

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed by UOB Kay Hian Securities (M) Sdn Bhd, being TCS Group Holdings Berhad's ("TCS" or "Company") Sponsor.

Bursa Malaysia Securities Berhad ("Bursa Securities") did not peruse this Circular prior to issuance as they are exempt documents pursuant to Guidance Note No. 22 of Bursa Securities ACE Market Listing Requirements. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



TCS GROUP HOLDINGS BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO

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

The Proposed Shareholders' Mandate will be tabled as Special Business at the Third (3rd) Annual General Meeting of TCS which will be held and conducted by way of Virtual Meeting entirely through live streaming via Remote Participation and Voting 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, 8th June 2022 at 10.00 AM. This Circular, together with the Notice and a Form of Proxy, are enclosed together with the Annual Report of our Company for the financial year ended 31 December 2021.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at our Company's share registrar office at 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 stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : 6th June 2022, 10.00 AM

Date and time of Third Annual General Meeting : 8th June 2022, 10.00 AM

This Circular is dated 29 April 2022

DEFINITIONS

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

“Act”	:	The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	:	Annual General Meeting of our Company
“Audit Committee”	:	The Audit Committee of our Company
“Board”	:	The Board of Directors of our Company
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“CDS”	:	Central Depository System
“Circular”	:	This circular to our Shareholders dated 29 April 2022
“Director(s)”	:	Shall have the same meaning given in Section 2(1) of the the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Company or any other company which is a subsidiary of our Company
“EPS”	:	Earnings per Share
“LPD”	:	31 March 2022, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“Major Shareholder(s)”	:	Means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the where such person is the largest shareholder of the corporation, and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of TCS or any other company which is its subsidiary or holding company For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
“NA”	:	Net assets attributable to ordinary equity holders of our Company
“Proposed Shareholders’ Mandate”	:	Proposed Renewal of Existing Shareholders’ Mandate for our Group to enter into RRPTs of a revenue or trading nature
“Related Party(ies)”	:	Directors, Major Shareholders or persons connected with such Directors or Major Shareholders

DEFINITIONS (CONT'D)

“RRPT(s)”	: A transaction entered into by our Company or our subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of our Company or our subsidiaries
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Shareholders”	: Shareholders of our Company
“Substantial Shareholder(s)”	: A person who has interest or interests in one or more voting Shares in corporation and the number or aggregate number of those shares, is not less than 5% of the total number of voting shares in the corporation.
“TCS” or “Company”	: TCS Holdings Berhad (201901004613 (1313940-W))
“TCS Construction”	: TCS Construction Sdn Bhd (199801010644 (1228060-H))
“TCS Group” or “the Group”	: Collectively, TCS and our subsidiaries
“TCS Share(s)” or “Share(s)”	: Ordinary Shares of our Company
“2021 Annual Report”	: Annual Report of our Company issued for the financial year ended 31 December 2021

PRESENTATION OF INFORMATION

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

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

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

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

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

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

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TCS GROUP HOLDINGS BERHAD

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

Registered office

Level 5, Block B, Dataran PHB
Saujana Resort
Section U2
40150 Shah Alam
Selangor

29 April 2022

Board of Directors:

Tan Sri Dato' Sri Izzuddin bin Dali

Dato' Ir Tee Chai Seng

Datin Koh Ah Nee

Wong Choo Leong

Dato' Seri Ir Mohamad Othman bin Zainal Azim

Ooi Guan Hoe

Independent Non-Executive Chairman

Managing Director

Executive Director

Executive Director

Independent Non-Executive Director

Independent Non-Executive Director

To: Our Shareholders

Dear Sirs,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the AGM of the Company held on 1 June 2021, our Company sought and obtained from its shareholders the general mandate for TCS Group to enter into RRPT(s) of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for TCS Group's day today operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Third (3rd) AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 18th April 2022, our Board announced that our Company proposes to seek your approval for the Proposed Shareholders' Mandate at our forthcoming AGM.

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

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

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

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

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the Proposed Shareholders' Mandate is subject to annual renewal and disclosure is made in our annual report of the aggregated value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregated value is equal to or more than the following threshold:
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (b) the percentage ratios of such RRPT is 1.0% or more,whichever is the higher.
- (iii) this Circular to you for the Proposed Shareholders' Mandate includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities for perusal together with a checklist showing compliance with such information;
- (iv) at our forthcoming AGM to obtain your mandate:
 - (a) a related party with any interest, direct or indirect ("**Interested Related Party**"), must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate;
 - (b) the interested Director or interested Major Shareholder must ensure that person connected with them must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate; and
 - (c) where the Interested Related Party is a person connected with a Director or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate; and
- (v) our Company shall immediately announce to Bursa Securities when the actual value of a RRPT entered into by our Company exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Securities.

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

2.1 Principal activities of our Group

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

Name	Effective equity interest	Principal Activities
<u>Subsidiaries of our Company</u>		
TCS Construction	100.0%	Provision of construction services for buildings, infrastructure, civil and structural works
TCS Amona Consortium Sdn Bhd	60.0%	Dormant
TCS SS Precast Construction Sdn Bhd	65.0%	Dormant
<u>Subsidiary of TCS Construction</u>		
TCS Infra Sdn Bhd (<i>formerly known as TCS Bina Sdn Bhd</i>)	100.0%	Provision of construction services for buildings, infrastructure, civil and structural works

2.2 Classes of related parties

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

Transacting parties	Nature of transaction	Interested Related Parties	Estimated aggregate value as disclosed in the Circular to shareholders dated 30 April 2021	Actual value transacted (from date of AGM on 1 June 2021 up to the LPD)	Estimated value of transaction for the period from the forthcoming AGM to the next AGM ⁽¹⁾
			RM'000	RM'000	RM'000
Saujana Permai Development Sdn Bhd and TCS Construction	Provision of construction services	<p>Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company.</p> <p>Datin Koh Ah Nee is the Executive Director and Major Shareholder of our Company.</p> <p>Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of Saujana Permai Development Sdn Bhd.</p>	650,000.0	3,018.0	30,000.0
CDB Realty Sdn Bhd (as lessor) and TCS Construction (as lessee)	Rental of property which is used as our head office ⁽²⁾ , of which the rental is payable on a monthly basis	<p>Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company.</p> <p>Datin Koh Ah Nee is the Executive Director and Major Shareholder of our Company.</p> <p>Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of CDB Realty Sdn Bhd.</p>	181.2	151.0	181.2

Transacting parties	Nature of transaction	Interested Related Parties	Estimated aggregate value as disclosed in the Circular to shareholders dated 30 April 2021	Actual value transacted (from date of AGM on 1 June 2021 up to the LPD)	Estimated value of transaction for the period from the forthcoming AGM to the next AGM ⁽¹⁾
			RM'000	RM'000	RM'000
CDB Realty Sdn Bhd (as lessor) and TCS Infra Sdn Bhd (formerly known as TCS Bina Sdn Bhd) (as lessee)	Rental of property which is used as our head office ⁽³⁾ , of which the rental is payable on a monthly basis	Dato' Ir Tee Chai Seng is the Managing Director and Major Shareholder of our Company. Datin Koh Ah Nee is the Executive Director and Major Shareholder of our Company. Dato' Ir Tee Chai Seng and Datin Koh Ah Nee are Directors and Major Shareholders of CDB Realty Sdn Bhd.	52.8	35.2	52.8

Notes:

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

2.3 Amount due and owing by related parties

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

2.4 Review and disclosure methods and procedures

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

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

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

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

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

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

2.5 Statement by Audit Committee

Our Audit Committee is satisfied that the review methods and procedures for RRPT as set out in Section 2.4 above are sufficient to ensure that such RRPTs will be carried out on an arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and not to the detriment of our minority Shareholders.

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

2.6 Disclosure

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

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

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

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

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

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

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

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

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

5. VALIDITY PERIOD OF THE PROPOSED SHAREHOLDERS' MANDATE

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

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

whichever is the earlier.

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

6. APPROVAL REQUIRED

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

7. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

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

Interested Directors/ Major Shareholders	Shareholdings				Warrant Holdings			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Ir Tee Chai Seng	206,838,377	53.04	36,324,419 ⁽¹⁾	9.31	6,819,189	3.79	18,762,209 ⁽¹⁾	10.42
Datin Koh Ah Nee	36,324,419	9.31	206,838,377 ⁽¹⁾	53.04	18,762,209	10.42	6,819,189 ⁽¹⁾	3.79

Note:

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

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

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

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

8. DIRECTORS' RECOMMENDATION

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

9. AGM

The resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of AGM contained in 2021 Annual Report of our Company. The 3rd AGM will be held and conducted by way of Virtual Meeting entirely through live streaming via a Remote Participation and Voting 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 8th June 2022, 10.00 AM, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at our forthcoming AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2021 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at our Company's share registrar office not later than 48 hours before the time set for our forthcoming AGM. The completion and return of Form of Proxy will not preclude you from attending and voting in person at our forthcoming AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

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

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

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

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

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

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

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

Our subsidiary, TCS Construction was engaged by MPM Project Management Sdn Bhd ("**MPM Project Management**") to undertake a contract for construction of a shopping complex known as KTCC Mall at Kuala Terengganu ("**KTCC Mall Project**"), which was completed on 15 August 2019.

On 16 April 2020, TCS Construction received a certificate of non-completion dated 1 December 2019 ("**CNC**") from MPM Project Management in relation to an alleged non-completion of the scope of work specified in the contract for our KTCC Mall Project by the alleged extended completion date of 30 November 2019 and claim for liquidated ascertained damages ("**LAD**") of RM100,000.00 per day for the period during which the works are alleged to be incomplete.

We disputed the issuance of the CNC as we have completed our scope of work for the project by the completion date, i.e. 15 August 2019, and on numerous attempts, requested for issuance of the certificate of practical completion. In this respect, we have engaged solicitors to advise us on our next course of action and had on 22 June 2020 filed a claim against MPM Project Management under the Construction Industry and Payment Adjudication Act 2012 ("**CIPAA 2012**") in respect of:

- (i) the sum of RM7,422,769.91, being our interim progress claim no. 17-revision 1 dated 28 April 2020, for the works done for period ended 25 February 2020 and the first half of the retention sum ("**KTCC Outstanding Amount**");
- (ii) the sum of RM2,028.07, being the outstanding interest as at 21 June 2020 computed based on an interest rate of 5.0% per annum on the KTCC Outstanding Amount from its payment due date of 19 June 2020 to 21 June 2020; and
- (iii) any further interest at a rate of 5.0% per annum on the KTCC Outstanding Amount from 22 June 2020 until full settlement of KTCC Outstanding Amount and any interests thereof.

Due to the nationwide lockdowns and closure of the Asian International Arbitration Centre ('AIAC'), TCS Construction re-filed its Notice of Adjudication pursuant to Section 7 and 8 of CIPAA 2012 on 21 June 2021. An adjudicator was thereafter appointed by the director of the AIAC to decide on the dispute on 31 January 2022.

MPM Project Management was wound up by way of a Court Order dated 28.02.2022. TCS Construction is now in the midst of obtaining the necessary legal advice with regard to the ongoing CIPAA proceedings and other ongoing court proceedings filed by and/or filed against MPM Project Management.

FURTHER INFORMATION

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for your inspection at our registered office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150, Shah Alam, Selangor during normal office hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming AGM:

- (i) our constitution;
- (ii) the material contracts referred to in Section 2 of this Appendix I;
- (iii) our audited financial statements for the financial year ended 31 December 2020 and 31 December 2021; and
- (iv) the relevant cause paper referred to in Section 3 of this Appendix I.

EXTRACT OF THE NOTICE OF AGM

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

EXTRACT OF THE NOTICE OF THIRD (“3RD”) ANNUAL GENERAL MEETING (“AGM”)

6.	<p>Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)</p> <p>“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 Rule 10.09, Chapter 10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), subject to the following:</p> <ul style="list-style-type: none">(i) the transactions are necessary for the day-to-day operations of the Group in its ordinary course of business, and are at arm’s length, on normal commercial terms which are not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;(ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until: -<ul style="list-style-type: none">(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(2) 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, <p>whichever is the earlier.</p> <ul style="list-style-type: none">(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:-<ul style="list-style-type: none">(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, <p>whichever is the higher;</p> <p>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.”</p>	(Ordinary Resolution 7)
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