (appointed on 1 December 2021)	N/A

Mr Wong Choo Leong was appointed to the Board on 1 December 2021, there was no Board meeting held after his appointment.

### 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](http://www.tcsgroup.com.my).

# Corporate Governance Overview Statement

## (Cont'd)

### Whistleblowing Policy

The Group has in place a Whistle Blowing Policy designed to create a positive environment in which employees or external parties can raise genuine concerns without fear of recrimination and enable prompt correction action to be taken where appropriate. The Whistle Blowing Policy can be assessed at the Company's website at [www.tcsgroup.com.my](http://www.tcsgroup.com.my)

### Anti-Bribery and Anti-Corruption Policy

The Company had adopted the Anti-Bribery and Anti-Corruption Policy that set out the policies and adequate procedures against bribery and corruption activities in the conduct of its business under the gazetted Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The said Policy can be assessed at the Company's website at [www.tcsgroup.com.my](http://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 9 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 criteria specified in the Company's Fit and Proper Policy as well as certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected.

### Nomination Committee

The composition of the NC is comprised of the following members:-

- 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.

### 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.

# Corporate Governance Overview Statement

## (Cont'd)

### Annual assessment of the Directors, Board as a whole and Board Committees

The NC is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference. The NC assesses on annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision making. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

During the financial year under review, the Board has, through the NC, conducted the following annual assessments :-

- a) Directors' self-assessment;
- b) Evaluation on the effectiveness of the Board as a whole and Board Committees; and
- c) Assessment of Independent Directors.

The annual assessment of individual Directors, Board as a whole and Board Committees which commences with the completion of a set of self-assessment form detailing all assessment criteria to be completed by all Directors for evaluation by the NC. Criteria for the self-assessment includes self-ratings on the Director's knowledge, support of the goals of the Company, time commitment, and active participation on the Board.

Based on the assessments conducted for the financial year under review, the NC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

### 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	<ul style="list-style-type: none"> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation on 21 September 2021</li> </ul>
Dato' Ir Tee Chai Seng	<ul style="list-style-type: none"> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation on 21 September 2021</li> </ul>
Datin Koh Ah Nee	<ul style="list-style-type: none"> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation on 21 September 2021</li> </ul>
Dato' Seri Ir Mohamad Othman bin Zainal Azim	<ul style="list-style-type: none"> <li>SC updates The Malaysian Code On Corporate Governance to promote Board Leadership and Oversight of Sustainability on 19 August 2021</li> <li>Board Room Workshop for Directors inspiring Your Board Performance on 6 September 2021</li> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation on 21 September 2021</li> <li>SC Audit Oversight Board conversation with Audit Committee</li> </ul>
Ooi Guan Hoe	<ul style="list-style-type: none"> <li>Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation on 21 September 2021</li> <li>HKSE on Duties and responsibilities of Directors of a company listed on the Main Board of the Stock Exchange of Hong Kong Limited</li> </ul>
Wong Choo Leong (appointed on 1 December 2021)	N/A

Mr. Wong Choo Leong was appointed to the Board on 1 December 2021 and attended MAP in 2022.

### 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	<sup>1</sup> Salaries	Fees	Allowances	Benefit-in-kind	Total
<b>Executive Directors</b>					
Dato' Ir Tee Chai Seng	629,585	-	300,000	39,450	969,035
Datin Koh Ah Nee	321,079	-	-	9,075	330,154
Wong Choo Leong	10,157	-	2,000	542	12,699
<b>Non-Executive Directors</b>					
Tan Sri Dato' Sri Izzuddin bin Dali	-	73,500	-	-	73,500
Dato Seri Ir Mohamad Othman bin Zainal Azim	-	60,500	-	-	60,500
Ooi Guan Hoe	-	60,500	-	-	60,500
	<b>960,821</b>	<b>194,500</b>	<b>302,000</b>	<b>49,067</b>	<b>1,506,388</b>

#### Notes:

<sup>1</sup> 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	5
RM100,001 to RM150,000	2
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1

Due to the confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.

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 year 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 2021, 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 pages 40 to 41 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 42 to 44 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 40 to 41 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](http://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 18 April 2022.

# 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

Mr. Ooi Guan Hoe, being a member of Malaysian Institute of Accountants, fulfils the requirement of Rule 15.09(1)(c) of the AMLR.

## 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](http://www.tcsgroup.com.my).

## Attendance of Meetings

The Audit Committee held five (5) meetings during the financial year ended 31 December 2021. The details of attendance of the Audit Committee members are as follows:

Name	Attendance
Ooi Guan Hoe (Chairman)	5/5
Tan Sri Dato' Sri Izzuddin bin Dali	5/5
Dato' Seri Ir Mohamad Othman bin Zainal Azim	5/5

## Summary Activities of the Audit Committee

The activities undertaken by the Audit Committee during the financial year ended 31 December 2021 included the following:

- Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;
- Reviewed the external auditor's scope of work and audit plan for the year;
- 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;
- 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;
- Evaluated the performance of the external auditors for the financial year ended 31 December 2021 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;
- Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- 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;
- 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 2021 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 RM30,000 during the financial year ended 31 December 2021.

The Audit Committee Report is made in accordance with a resolution of the Board dated 18 April 2022.

# 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 2021. This Statement has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance 2017 and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITY

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

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

## RISK MANAGEMENT FRAMEWORK

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

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

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

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

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

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

# Statement on Risk Management and Internal Control

## (Cont'd)

### INTERNAL AUDIT FUNCTION

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

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

For the financial year ended 31 December 2021, two (2) internal audit reviews had been carried out by the Internal Auditor:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
1 <sup>st</sup> Quarter (January 2021– March 2021)	May 2021	TCS Construction Sdn Bhd	Safety and Health
3 <sup>rd</sup> Quarter (July 2021 – September 2021)	November 2021	TCS Construction Sdn Bhd	Project Management

The total cost incurred for the internal audit function for the financial year ended 31 December 2021 was RM30,000.

### 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 2021. 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 2021.

The Managing Director and Executive Director 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 18 April 2022.



# ADDITIONAL COMPLIANCE INFORMATION

## 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 2021 are as follows:

	Group RM	Company RM
<b>Audit</b>		
- Financial audit	128,000	20,000
<b>Non-audit</b>		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
<b>Total</b>	<b>133,000</b>	<b>25,000</b>

## 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 year.

## 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 RM20.70 million from the issuance of 108 million new ordinary shares in the Company at an issue price of RM0.23 per share. The gross proceeds arising from public issue of RM20.70 million. The status utilisation of these proceeds as at 31 December 2021 is set out below:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual utilisation RM'000	Estimate Timeframe for Utilisation <sup>(1)</sup>
Purchase of new construction machinery and equipment	13,000	13,000	Within 36 months
Working capital	4,200	4,200	Within 24 months
Estimated listing expenses	3,500	3,500	Within 3 months
<b>Total</b>	<b>20,700</b>	<b>20,700</b>	

Note:

<sup>(1)</sup> 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)

### UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE (CONT'D)

TCS Group Holdings Berhad had on 9 July 2021 announced the private placement of up to 20% of the total number of issued shares of TCS in accordance with the general mandate pursuant to Section 75 and 76 of the Companies Act 2016.

On 9 July 2021, the Company proposed to undertake private placement of up to 20% of total number of issued shares of the Company to independent third-party investors ("Private Placement 2021"). As at 31 March 2022, the Company has completed two tranches of the Private Placement involving issuance of 30,000,000 new TCS Shares, at an issue price of RM0.41, raising a total proceeds of RM12.30 million. The Private Placement is still ongoing. On 28 January 2022, the Company announced that it was granted an extension of time of 6 months from 16 January 2022 to 15 July 2022 to complete the Private Placement. The summary of the utilisation of proceeds were as follows:-

Utilisation of proceeds	Proposed Utilisation	Actual Utilisation	Deviation RM'000	Balance Unutilised	Estimated timeframe for utilisation from receipt of placement funds
Working capital for construction projects	12,230	(3,337)	(52)	8,841	Within 24 months Upon receipts of placement funds
Estimated listing expenses	70	(122)	52	-	
<b>Total</b>	<b>12,300</b>	<b>(3,459)</b>	<b>-</b>	<b>8,841</b>	

### 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 Jan 2021 to 31 Dec 2021 (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	Jan 2021 to Apr 2021	2,000	8,000
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	Jan 2021 to Apr 2021	2,000	8,000
3	CDB Realty Sdn Bhd TCS Construction Sdn Bhd	Rental of property	New Office	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	Oct 2021 to Sep 2022	15,100	181,200
4	CDB Realty Sdn Bhd TCS Bina Sdn Bhd	Rental of property	New Office	Dato' Ir Tee Chai Seng Datin Koh Ah Nee	Oct 2021 to Sep 2022	4,400	52,800

# 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 of the Company for the financial year ended 31 December 2021.

## 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	2,472,690	3,288,247
Attributable to:		
Owners of the Company	2,487,469	3,288,247
Non-controlling interest	(14,779)	-
	2,472,690	3,288,247

## DIVIDENDS

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

	RM
<u>In respect of the financial year ended 31 December 2020</u>	
Second interim single tier dividend of RM0.01 per ordinary share, paid on 8 April 2021	3,600,000

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 or provisions during the financial year.

# Directors' Report

(cont'd)

## DIRECTORS

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

### Company:-

Dato' Ir Tee Chai Seng\* (Managing Director, Non-independent)  
 Datin Koh Ah Nee\* (Executive Director, Non-independent)  
 Tan Sri Dato' Sri Izzuddin Bin Dali (Independent Non-executive Chairman)  
 Dato' Seri Ir Mohamad Othman Bin Zainal Azim (Independent Non-executive Director)  
 Ooi Guan Hoe (Independent Non-executive Director)  
 Wong Choo Leong\* (Executive Director, Non-independent) (*Appointed on 1 December 2021*)

\* Director of the Company and its subsidiaries

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

Abd Manaf Bin Ahmad  
 Che Hasnadi Bin Che Hassan  
 Daniel Tee Kien Guan (*Resigned on 25 March 2022*)  
 Leong Ting Shen (*Appointed on 25 March 2022*)  
 Tee Chai Kok  
 Gan Yee Hin  
 Tan Sri Datuk Seri Gan Yu Chai

## DIRECTORS' INTERESTS

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

	At	Number of ordinary shares		At
	1.1.2021	Bought	Sold	31.12.2021
<b>Direct interest</b>				
Dato' Ir Tee Chai Seng	213,638,377	-	(6,800,000)	206,838,377
Datin Koh Ah Nee	37,524,419	-	(1,200,000)	36,324,419
Tan Sri Dato' Sri Izzuddin Bin Dali	500,000	-	(200,000)	300,000
Dato' Seri Ir Mohamad Othman Bin Zainal Azim	500,000	-	(300,000)	200,000
Ooi Guan Hoe	500,000	150,000	-	650,000
Wong Choo Leong	303,200	-	-	303,200
<b>Indirect interest</b>				
Dato' Ir Tee Chai Seng *	37,524,419	-	(1,200,000)	36,324,419
Datin Koh Ah Nee *	213,638,377	-	(6,800,000)	206,838,377

\* deemed interest by virtue of the shares held by spouse

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



## 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 subsidiary RM	Group RM
Directors' fee	-	194,500	194,500
Salaries, wages and other emoluments	-	1,158,600	1,158,600
Defined contribution plan	-	102,792	102,792
Social security contribution	-	1,429	1,429
	-	1,457,321	1,457,321

Included in Directors' other emoluments are benefits-in-kind (based on estimated monetary value) from the Group that amounted to RM49,067.

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

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (except as disclosed in Notes 22, 26 and 28 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 30,000,000 new ordinary shares at an issue price of RM0.41 per ordinary shares for a total cash consideration of RM12,300,000 for working capital purpose.

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 by the Company 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:-

- 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
- 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.

# Directors' Report

## (cont'd)

### OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (a) any charge on the assets of the Group 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 are amounted to RM763 and RM1,000,000 respectively.

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

The significant event during the financial year and subsequent to the reporting period is disclosed in Note 33 to the financial statements.



# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 58 to 110 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 2021, and of their financial performance and their 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  
18 April 2022

# STATUTORY DECLARATION

I, Dato' Ir. Tee Chai Seng, being the Director 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 58 to 110 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 )  
18 April 2022 )

.....  
**DATO' IR. TEE CHAI SENG**

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 2021 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 58 to 110.

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 2021, 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 (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

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

#### *Allowance for expected credit losses of trade receivables*

##### 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 RM15,287,662. The key associated risk was the recoverability of billed trade receivables as management judgement is required in determining the completeness of the allowance for expected credit losses of trade receivables and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

##### Our response

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



# Independent Auditors' Report

## To The Members of TCS GROUP HOLDINGS BERHAD

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

(cont'd)

### Key Audit Matters (cont'd)

#### *Revenue recognition for construction contracts*

##### **The risk**

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

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

Refer to Note 19 to the financial statements, total revenue from construction contracts was RM204,047,472 which represents 100% of the Group's revenue in this financial year.

##### **Our response**

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

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

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

### 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

To The Members of TCS GROUP HOLDINGS BERHAD

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

(cont'd)

## 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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.

# Independent Auditors' Report

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

## 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)

Kuala Lumpur  
18 April 2022

**LUI LEE PING**  
(NO: 03334/11/2023(J))  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

As At 31 December 2021

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	30,392,434	25,945,363	-	-
Investment properties	5	3,567,498	2,118,707	-	-
Investment in subsidiaries	6	-	-	27,152,924	26,665,424
Deferred tax assets	7	628,000	541,000	-	-
Fixed deposits with licensed banks	8	7,480,104	11,138,355	-	-
Cash and bank balances	9	798,110	937,447	-	-
<b>Total non-current assets</b>		<b>42,866,146</b>	<b>40,680,872</b>	<b>27,152,924</b>	<b>26,665,424</b>
<b>Current assets</b>					
Trade receivables	10	79,281,559	59,460,638	-	-
Contract assets	11	20,571,238	25,278,910	-	-
Other receivables	12	7,042,112	6,565,244	68,350	11,560
Amount due from subsidiaries	6	-	-	7,016,006	2,293,003
Tax recoverable		29,000	2,018	-	-
Fixed deposits with licensed banks	8	26,331,400	7,201,323	23,247,126	6,532,969
Cash and bank balances	9	5,589,449	40,903,291	515,778	10,497,632
<b>Total current assets</b>		<b>138,844,758</b>	<b>139,411,424</b>	<b>30,847,260</b>	<b>19,335,164</b>
<b>TOTAL ASSETS</b>		<b>181,710,904</b>	<b>180,092,296</b>	<b>58,000,184</b>	<b>46,000,588</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	13	58,475,563	46,175,563	58,475,563	46,175,563
Merger deficit	14	(24,065,424)	(24,065,424)	-	-
Retained earnings/(Accumulated losses)		51,166,423	52,278,954	(577,790)	(266,037)
		85,576,562	74,389,093	57,897,773	45,909,526
Non-controlling interests		645,153	397,432	-	-
<b>Total equity</b>		<b>86,221,715</b>	<b>74,786,525</b>	<b>57,897,773</b>	<b>45,909,526</b>

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

# Statements Of Financial Position

As At 31 December 2021

(cont'd)

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>EQUITY AND LIABILITIES (CONT'D)</b>					
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities	15	8,105,098	5,250,703	-	-
Borrowings	16	10,273,048	9,629,788	-	-
Total non-current liabilities		18,378,146	14,880,491	-	-
<b>Current liabilities</b>					
Trade payables	17	61,014,129	55,600,853	-	-
Contract liabilities	11	-	13,317,797	-	-
Other payables	18	7,566,255	10,057,238	56,411	69,062
Lease liabilities	15	6,678,245	5,411,602	-	-
Borrowings	16	626,412	1,372,185	-	-
Tax payable		1,226,002	4,665,605	46,000	22,000
Total current liabilities		77,111,043	90,425,280	102,411	91,062
Total liabilities		95,489,189	105,305,771	102,411	91,062
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>181,710,904</b>	<b>180,092,296</b>	<b>58,000,184</b>	<b>46,000,588</b>

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 2021

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Revenue	19	204,047,472	242,642,840	3,800,000	6,500,000
Cost of sales		(184,342,733)	(206,092,231)	-	-
Gross profit		19,704,739	36,550,609	3,800,000	6,500,000
Other income		506,147	172,835	-	-
Administrative expenses		(12,499,119)	(13,318,554)	(782,898)	(3,104,671)
(Impairment)/Reversal of impairment of financial assets		(4,135,310)	164,037	-	-
Profit from operations		3,576,457	23,568,927	3,017,102	3,395,329
Finance income	20	547,233	541,447	347,429	93,673
Finance costs	21	(908,420)	(962,662)	-	-
Profit before tax	22	3,215,270	23,147,712	3,364,531	3,489,002
Tax expense	23	(742,580)	(6,978,515)	(76,284)	(22,000)
Profit for the financial year/Total comprehensive income for the financial year		2,472,690	16,169,197	3,288,247	3,467,002
Profit for the financial year attributable to:-					
Owners of the Company		2,487,469	16,171,765	3,288,247	3,467,002
Non-controlling interest		(14,779)	(2,568)	-	-
		2,472,690	16,169,197	3,288,247	3,467,002
Earnings per share attributable to owners of the Company (sen):-	24				
Basic		0.67	5.22		
Diluted		-	-		

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

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2021

	Note	Non-Distributable Share capital RM	Merger deficit RM	Distributable Retained earnings RM	Total RM	Non- controlling interest RM	Total equity RM
<b>Group</b>							
At 1 January 2020		26,244,002	(24,065,424)	39,707,189	41,885,767	-	41,885,767
<b>Transactions with owners:-</b>							
Issuance of shares		20,700,000	-	-	20,700,000	-	20,700,000
Newly incorporated subsidiary		-	-	-	-	400,000	400,000
Dividend paid	25	-	-	(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
<b>Transactions with owners:-</b>							
Issuance of shares		12,300,000	-	-	12,300,000	-	12,300,000
Newly incorporated subsidiary		-	-	-	-	262,500	262,500
Dividend paid	25	-	-	(3,600,000)	(3,600,000)	-	(3,600,000)
Total transaction with owners		12,300,000	-	(3,600,000)	8,700,000	262,500	8,962,500
Total comprehensive income for the financial year		-	-	2,487,469	2,487,469	(14,779)	2,472,690
At 31 December 2021		58,475,563	(24,065,424)	51,166,423	85,576,562	645,153	86,221,715

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

# Statements Of Changes In Equity

## For The Financial Year Ended 31 December 2021

(cont'd)

	Note	Share capital RM	Accumulated losses RM	Total equity RM
<b>Company</b>				
At 1 January 2020		26,244,002	(133,039)	26,110,963
<b>Transactions with owners:-</b>				
Issuance of shares		20,700,000	-	20,700,000
Dividend paid	25	-	(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
<b>Transactions with owners:-</b>				
Issuance of shares		12,300,000	-	12,300,000
Dividend paid	25	-	(3,600,000)	(3,600,000)
Total transactions with owners		12,300,000	(3,600,000)	8,700,000
Total comprehensive income for the financial year		-	3,288,247	3,288,247
At 31 December 2021		58,475,563	(577,790)	57,897,773

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

# STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2021

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>OPERATING ACTIVITIES</b>					
Profit before tax		3,215,270	23,147,712	3,364,531	3,489,002
Adjustments for:-					
Amortisation		75,968	44,432	-	-
Depreciation		6,094,778	6,080,403	-	-
Dividend income		-	-	(3,800,000)	(6,500,000)
Gain on disposal of property, plant and equipment		(8,500)	(600)	-	-
Interest expense		908,420	962,662	-	-
Interest income		(547,233)	(541,447)	(347,429)	(93,673)
Impairment/(Reversal) of impairment of financial assets		4,135,310	(164,037)	-	-
Operating profit/(loss) before working capital changes		13,874,013	29,529,125	(782,898)	(3,104,671)
Changes in working capital:-					
Receivables		(24,543,411)	24,071,638	(56,790)	(1,000)
Contract assets/liabilities		(8,610,125)	(38,985,552)	-	-
Payables		2,922,293	11,984,760	(12,651)	60,062
Cash (used in)/generated from operations		(16,357,230)	26,599,971	(852,339)	(3,045,609)
Interest received		29,873	78,752	347,429	1,225
Tax paid		(4,296,165)	(6,200,650)	(52,284)	-
Net cash (used in)/from operating activities		(20,623,522)	20,478,073	(557,194)	(3,044,384)

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

# Statements Of Cash Flows

For The Financial Year Ended 31 December 2021

(cont'd)

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>INVESTING ACTIVITIES</b>					
Subscription of shares in a new subsidiary		-	-	(487,500)	(600,000)
Adjustment for rebate received		-	212,967	-	-
Dividend received		-	-	3,800,000	6,500,000
Interest received		464,158	135,178	-	81,888
Proceeds from disposal of property, plant and equipment		8,500	600	-	-
Proceeds from non-controlling interest		262,500	400,000	-	-
Purchase of property, plant and equipment	A	(2,749,980)	(1,398,637)	-	-
Advances to subsidiaries		-	-	(4,723,003)	(2,241,466)
Net cash (used in)/from investing activities		(2,014,822)	(649,892)	(1,410,503)	3,740,422
<b>FINANCING ACTIVITIES</b>					
Dividend paid		(3,600,000)	(3,600,000)	(3,600,000)	(3,600,000)
Drawdown of term loans		188,950	1,529,175	-	-
Interest paid		(908,420)	(962,662)	-	-
Interest received		163,514	346,445	-	-
Withdrawal/(Placement) of sinking fund pledged		139,337	(214,453)	-	-
Proceeds from issuance of share capital, net of share issuance expenses		12,300,000	19,931,561	12,300,000	19,931,561
Repayment to Directors		-	(1,737)	-	-
Repayment of lease liabilities		(5,195,590)	(4,867,386)	-	-
Repayment of term loans		(291,463)	(174,998)	-	-
Withdrawal of fixed deposits pledged		3,658,251	1,270,841	-	-
Net cash from financing activities		6,454,579	13,256,786	8,700,000	16,331,561
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(16,183,765)	33,084,967	6,732,303	17,027,599
Brought forward		48,104,614	15,019,647	17,030,601	3,002
Carried forward	B	31,920,849	48,104,614	23,762,904	17,030,601

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



# Statements Of Cash Flows

## For The Financial Year Ended 31 December 2021

(cont'd)

### NOTES TO THE STATEMENT OF CASH FLOWS

#### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Total additions	12,066,608	8,005,238	-	-
Purchase through lease arrangements	(9,316,628)	(6,606,601)	-	-
Cash payment	2,749,980	1,398,637	-	-

#### B. CASH AND CASH EQUIVALENTS

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

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Fixed deposits with licensed banks	33,811,504	18,339,678	23,247,126	6,532,969
Cash and bank balances	6,387,559	41,840,738	515,778	10,497,632
Less: Fixed deposits pledged	40,199,063	60,180,416	23,762,904	17,030,601
Less: Sinking fund pledged	(7,480,104)	(11,138,355)	-	-
	(798,110)	(937,447)	-	-
	31,920,849	48,104,614	23,762,904	17,030,601

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

#### Group

	1 January 2021 RM	Additions RM	Cash flows RM	31 December 2021 RM
Lease liabilities	10,662,305	9,316,628	(5,195,590)	14,783,343
Term loans	11,001,973	188,950	(291,463)	10,899,460
	21,664,278	9,505,578	(5,487,053)	25,682,803

	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 a Director has interest	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

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2021

## 1. GENERAL INFORMATION

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

The principal place of business of the Company is located at 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 has 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 18 April 2022.

## 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.

### 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 2021.

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (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)

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 April 2021

Amendments to MFRS 16 Leases: COVID-19 Related rent concessions beyond 30 June 2021

##### 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\*)

##### MFRS, Amendments to MFRS effective 1 January 2023:-

MFRS 17\* Insurance contracts  
 Amendments to MFRS 17\* Insurance contracts  
 Amendments to MFRS 17\* Insurance contracts: Initial application of MFRS 17 and MFRS 9 - comparative information  
 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 MFRS 112 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

##### Amendments to MFRSs - effective date deferred indefinitely:-

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

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

# 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 of the Group and the Company.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

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

#### 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.

###### Useful lives of depreciable assets

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

###### Construction contracts

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

In making this judgement, the Directors took into consideration the current circumstances and relied 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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (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)

###### 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.

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

##### 2.5.2 Significant management judgement

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

###### Deferred tax assets

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



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 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 entities, 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.

##### 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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.1 Consolidation (cont'd)

##### 3.1.2 Basis of consolidation (cont'd)

###### Merger method (cont'd)

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.

##### 3.1.3 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.

##### 3.1.4 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.

##### 3.1.5 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 2021 (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
Leasehold and freehold shoplots	2%
Machinery	10%
Tools and equipment	10%
Construction equipment	10% - 33%
Motor vehicles	20%
Office equipment	10% - 20%
Furniture and fittings	10%
Renovation and cabin	10%

Capital work-in-progress consists of building under construction is stated at cost and no depreciation is provided on capital work-in-progress until it is completed and ready for their intended use.

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.

#### 3.3 Investment properties

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

The principal annual depreciation rate used are as follows:-

Leasehold shoplots	2%
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An 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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.3 Investment properties (cont'd)

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties 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 properties 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
Leasehold shoplots	2%
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 3.6 to the financial statements on impairment of non-financial assets.

##### *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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.4 Leases (cont'd)

##### *Lease liabilities (cont'd)*

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.

##### Group 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.

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.



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (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)

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.

The Group and the Company only have financial assets categorised at amortised cost on its statements of financial position.

###### *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 2021 (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 2021 (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.

###### *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.

##### 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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Impairment of 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.

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.

#### 3.7 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.

#### 3.8 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 downpayments 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 in Note 3.5.1 to the financial statements on impairment on contract assets.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.9 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.

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.

##### 3.9.1 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 contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect 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 3.8 to the financial statements on contract assets and contract liabilities.

##### 3.9.2 Dividend income

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



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.9 Revenue recognition (cont'd)

##### 3.9.3 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.

#### 3.10 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 financial years' 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.

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.

#### 3.11 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).

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.11 Tax expense (cont'd)

##### 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.

#### 3.12 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.

#### 3.13 Employee benefits expense

##### Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year 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.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.13 Employee benefits expense (cont'd)

##### 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.

#### 3.14 Provisions

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

#### 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 2021 (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 30 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 2021 (cont'd)

### 4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and building RM	Leasehold shoplots RM	Freehold Shoplots RM	Machinery RM	Tools and equipment RM	Construction equipment RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Renovation and cabin RM	Capital work-in-progress RM	Total RM
<b>Cost</b>												
At 1 January 2020	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
Disposals	-	-	-	-	-	-	(9,599)	-	-	-	-	(9,599)
Adjustment for rebate received	-	(136,336)	-	-	-	-	-	-	-	-	-	(136,336)
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
Additions	-	-	-	580,230	272,252	10,414,939	311,580	161,997	3,520	133,140	188,950	12,066,608
Disposals	-	-	-	-	-	-	(161,136)	-	-	-	-	(161,136)
Reclassification	-	-	3,365,577	-	-	-	-	-	-	-	(3,365,577)	-
Transfer to investment properties	-	(1,589,524)	-	-	-	-	-	-	-	-	-	(1,589,524)
At 31 December 2021	770,000	2,955,636	3,365,577	4,242,157	1,779,988	31,275,721	6,004,823	1,534,671	284,046	962,041	-	53,174,660
<b>Accumulated depreciation</b>												
At 1 January 2020	15,400	93,630	-	564,000	381,618	5,238,888	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
Disposals	-	-	-	-	-	-	(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
Charge for the financial year	15,400	59,113	50,484	398,971	152,100	4,520,757	580,925	202,743	24,169	90,116	-	6,094,778
Transfer to investment properties	-	(64,765)	-	-	-	-	-	-	-	-	-	(64,765)
Disposals	-	-	-	-	-	-	(161,136)	-	-	-	-	(161,136)
At 31 December 2021	46,200	179,335	50,484	1,315,216	622,753	14,421,774	4,821,333	803,920	134,121	347,090	-	22,782,226
<b>Net carrying amount</b>												
At 31 December 2021	723,800	2,776,301	3,315,093	2,926,941	1,117,235	16,853,947	1,183,490	730,751	149,925	614,951	-	30,392,434
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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

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

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

	Group 2021 RM	2020 RM
Leasehold land and building	723,800	739,200
Leasehold shoplots	2,776,301	4,360,173
Construction equipment	15,691,402	10,059,581
Motor vehicles	1,061,814	1,256,856
Office equipment	32,528	45,988
	20,285,845	16,461,798

Additions to the right-of-use assets of the Group during the financial year amounted to RM9,316,628 (2020: RM6,945,661).

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

	Group 2021 RM	2020 RM
Depreciation of right-of-use assets	4,763,073	4,894,652
Interest expenses on lease liabilities	522,865	596,579
	5,285,938	5,491,231

The leasehold land and building, freehold and leasehold 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.

In prior financial year, capital work-in-progress consisted of freehold shoplots under construction which were stated at cost.



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 5. INVESTMENT PROPERTIES

Group	Leasehold shoplots RM
<b>At cost</b>	
At 1 January 2020	2,285,480
Adjustment for rebate received	(76,631)
At 31 December 2020	2,208,849
Transfer from property, plant and equipment	1,589,524
At 31 December 2021	3,798,373
<b>Accumulated depreciation</b>	
At 1 January 2020	45,710
Charge for the financial year	44,432
At 31 December 2020	90,142
Transfer from property, plant and equipment	64,765
Charge for the financial year	75,968
At 31 December 2021	230,875
<b>Net carrying amount</b>	
At 31 December 2021	3,567,498
At 31 December 2020	2,118,707

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

The fair value of the investment properties are RM4,385,000 (2020: RM2,560,000). Fair value estimated by the Directors by reference to the published selling prices for the properties in vicinity locations. The investment properties are classified as Level 3 in the fair value hierarchy.

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

Income and expenses recognised in profit or loss

	Group 2021 RM	2020 RM
<b>(Income)/Expenses recognised in profit or loss:</b>		
Rental income	(73,000)	(55,000)
Direct operating expenses:		
- income generating investment properties	4,035	2,195

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 6. INVESTMENT IN SUBSIDIARIES

#### 6.1 Investment in subsidiaries

	Company 2021 RM	2020 RM
Unquoted shares, at cost	27,152,924	26,665,424

#### 6.2 Incorporation of subsidiaries

On 5 April 2021, the Company incorporated TCS SS Precast Construction Sdn. Bhd. ("TCS SS Precast") with an issued and paid up share capital of RM100 comprising of 100 ordinary shares. The Company subscribed for 65 ordinary shares representing 65% equity interest in TCS SS Precast for a total cash consideration of RM65.

On 25 May 2021, the Company subscribed for an additional 487,435 newly allotted and issued ordinary shares of TCS SS Precast for a total cash consideration of RM487,435. The equity interest remains unchanged.

On 24 September 2020, the Company incorporated TCS Amona Consortium Sdn. Bhd. ("TCS Amona Consortium") with an issued and paid up share capital of RM100 comprising of 100 ordinary shares. The Company subscribed for 60 ordinary shares representing 60% equity interest in TCS Amona Consortium for a total cash consideration of RM60.

On 21 October 2020, the Company subscribed for an additional 599,940 newly allotted and issued ordinary shares of TCS Amona Consortium for a total cash consideration of RM599,940. The equity interest remains unchanged.

#### 6.3 Details of subsidiaries

Name	Principal place of business/ Country of incorporation	Effective equity interest		Principal activity
		2021 %	2020 %	
Direct interest				
TCS Construction Sdn. Bhd.	Malaysia	100	100	#
TCS Amona Consortium Sdn. Bhd.	Malaysia	60	60	^*
TCS SS Precast Construction Sdn. Bhd.	Malaysia	65	-	^*
Indirect interest				
TCS Infra Sdn. Bhd.	Malaysia	100	100	^

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

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

\* The Company has not commenced its business operation.

#### 6.4 Non-controlling interests

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 6. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### 6.5 Amount due from subsidiaries

##### Company

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

### 7. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group 2021 RM	2020 RM
At 1 January	541,000	211,000
Recognised in profit or loss	87,000	330,000
At 31 December	628,000	541,000

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

	Group 2021 RM	2020 RM
Property, plant and equipment	431,000	347,000
Allowance for ECLs	-	14,000
Contract assets	197,000	180,000
	628,000	541,000

#### Deferred tax liabilities

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

	Group 2021 RM	2020 RM
At 1 January	-	(248,000)
Recognised in profit or loss	-	248,000
At 31 December	-	-

## Notes to the Financial Statements

### For The Financial Year Ended 31 December 2021 (cont'd)

#### 8. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	7,480,104	11,138,355	-	-
Current	26,331,400	7,201,323	23,247,126	6,532,969
	33,811,504	18,339,678	23,247,126	6,532,969

##### Group

The fixed deposits with licensed banks amounting to RM7,480,104 (2020: RM11,138,355) are pledged as securities for banking facilities granted to the Group, and hence, are not available for general use.

The effective interest rates on fixed deposits with licensed banks are ranging from 1.45% to 3.10% (2020: 0.70% to 3.35%) per annum.

##### Company

The effective interest rates on fixed deposits with a licensed banks are ranging from 1.62% to 2.30% (2020: 2.04%) per annum.

#### 9. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current	798,110	937,447	-	-
Current	5,589,449	40,903,291	515,778	10,497,632
	6,387,559	41,840,738	515,778	10,497,632

##### Group

The sinking fund amounting to RM798,110 (2020: RM937,447) included in cash and bank balances are pledged as securities for banking facilities granted to the Group.

#### 10. TRADE RECEIVABLES

	Group	
	2021 RM	2020 RM
Trade receivables	45,408,729	27,587,992
Retention sum	38,309,986	32,174,492
	83,718,715	59,762,484
Less: Allowance for ECLs	(4,437,156)	(301,846)
	79,281,559	59,460,638

The Group's credit period granted to customers is ranging from 30 days to 60 days (2020: 30 days to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 10. TRADE RECEIVABLES (CONT'D)

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

	Gross carrying amount RM	Allowance for ECLs RM	Net balance RM
<b>Group</b>			
<b>2021</b>			
Current (not past due)	63,997,595	(3,698)	63,993,897
1- 30 days past due	15,848,428	(4,138,373)	11,710,055
31- 60 days past due	958,216	(2,601)	955,615
61-90 days past due	2,018,684	-	2,018,684
91-120 days past due	591,607	-	591,607
Past due more than 120 days	304,185	(292,484)	11,701
	83,718,715	(4,437,156)	79,281,559
<b>2020</b>			
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

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

	Lifetime ECLs RM	Individually impaired RM	Total RM
<b>Group</b>			
At 1 January 2020	223,988	243,687	467,675
No longer required	(165,829)	-	(165,829)
At 31 December 2020	58,159	243,687	301,846
Addition	-	4,135,310	4,135,310
At 31 December 2021	58,159	4,378,997	4,437,156

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 11. CONTRACT ASSETS/(LIABILITIES)

	Group 2021 RM	2020 RM
Contract assets	20,573,030	25,280,702
Less: Allowance for ECLs	(1,792)	(1,792)
	20,571,238	25,278,910
Contract liabilities	-	(13,317,797)
	20,571,238	11,961,113

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

	Lifetime ECLs RM
At 31 December 2021/At 31 December 2020/Additions in 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.

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

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

	Group 2021 RM	2020 RM
Brought forward	13,317,797	43,682,670
Arising during the financial year	-	13,317,797
Revenue recognised during the financial year	(11,873,921)	(43,682,670)
Reversal during the financial year	(1,443,876)	-
	-	13,317,797

### 12. OTHER RECEIVABLES

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Non-trade receivables	138,755	128,153	-	-
Deposits	6,548,124	6,047,508	1,000	1,000
Prepayment	241,350	273,786	-	-
GST recoverable	3,571	3,570	-	-
Accrued interest income	110,312	112,227	67,350	10,560
	7,042,112	6,565,244	68,350	11,560



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 12. OTHER RECEIVABLES (CONT'D)

#### Group

Included in non-trade receivables is an amount of RM27,000 and RM12,000 (2020: RM34,000 and RM30,000) due from individuals connected to a Director and a Director of a subsidiary respectively. The said amounts are unsecured, bear no interest and are repayable on demand.

Included in deposits are keyman insurance deposits amounting to RM1,679,327 (2020: RM1,679,327) pledged as securities for banking facilities granted to the Group.

### 13. SHARE CAPITAL

	Number of ordinary shares 2021 unit	Amount 2021 RM	Number of ordinary shares 2020 unit	Amount 2020 RM
<b>Group and Company</b>				
<b>Issued and fully paid with no par value</b>				
At 1 January	360,000,000	46,175,563	270,000,000	26,244,002
Issuance of shares	30,000,000	12,300,000	90,000,000	20,700,000
Share issuance expenses	-	-	-	(768,439)
At 31 December	390,000,000	58,475,563	360,000,000	46,175,563

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

### 15. LEASE LIABILITIES

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

	Group 2021 RM	2020 RM
Current	6,678,245	5,411,602
Non-current	8,105,098	5,250,703
	14,783,343	10,662,305

## Notes to the Financial Statements

### For The Financial Year Ended 31 December 2021 (cont'd)

#### 15. LEASE LIABILITIES (CONT'D)

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

	Group 2021 RM	2020 RM
Within 1 year	7,328,884	5,843,868
After 1 year but not later than 5 years	8,385,650	5,392,652
More than 5 years	284,503	170,447
	15,999,037	11,406,967

The lease liabilities are secured by the underlying assets. Lease liabilities of RM1,817,396 and RM3,541,228 (2020: RM2,739,257 and RM6,607,802) are secured against the personal guarantee by certain Directors and corporate guarantee by the Company respectively.

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

	Group 2021 RM	2020 RM
Low-value assets	8,513	7,657
Short-term leases	7,600,428	9,219,323

The total cash outflow for leases amounted to RM13,327,396 (2020: RM14,690,945).

The lease liabilities bear interest rates ranging from 3.30% to 9.11% (2020: 3.30% to 9.11%) per annum.

#### 16. BORROWINGS

	Group 2021 RM	2020 RM
<b>Term loans</b>		
Secured:-		
Current	626,412	1,372,185
Non-current	10,273,048	9,629,788
	10,899,460	11,001,973
<b>Analysed as:</b>		
- within 1 year	626,412	1,372,185
- between 1 to 5 years	2,311,235	1,561,580
- more than 5 years	7,961,813	8,068,208
	10,899,460	11,001,973

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 16. BORROWINGS (CONT'D)

The borrowings are secured in the following manner:-

- (i) Charge and deeds of assignment over the leasehold land and building, leasehold and freehold 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 fixed deposits with licensed banks of the Group as disclosed in Note 8 to the financial statements;
- (iv) Pledged of sinking fund of the Group as disclosed in Note 9 to the financial statements;
- (v) Pledged of fixed deposit of the Directors of the Company;
- (vi) Jointly and several guarantees by certain Directors of the Company; and
- (vii) Absolute assignment of life policy of a Director.

The interest rate of term loans are charged at rates ranging from 3.22% to 6.35% (2020: 3.22% to 5.60%) per annum.

The repayment term of term loans is by monthly basis.

### 17. TRADE PAYABLES

	Group 2021 RM	2020 RM
Trade payables	41,571,101	39,720,095
Retention sum	19,443,028	15,880,758
	61,014,129	55,600,853

The average credit periods granted to the Group by suppliers are ranging from cash terms to 90 days (2020: cash term to 90 days).

### 18. OTHER PAYABLES

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Non-trade payables	724,144	1,110,479	26,711	37,862
Accruals	6,842,111	8,946,759	29,700	31,200
	7,566,255	10,057,238	56,411	69,062

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 19. REVENUE

#### 19.1 Disaggregated revenue information

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Type of revenue</u>				
- Construction	204,047,472	242,642,840	-	-
- Dividend income	-	-	3,800,000	6,500,000
	204,047,472	242,642,840	3,800,000	6,500,000
<u>Timing and recognition</u>				
- Over time	204,047,472	242,642,840		

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM1,585,860,970 (2020: RM832,909,596). The Group expects to recognise this revenue over the next 5 months to 32 months (2020: 3 months to 61 months).

### 20. FINANCE INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bank interest	29,873	78,752	-	1,225
Fixed deposit interest	517,360	462,695	347,429	92,448
	547,233	541,447	347,429	93,673

### 21. FINANCE COSTS

	Group	
	2021 RM	2020 RM
Bank overdraft interest	307	527
Lease liabilities interest	522,865	596,579
Term loans interest	385,248	365,556
	908,420	962,662

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 22. PROFIT BEFORE TAX

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

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Auditors' remuneration:				
- statutory audit	128,000	130,000	20,000	20,000
- others	5,000	14,750	5,000	6,000
Bad debts recovered	-	(2,600)	-	-
Directors' fee	194,500	198,000	-	-

### 23. TAX EXPENSE

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Tax expense</b>				
- Current financial year	1,284,298	7,750,675	76,000	22,000
- (Over)/Under provision in prior financial year	(454,718)	(194,160)	284	-
	829,580	7,556,515	76,284	22,000
<b>Deferred tax</b>				
- Current financial year	(2,000)	(596,000)	-	-
- (Over)/Under recognised in prior financial year	(85,000)	18,000	-	-
	(87,000)	(578,000)	-	-
	742,580	6,978,515	76,284	22,000

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

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Profit before tax	3,215,270	23,147,712	3,364,531	3,489,002
Tax at Malaysian statutory tax rate of 24%	771,664	5,555,451	807,487	837,360
Tax effects in respects of:-				
Expenses not deductible for tax purposes	510,634	1,599,848	180,513	744,640
Income not subject to tax	-	(624)	(912,000)	(1,560,000)
(Over)/Under provision of tax expense in prior financial year	(454,718)	(194,160)	284	-
(Over)/Under recognised of deferred tax assets in prior financial year	(85,000)	18,000	-	-
	742,580	6,978,515	76,284	22,000

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 24. 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 2021	2020
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	2,487,469	16,171,765
Weighted average number of ordinary shares at 31 December	369,468,493	309,836,066
Basic earnings per share (sen)	0.67	5.22

#### 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.

### 25. DIVIDENDS

	Group and Company 2021 RM	2020 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
Second interim single tier dividend of RM0.01 per ordinary share, paid on 8 April 2021	3,600,000	-

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 2021 (cont'd)

### 26. EMPLOYEE BENEFITS EXPENSE

	Group 2021 RM	2020 RM
<b>Staffs' remuneration</b>		
Salaries, wages and other emoluments	11,651,996	9,997,299
Defined contribution plan	1,269,802	1,148,712
Social security contribution	156,498	149,582
	13,078,296	11,295,593
<b>Directors' remuneration</b>		
Salaries, wages and other emoluments	1,158,600	1,208,000
Defined contribution plan	102,792	106,560
Social security contribution	1,429	1,575
	1,262,821	1,316,135
	14,341,117	12,611,728

Included in Directors' other emoluments are benefits-in-kind (based on estimated monetary value) from the Group that amounted to RM49,067 (2020: RM61,850).

### 27. CAPITAL COMMITMENT

	Group 2021 RM	2020 RM
Authorised and contracted for:		
- Shoplots	-	188,951
- Construction equipment	2,284,571	998,416
	2,284,571	1,187,367

### 28. RELATED PARTY DISCLOSURES

#### (a) Significant related party transactions

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
Dividend income received from a subsidiary	-	-	3,800,000	6,500,000
Rental expenses paid to companies in which certain Directors have interests	250,000	282,000	-	-
Progress billing issued to a company in which certain Directors have interests	3,018,684	-	-	-
Salary reimbursement paid to a company in which a Director has interests	-	21,552	-	-

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 28. 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 and 12 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 22 and 26 to the financial statements.

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

	Group 2021 RM	2020 RM
Salaries, wages and other emoluments	897,165	849,859
Defined contribution plan	101,227	87,984
Social security contributions	7,926	6,156
	1,006,318	943,999

Included in key management personnel's other benefits are benefits-in-kind (based on estimated monetary value) from the Group that amounted to RM16,658 (2020: RM17,967).

### 29. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Financial assets</b>				
Trade receivables	79,281,559	59,460,638	-	-
Other receivables	6,797,191	6,287,888	68,350	11,560
Amount due from subsidiaries	-	-	7,016,006	2,293,003
Fixed deposits with licensed banks	33,811,504	18,339,678	23,247,126	6,532,969
Cash and bank balances	6,387,559	41,840,738	515,778	10,497,632
	126,277,813	125,928,942	30,847,260	19,335,164
<b>Financial liabilities</b>				
Trade payables	61,014,129	55,600,853	-	-
Other payables	7,566,255	10,057,238	56,411	69,062
Borrowings	10,899,460	11,001,973	-	-
	79,479,844	76,660,064	56,411	69,062

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 29. 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:-

#### Receivables

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

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

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

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

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

	Group			
	2021 RM	%	2020 RM	%
Top 3 customers	47,000,322	59	32,663,795	55

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management (cont'd)

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

#### (a) Credit risk (cont'd)

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

##### Corporate guarantees

##### **Group**

In prior financial year, the maximum exposure to credit risk amounting to RM9,821,363 represented the outstanding banking facilities of a company in which a Director has interests as at the end of the reporting year.

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

##### **Company**

The maximum exposure to credit risk amounting to RM15,286,666 (2020: RM15,183,988) represented the outstanding banking facilities of certain subsidiaries as at the end of the reporting year.

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

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

##### Performance bonds

Performance bonds require the Group and the Company to make payments to third parties in the event that the Group and the Company do not perform in according to the terms of any related contracts. The maximum exposure to credit risk at the reporting date amounted to RM22,733,638 and RM38,656,937 (2020: RM47,472,948 and RM Nil).

##### Intercompany balances

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

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

##### Cash and cash equivalents

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management (cont'd)

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

#### (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:-

	Carrying amount RM	Total contractual cash flows RM	Current On demand/ Less than 1 year RM	Non-current	
				1 to 5 years RM	More than 5 years RM
<b>2021</b>					
<b>Group</b>					
<b>Non-derivative financial liabilities</b>					
<b>Secured:-</b>					
Borrowings	10,899,460	15,736,057	1,143,088	4,054,527	10,538,442
Lease liabilities	14,783,343	15,999,037	7,328,884	8,385,650	284,503
<b>Unsecured:-</b>					
Trade payables	61,014,129	61,014,129	61,014,129	-	-
Other payables	7,566,255	7,566,255	7,566,255	-	-
Total undiscounted financial liabilities	94,263,187	100,315,478	77,052,356	12,440,177	10,822,945
Performance bonds*	22,733,638	22,733,638	-	-	-
<b>Company</b>					
<b>Non-derivative financial liabilities</b>					
<b>Unsecured:-</b>					
Other payables	56,411	56,411	56,411	-	-
Total undiscounted financial liabilities	56,411	56,411	56,411	-	-
Corporate guarantee*	15,286,666	15,286,666	-	-	-
Performance bonds*	38,656,937	38,656,937	-	-	-

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 29. 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	
				1 to 5 years RM	More than 5 years RM
<b>2020</b>					
<b>Group</b>					
<b>Non-derivative</b>					
<b>financial liabilities</b>					
<b>Secured:-</b>					
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
<b>Unsecured:-</b>					
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	-	-	-
<b>Company</b>					
<b>Non-derivative</b>					
<b>financial liabilities</b>					
<b>Unsecured:-</b>					
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	-	-	-

\* 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.



# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management (cont'd)

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

#### (c) Interest rate risk

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

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

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

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 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Fixed rate instruments</b>				
<u>Financial asset</u>				
Fixed deposits with licensed banks	33,811,504	18,339,678	23,247,126	6,532,969
<u>Financial liability</u>				
Lease liabilities	(14,783,343)	(10,662,305)	-	-
Net financial asset	19,028,161	7,677,373	23,247,126	6,532,969
<b>Floating rate instrument</b>				
<u>Financial liability</u>				
Borrowings	(10,899,460)	(11,001,973)	-	-

#### Fair value sensitivity analysis for fixed rate instrument

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 2021 (cont'd)

### 29. 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)

##### *Cash flow sensitivity analysis for floating rate instrument*

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/- 25 (2020: +/-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 2021 RM	2020 RM
<u>Effect on profit/equity for the year</u>		
+25bp	(27,249)	(27,505)
-25bp	27,249	27,505

#### Fair value of financial instruments

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

#### Fair value hierarchy

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

### 30. 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.

<u>Business segments</u>	<u>Business activities</u>
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 results, assets and liabilities

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 30. SEGMENTAL INFORMATION (CONT'D)

Group 2021	Note	Residential RM	Commercial RM	Other RM	Eliminations RM	Total RM
<b>Revenue:-</b>						
External revenue		198,979,754	240,054	4,827,664	-	204,047,472
Inter-segment revenue	(a)	6,525,783	-	6,011,576	(12,537,359)	-
<b>Total revenue</b>		<b>205,505,537</b>	<b>240,054</b>	<b>10,839,240</b>	<b>(12,537,359)</b>	<b>204,047,472</b>
<b>Segment results</b>						
Amortisation						19,704,739
Depreciation						(75,968)
Interest income						(6,094,778)
Interest expense						547,233
Impairment of financial assets						(908,420)
Unallocated income						(4,135,310)
Unallocated expenses						506,147
Tax expense						(6,328,373)
						(742,580)
<b>Segment profit</b>						<b>2,472,690</b>
<b>Assets:-</b>						
Additions to non-current assets	(b)					13,656,132
Segment assets	(c)					181,053,904
<b>Liabilities:-</b>						
Segment liabilities	(d)					68,580,384

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 30. SEGMENTAL INFORMATION (CONT'D)

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 30. SEGMENTAL INFORMATION (CONT'D)

Note:-

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Additions to non-current assets consists of:-

	Group 2021 RM	2020 RM
Investment properties	1,589,524	8,005,238
Property, plant and equipment	12,066,608	-
	13,656,132	8,005,238

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

	Group 2021 RM	2020 RM
Segment assets	181,053,904	179,549,278
Deferred tax assets	628,000	541,000
Tax recoverable	29,000	2,018
Total assets	181,710,904	180,092,296

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

	Group 2021 RM	2020 RM
Segment liabilities	68,580,384	78,975,888
Lease liabilities	14,783,343	10,662,305
Borrowings	10,899,460	11,001,973
Tax payable	1,226,002	4,665,605
Total liabilities	95,489,189	105,305,771

#### Geographical information

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 30. 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
<b>2021</b>			
Customer A	47,574,124	23	Residential
Customer B	39,918,424	20	Residential
Customer C	38,645,463	19	Residential
	126,138,011	62	
<b>2020</b>			
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	

### 31. CONTINGENT LIABILITIES

#### Material litigations

- (i) During the financial year, a wholly-owned subsidiary of the Company, TCS Construction Sdn. Bhd. ("TCSB") and its Director, Dato' Ir. Tee Chai Seng filed a Writ of Summons ("Writ") and Statement of Claim ("SOC") against MPM Project Management Sdn. Bhd. ("MPM") and the six other defendants to recover the outstanding sum amounting to RM7,422,770 and/or damages caused to TCSB in relation to a project.

The Court has fixed the date of clarification/decision for the injunction application filed by the Group against MPM on 25 April 2022.

- (ii) During the financial year, TCSB received a Writ and SOC to TCSB filed by MPM. MPM initiated a suit against TCSB to claim for the alleged Liquidated and Ascertained Damages amounting to RM57,500,000 in relation to a project.

In response, TCSB had filed a defence against MPM's claim and a counterclaim with an additional claim for extended preliminaries amounting to RM7,422,760.

Further case management has been fixed on 4 March 2022.

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

# Notes to the Financial Statements

## For The Financial Year Ended 31 December 2021 (cont'd)

### 32. 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 policies or processes since the last financial year.

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 shareholders from time to time to meet the needs.

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

The World Health Organisation declared the 2019 Novel Coronavirus Disease ("COVID-19") outbreak as a pandemic on 11 March 2020. The Government of Malaysia imposed a Movement Control Order ("MCO") on 18 March 2020 and subsequently imposed various phases of the MCO and total lockdowns with recovery phases.

The Group and the Company have performed an assessment on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Given the fluidity of the situation, the Group and the Company will continuously monitor the impact of the COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.



# LIST OF PROPERTIES

AS AT 31 DECEMBER 2021

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 2021
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	10	1,715 sqft	21 July 2016	724
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	1,657
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	995
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	663
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	4	5,274 sqft	15 March 2018	2,776
6	23-G & 23-1, Jalan Aman Sinaria 2, Bandar Tropicana Aman, 42500 Telok Panglima Garang, Selangor	2-storey shop office/ Rented out	Leasehold/ 91 years expiring on 9 November 2110	4	3,122 sqft	29 March 2018	1,493
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	4	4,262 sqft	29 March 2018	2,074

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

## SHARE CAPITAL

Total Number of Issued Shares	:	390,000,000
Issued Share Capital	:	RM 58,475,563.000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	2	0.05	103	0.01
100 - 1,000	380	10.85	247,901	0.06
1,001 - 10,000	1,714	48.93	10,052,400	2.58
10,001 - 100,000	1,239	35.37	41,163,300	10.55
100,001 to less than 5% of issued shares	166	4.74	95,373,500	24.45
5% and above of issued shares	2	0.06	243,162,796	62.35
Total	3,503	100.00	390,000,000	100.00

## DIRECTORS' SHAREHOLDINGS

As per the Register of Directors' Shareholdings

No.	Names	Direct	%	Indirect	%
		No. of Shares		No. of Shares	
1.	Tan Sri Dato' Sri Izzuddin bin Dali	300,000	0.077	-	-
2.	Dato' Ir Tee Chai Seng	206,838,377	53.035	36,324,419 <sup>(1)</sup>	9.314
3.	Datin Koh Ah Nee	36,324,419	9.314	206,838,377 <sup>(2)</sup>	53.035
4.	Dato' Seri Ir Mohamad Othman bin Zainal Azim	200,000	0.051	-	-
5.	Ooi Guan Hoe	650,000	0.167	-	-
6.	Wong Choo Leong	303,200	0.078	-	-

<sup>1</sup> Deemed interest through the shareholdings of his spouse, Datin Koh Ah Nee's interest in the Company

<sup>2</sup> 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.	Names	Direct	%	Indirect	%
		No. of Shares		No. of Shares	
1.	Dato' Ir Tee Chai Seng	206,838,377	53.035	36,324,419 <sup>(1)</sup>	9.314
2.	Datin Koh Ah Nee	36,324,419	9.314	206,838,377 <sup>(2)</sup>	53.035

<sup>1</sup> Deemed interest through the shareholdings of his spouse, Datin Koh Ah Nee's interest in the Company

<sup>2</sup> Deemed interest through the shareholdings of her spouse, Dato' Ir Tee Chai Seng's interest in the Company

## Analysis of Shareholdings

as at 31 March 2022 (Cont'd)

### LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	Percentage
1.	TEE CHAI SENG	137,700,000	35.31
2.	TEE CHAI SENG	69,138,377	17.73
3.	KOH AH NEE	24,300,000	6.23
4.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LANDASAN POTENSI SDN. BHD.	12,633,000	3.24
5.	KOH AH NEE	12,024,419	3.08
6.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJINDER KAUR A/P PIARA SINGH (MARGIN)	6,000,000	1.54
7.	NG YONG LIN	4,558,200	1.17
8.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH (MARGIN)	4,244,000	1.09
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	4,021,400	1.03
10.	HIGHDEAL CAPITAL SDN BHD	3,150,000	0.81
11.	OOI SIEW LOOI	3,081,300	0.79
12.	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	2,945,100	0.76
13.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	2,605,400	0.67
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOONG LEO	2,396,100	0.61
15.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONG KOK ANN	2,000,000	0.51
16.	YOO WEI HOW	1,480,000	0.38
17.	NG KWANG HUA	1,333,700	0.34
18.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ENSIGN PEAK ADVISORS INC.	1,257,700	0.32
19.	LOH KOK WAI	1,215,300	0.31
20.	KHOO CHONG KIEN	1,200,000	0.31
21.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB INVESTMENT BANK BERHAD (PB-TAIM-M-R)	1,193,100	0.31
22.	YEM YAU YANG	1,028,900	0.26
23.	MOK POH YIN	1,000,000	0.26
24.	NG KUAN HUA	1,000,000	0.26
25.	SOAM HENG CHOON	1,000,000	0.26
26.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK (8058967)	900,000	0.23
27.	LOH KIM CHEE	822,500	0.21
28.	SOON SEE BENG	776,900	0.20
29.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	712,400	0.18
30.	YAP POH ONN	703,700	0.18
Total		306,421,496	78.58

# ANALYSIS OF WARRANT HOLDINGS

## AS AT 31 MARCH 2022

NO. OF OUTSTANDING WARRANTS	:	180,000,000
NO. OF WARRANT HOLDERS	:	1,977

### ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	154	7.80	7,484	0.00
100 - 1,000	316	15.98	178,868	0.10
1,001 - 10,000	695	35.15	3,526,550	1.96
10,001 - 100,000	633	32.02	25,841,650	14.36
100,001 to less than 5% of issued shares	176	8.90	109,018,839	60.57
5% and above of issued shares	3	0.15	41,426,609	23.01
<b>TOTAL</b>	<b>1,977</b>	<b>100.00</b>	<b>180,000,000</b>	<b>100.00</b>

### DIRECTORS' WARRANT HOLDINGS

As per the Directors' Warrant Holdings

No.	Names	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1.	Tan Sri Dato' Sri Izzuddin bin Dali	250,000	0.139	-	-
2.	Dato' Ir Tee Chai Seng	6,819,189	3.788	18,762,209 <sup>(1)</sup>	10.423
3.	Datin Koh Ah Nee	18,762,209	10.423	6,819,189 <sup>(2)</sup>	3.788
4.	Dato' Seri Ir Mohamad Othman bin Zainal Azim	250,000	0.139	-	-
5.	Ooi Guan Hoe	450,000	0.250	-	-
6.	Wong Choo Leong	151,600	0.084	-	-

<sup>1</sup> Deemed interest through the shareholdings of his spouse, Datin Koh Ah Nee's interest in the Company

<sup>2</sup> 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 2022 (Cont'd)

### LIST OF TOP 30 WARRANT HOLDERS

No.	Name	No. of Warrants A Held	Percentage
1.	KOH AH NEE	18,762,209	10.42
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH	12,664,400	7.04
3.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	10,000,000	5.56
4.	CHENG, AIJIN	7,000,000	3.89
5.	TEE CHAI SENG	6,819,189	3.79
6.	NG LAI KENG	6,340,000	3.52
7.	NG KUAN HUA	6,000,000	3.33
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONG KOK ANN	5,000,000	2.78
9.	LANDASAN POTENSI SDN BHD	4,100,000	2.28
10.	TAN KOK HOOI	3,787,100	2.10
11.	WONG YONG HENG	3,780,100	2.10
12.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO BOON LING (M&A)	3,597,300	2.00
13.	CHOW JIECHAN	3,000,000	1.67
14.	YAP POH ONN	2,600,000	1.44
15.	NG KUAN HUA	2,260,000	1.26
16.	YAP NAM FEE	2,015,050	1.12
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW POH KIM	1,995,000	1.11
18.	NG CHIN KEE	1,600,000	0.89
19.	HIGHDEAL CAPITAL SDN BHD	1,575,000	0.88
20.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER CHERK YEE	1,396,000	0.78
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY YANG ZHOU	1,344,100	0.75
22.	NG CHIN KEE	1,300,000	0.72
23.	NG KWANG HUA	1,238,650	0.69
24.	YONG SIEW NGEE	1,185,000	0.66
25.	SOON FOOK KIAN	1,000,000	0.56
26.	CHEW SENG KEAT	916,300	0.51
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE SENG	911,700	0.51
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE YEW SHEN	830,200	0.46
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN KIN HOON	770,000	0.43
30.	LER WEE LIANG	728,200	0.40
TOTAL		114,515,498	63.65

# NOTICE OF 3<sup>RD</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Third (“3<sup>rd</sup>”) 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 Wednesday, 8 June 2022 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses:-

1. To receive the audited financial statements for the year ended 31 December 2021 together with the Directors’ and Auditors’ Reports thereon.
2. To re-elect the following Directors who are retiring pursuant to the Company’s Constitution:
 

i) Mr. Ooi Guan Hoe (Clause 105(1))	<b>Ordinary Resolution 1</b>
ii) Dato’ Seri Ir Mohamad Othman Bin Zainal Azim (Clause 105(1))	<b>Ordinary Resolution 2</b>
iii) Mr. Wong Choo Leong (Clause 113)	<b>Ordinary Resolution 3</b>
3. To approve the payment of Directors’ fees and other benefits payable of up to RM198,000 for the period commencing from 3<sup>rd</sup> AGM up to the 4<sup>th</sup> AGM of the Company. **Ordinary Resolution 4**
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 5**

## **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 6**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

6. **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)** **Ordinary Resolution 7**

“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 29 April 2022 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 3<sup>rd</sup> Annual General Meeting

(Cont'd)

### 6. Proposed Renewal of Existing 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. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

**Tan Tong Lang (MAICSA 7045482/ SSM PC No. 202208000250)**  
**Thien Lee Mee (LS0009760/ SSM PC NO. 201908002254)**  
 Company Secretaries

Selangor Darul Ehsan  
 29 April 2022



## Notice of 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 31 May 2022. Only members whose name appears on the Record of Depositors as at 31 May 2022 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 3<sup>rd</sup> Annual General Meeting

## (Cont'd)

### EXPLANATORY NOTES ON SPECIAL BUSINESSES

#### **Note A: Audited Financial Statements for the year ended 31 December 2021**

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 6: Authority to Directors to Allot and Issue Shares**

The Proposed Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

As at the date of this Notice, the Company has issued 30,000,000 new ordinary shares at issued price of RM0.41 per share by way of private placement pursuant to the General Mandate granted to the Directors at the 2nd Annual General Meeting held on 1 June 2021. A total proceeds of RM12,300,000 was raised from the Private Placement. Please refer to the Additional Compliance Information set out in the Annual Report for full details of the status of utilisation of proceeds.

#### **Ordinary Resolution 7: Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.

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

NO. OF SHARES HELD	CDS ACCOUNT NO.

## FORM OF PROXY

(Before completing this form please refer to the notes below)

I / We (Full Name 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 3<sup>rd</sup> 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 Wednesday, 8 June 2022 at 10.00 a.m. and at any adjournment thereof in the manner as indicate below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	- To re-elect Mr. Ooi Guan Hoe as Director		
Ordinary Resolution 2	- To re-elect Dato' Seri Ir Mohamad Othman Bin Zainal Azim as Director		
Ordinary Resolution 3	- To re-elect Mr Wong Choo Leong as Director		
Ordinary Resolution 4	- To approve the payment of Directors' fees and other benefits for the period commencing from 3rd AGM up to the 4th AGM of the Company.		
Ordinary Resolution 5	- To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company		
Ordinary Resolution 6	- To approve the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 7	- To approve the Proposed Shareholders' Mandate		

**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.)**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

Signature: \_\_\_\_\_  
(If shareholder is a corporation, this form should be executed under seal)

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 : .....%

### NOTES:

- 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>.
- A member of the Company entitled to participate and vote at the 3rd 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.
- 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.
- 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.
- 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.
- 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 3rd 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 3rd AGM using the RPV Facilities should you subsequently wish to do so.
- For the purpose of determining a member who shall be entitled to participate in the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 31 May 2022. Only members whose name appears on the Record of Depositors as at 31 May 2022 shall be entitled to participate in the said meeting or appoint proxies to participate and/or vote on his/her behalf.
- The resolutions set out in this Notice of Meeting will be put to vote by poll.

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AFFIX  
STAMP

**The Share Registrar of**

**TCS GROUP HOLDINGS BERHAD**

201901004613 (1313940-W)

c/o Boardroom Share Registrars Sdn Bhd.  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan

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[www.tcsgroup.com.my](http://www.tcsgroup.com.my)

No. 1 & 3, Bangunan TCS, Jln SP 1/1, Bandar Saujana Putra, 42610 Jenjarom, Selangor.

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