TCS GROUP HOLDINGS BERHAD

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

Interim Financial Report
For First Quarter Ended
31 March 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME[(1)]

		QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
	NOTE	RM'000	RM'000	RM'000	RM'000
Revenue	A9	93,308	52,682	93,308	52,682
Cost of sales		(90,253)	(50,358)	(90,253)	(50,358)
Gross profit		**3,055**	**2,324**	**3,055**	**2,324**
Other income		342	268	342	268
Administrative expenses		(2,785)	(2,342)	(2,785)	(2,342)
Profit from operations		**612**	**250**	**612**	**250**
Finance income		118	143	118	143
Finance costs		(550)	(289)	(550)	(289)
Profit before tax	B11	**180**	**104**	**180**	**104**
Tax expense	B5	(85)	(25)	(85)	(25)
Profit/Total Comprehensive income for the financial period		**95**	**79**	**95**	**79**
Profit/Total Comprehensive Income for the financial period after taxation attributable to:					
Owners of the Company		105	80	105	80
Non-controlling interest		(10)	(1)	(10)	(1)
		95	**79**	**95**	**79**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME[(1)] (CONT'D)

		QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
	NOTE	RM'000	RM'000	RM'000	RM'000
Earnings Per Share					
Basic (sen)	B10	0.02	0.02	0.02	0.02
Diluted (sen)	B10	0.02	0.02	0.02	0.02

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION[(1)]

	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,659	24,467
Investment property	6,161	6,205
Deferred tax assets	859	859
Fixed deposits with licensed banks	6,735	6,660
Cash and bank balances	3,543	2,558
	40,957	40,749
Current assets		
Trade receivables	99,824	122,882
Other receivables	6,835	5,525
Tax recoverable	1,121	1,036
Contract assets	55,052	37,789
Fixed deposits with licensed banks	8,290	8,396
Cash and bank balances	5,482	8,181
	176,604	183,809
Non-current assets classified as held for sale	-	1,629
TOTAL ASSETS	217,561	226,187
EQUITY AND LIABILITIES		
Equity		
Share Capital	58,476	58,476
Merger deficit	(24,065)	(24,065)
Retained earnings	47,893	47,788
Equity attributable to owners of the Company	82,304	82,199
Non-controlling interest	1,092	1,102
Total equity	83,396	83,301
Non-current liabilities		
Lease liabilities	3,628	4,747
Borrowings	9,406	9,574
	13,034	14,321

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) (1)

	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
Current liabilities		
Trade payables	90,506	91,716
Other payables	3,983	2,611
Contract Liabilities	-	5,006
Lease liabilities	4,926	5,243
Borrowings	14,850	23,983
Bank overdraft	6,866	-
Tax payable	-	6
Total current liabilities	121,131	128,565
Total liabilities	134,165	142,886
TOTAL EQUITY AND LIABILITIES	217,561	226,187
Number of issued shares ('000)	390,000	390,000
Net asset per share attributable to owner of the Company (RM)	0.21	0.21

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[(1)]

	<----------Attributable to owners of the Company---------->					
	<-----Non-Distributable---->		Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Balance as at 31.12.2021 (Audited)	58,476	(24,065)	51,166	85,577	645	86,222
Transaction with owners:						
Acquisition of a subsidiary	-	-	-	-	230	230
Subscription share of a subsidiary by non-controlling interest	-	-	-	-	245	245
	-	-	-	-	475	475
Total comprehensive income for the financial period	-	-	(3,378)	(3,378)	(18)	(3,396)
Balance as at 31.12.2022 (Audited)	58,476	(24,065)	47,788	82,199	1,102	83,301

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[(1)] (CONT'D)

	<----------Attributable to owners of the Company---------->					
	<-----Non-Distributable---->		Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
Balance as at 31.12.2022 (Audited)	58,476	(24,065)	47,788	82,199	1,102	83,301
Total comprehensive income for the financial period (Unaudited)	-	-	105	105	(10)	95
Balance as at 31.03.2023 (Unaudited)	58,476	(24,065)	47,893	82,304	1,092	83,396

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS[1]

	CURRENT YEAR TO-DATE 31.03.2023 RM'000	PRECEDING YEAR TO-DATE 31.12.2022[1] RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before tax	180	(2,067)
Adjustments for:-		
Amortisation of investment property	44	167
Bad debts written off	-	7
Depreciation of property, plant and equipment	1,175	5,020
Gain on disposal	(77)	(9)
Interest expense	550	1,627
Interest income	(118)	(487)
Goodwill written off	-	15
Operating profit before working capital changes	1,754	4,273
Changes in working capital:-		
Receivables	21,749	(41,797)
Contract assets/liabilities	(22,269)	(12,211)
Payables	162	25,739
Cash generated from/ (used in) operations	1,396	(23,996)
Interest received	7	15
Interest paid	(111)	(138)
Tax paid	(178)	(3,788)
Net cash generated from/ (used in) operating activities	**1,114**	**(27,907)**
INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired	-	(228)
Interest received	13	306
Purchase of property, plant and equipment	(368)	(1,344)
Proceed from disposal of PPE	1,706	9
Net cash generated from/ (used in) investing activities	**1,351**	**(1,257)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)[1]

	CURRENT YEAR TO-DATE 31.03.2023 RM'000	PRECEDING YEAR TO-DATE 31.12.2022[1] RM'000
FINANCING ACTIVITIES		
Drawdown of borrowings	23,399	11,755
Interest paid	(439)	(1,489)
Interest received	98	167
Placement of sinking fund pledge	(1,060)	(1,760)
Subscription of additional equity interests in subsidiaries by non-controlling interests	-	245
Repayment of lease liabilities	(1,437)	(6,820)
Repayment of borrowings	(21,199)	(597)
Withdrawal of fixed deposit pledge	-	820
Net cash (used in)/ generated from financing activities	**(638)**	**2,321**
CASH AND CASH EQUIVALENTS		
Net changes	1,827	(26,843)
Brought forward	5,078	31,921
Carried forward	**6,905**	**5,078**
CASH AND CASH EQUIVALENTS		
Bank overdraft	(6,867)	(11,499)
Cash and bank balances	9,025	10,739
Fixed deposits with licensed banks	15,025	15,056
	17,183	14,296
Less: Fixed deposits pledged	(6,735)	(6,660)
Less: Sinking fund pledged	(3,543)	(2,558)
	6,905	**5,078**

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of TCS Group Holdings Berhad ("**TCS**" or "**Company**") and its subsidiaries ("**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") No. 134 - Interim Financial Reporting issued by Malaysia Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

A2. Significant Accounting Policies

At the beginning of the current financial year, the Group adopted new standards/amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

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

A.2.1 Standards issued but not yet effective

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

MFRSs, Amendments to MFRSs 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 101	Presentation of financial statements: Classification of liabilities as current and 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 MFRS effective 1 January 2024:-

Amendments to MFRS 16	Lease liability in sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants

Amendments to MFRS – effective date deferred indefinitely

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

* Not applicable to the Group's operations

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.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2022.

A4. Seasonal or Cyclical Factors

The Group's performance have not been materially affected by any seasonal or cyclical factors during the current quarter and financial year-to-date.

A5. Items or Incidence of an Unusual Nature

Save as disclosed in Notes A11 and B8, there were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and financial year-to-date.

A6. Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

Save as disclosed in Note B6, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.

A8. Dividend Paid

No dividends were paid by the company in the current quarter and financial year-to-date.

A9. Segmental Reporting

The Group is principally involved in the provision of construction services for buildings, infrastructure, civil and structural works in Malaysia. The Group's segmental revenue for the current quarter and financial year-to-date is as follows:

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting (cont'd)

Financial quarter/ year-to-date ended 31.03.2023	Construction Services RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue: -				
External revenue	93,308	-	-	93,308
Inter-Segment revenue	4,260	-	(4,260)	-
	97,568	-	(4,260)	93,308
Segment results[(1)]				
Amortisation of investment property				(44)
Depreciation of property, plant and equipment				(1,175)
Interest income				118
Interest expenses				(550)
Unallocated income				342
Unallocated expenses				(91,819)
Tax expense				(85)
Segment profit				95

Financial quarter/ year-to-date ended 31.03.2022	Construction Services RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue: -				
External revenue	52,682	-	-	52,682
Inter-Segment revenue	4,173	-	(4,173)	-
	56,855	-	(4,173)	52,682
Segment results[(1)]				
Amortisation of investment property				(27)
Depreciation of property, plant and equipment				(1,258)
Interest income				143
Interest expenses				(289)
Unallocated income				268
Unallocated expenses				(51,415)
Tax expense				(25)
Segment profit				79

Note:

(1) The breakdown of segment results between construction services is not available.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A10. Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment during the current quarter and financial year-to-date.

A11. Material Events Subsequent to the End of the Current Quarter

Save as disclosed in Note B8, there are no material event subsequent to the end of the current quarter and financial year to date that have not been reflected in this interim financial report.

A12. Changes in Composition of the Group

There are no other changes in the composition of the Group during the current quarter and financial year-to-date.

A13. Contingent Liabilities

Save as disclosed below, there were no other contingent liabilities as at the date of this interim financial report.

	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
Performance bonds for construction projects	21,805	22,175
Corporate guarantees for construction projects	42,859	42,859

A15. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Rental expenses paid to the companies in which Directors have interests	59	59	59	59

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Group Performance

a) Results for current quarter

The Group registered a year-on-year ("YoY") revenue growth of 77.1% to RM93.31 million for the current quarter under review versus RM52.68 million achieved last year. The improvement stemmed from:

- Higher progress billing for our on-going projects - J. Satine, Vista Sentul, M Arisa, Tropicana Miyu and IOI Moxy Putrajaya - on the back of more advanced stage of construction.
- Commencement of new project – Helix2.

Meanwhile, profit after tax ("PAT") for the current quarter rose 18.8% YoY to RM0.095 million as compared to RM0.08 million in the previous year corresponding quarter. Profitability remained affected by elevated raw material costs due to aftereffects of the pandemic, which caused disruptions in the building materials supply chain.

B2. Comparison with the Immediate Preceding Quarter Result

Sequentially, revenue for the quarter under review increased 10.0% quarter-on-quarter ("QoQ") to RM93.31 million from RM84.81 million in the preceding quarter. The improvement was driven by higher progress billing for our on-going projects along with commencement of a new project. On profitability, the Group's PAT for the current quarter under review stood at RM0.095 million vis-à-vis RM0.33 million in the immediate preceding quarter as it was impacted by higher raw material costs.

B3. Commentary on Prospects

Looking ahead, market ambiguities are expected to remain heightened due to ongoing macroeconomic issues. As a result, the business operating conditions for the construction industry are anticipated to stay highly demanding. Factors such as labor shortages and increased raw material costs, while improving, continue to impact the construction industry as a whole.

Against this backdrop, the Group continues with our prudent and cautious approach as we progress in the current financial year (FY23). Proactive management of the ongoing challenges is paramount for TCS to navigate through these obstacles combined with our emphasis on quality execution and timely delivery of all our projects.

Simultaneously, our team is pursuing opportunities and bidding for projects in the fields of residential and commercial buildings, infrastructure and institutional building construction. On balance, we maintain our cautious view on the Group's outlook as the construction sector remains taxing. The Board expects the performance of TCS in the current financial year to be satisfactory barring any unforeseen circumstances.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial year-to-date.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Current year	85	25	85	25
Effective tax rate (%)	24.00	24.00	24.00	24.00
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The effective tax rate for the current quarter and financial year-to-date ended 31 March 2023 is equal to statutory tax rate of 24%.

B6. Status of Corporate Proposals

There are no other corporate proposals announced by the Company that are not completed as at the date of this report.

B7. Borrowings

The details of the Group's borrowings are as follows: -

	Unaudited 31.03.2023 RM'000	Audited 31.12.2022 RM'000
Non-current:		
Borrowings	9,406	4,747
Lease liabilities	3,628	9,574
	13,034	14,321
Current:		
Borrowings	14,850	23,983
Lease liabilities	4,926	5,243
	19,776	29,226
Total	32,810	43,547

All the borrowings are secured and denominated in Ringgit Malaysia.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B8. Material Litigation

Save as disclosed below, there are no other material litigation pending as at the date of this interim financial report.

Adjudication Proceeding

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

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

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

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

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

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

In the Adjudication Decision, MPM has been ordered to pay to TCSCSB in the sum of RM 6,141,557.77 ("Adjudicated Sum"), interests at the rate of 5% per annum on the Adjudicated Sum from 4 July 2020 until the date of full payment, (approximately RM 675,571.35 as at 15 September 2022) and all costs incurred in relation to the adjudication proceedings in the sum of RM 106,289.00.

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

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

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

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B8. Material Litigation (Cont'd)

Adjudication Proceeding (Cont'd)

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

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

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

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

3) Costs to be borne by TCSCSB; and

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

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

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

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

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

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B8. Material Litigation (Cont'd)

Legal Proceeding

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

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

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

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

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

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

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

The TCS's Suit is currently ongoing at the Shah Alam High Court. Trial has been fixed for 15.7.2024 – 18.7.2024.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B9. Proposed Dividend

No dividend has been declared or recommend for payment by the Company during the current interim financial quarter.

B10. Basic and Diluted Earnings Per Share

The basic/diluted earnings per share ("**EPS**") for the current quarter and financial year-to-date are computed as follows:

(a) Basic

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2023	**31.03.2022**	**31.03.2023**	**31.03.2022**
Profit/(loss) attributable to owners of the Company (RM'000)	105	80	105	80
Weighted average number of shares ('000)	390,000	390,000	390,000	390,000
Basic EPS (sen)[(1)]	0.02	0.02	0.02	0.02

(b) Diluted

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2023	**31.03.2022**	**31.03.2023**	**31.03.2022**
Profit/(loss) attributable to owners of the Company (RM'000)	105	80	105	80
Weighted average number of shares ('000)	390,000	373,559	390,000	373,559
Diluted EPS (sen)[(2)]	0.02	0.02	0.02	0.02

Notes:

(1) The basic earnings per share is computed based on profit attributable to the owners of the Company and a weighted average number of ordinary shares issued during the period under review.

(2) The diluted earnings per share is computed based on profit attributable to the owners of the Company and a weighted average number of ordinary shares issued that have been adjusted for the dilutive effects of all potential ordinary shares.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B11. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Interest income	(118)	(143)	(118)	(143)
Interest expense	550	289	550	289
Amortisation of investment property	44	27	44	27
Depreciation of property, plant and equipment	1,175	1,258	1,175	1,258

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B12. Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this interim financial report.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 30 May 2023.

By order of the Board of Directors
Tan Tong Lang (MAICSA 7045482/ SSM PC No. 202208000250)
Ang Wee Min (MAICSA 7076022/ SSM PC No. 202208000334)
30 May 2023
Company Secretaries