



TCS GROUP HOLDINGS BERHAD

(Registration No. 201901004613 (1313940-W))

(Incorporated in Malaysia)

**Interim Financial Report
For First Quarter Ended
31 March 2022**



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

	NOTE	QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	52,682	60,205	52,682	60,205
Cost of sales		<u>(50,358)</u>	<u>(52,578)</u>	<u>(50,358)</u>	<u>(52,578)</u>
Gross profit		2,324	7,627	2,324	7,627
Other income		268	73	268	73
Administrative expenses		<u>(2,342)</u>	<u>(3,250)</u>	<u>(2,342)</u>	<u>(3,250)</u>
Profit from operations		250	4,450	250	4,450
Finance income		143	139	143	139
Finance costs		<u>(289)</u>	<u>(248)</u>	<u>(289)</u>	<u>(248)</u>
Profit before tax	B12	104	4,341	104	4,341
Tax expense	B5	<u>(25)</u>	<u>(1,335)</u>	<u>(25)</u>	<u>(1,335)</u>
Profit/Total comprehensive income for the financial period		<u>79</u>	<u>3,006</u>	<u>79</u>	<u>3,006</u>
Profit//Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		80	3,015	80	3,015
Non-controlling interest		<u>(1)</u>	<u>(9)</u>	<u>(1)</u>	<u>(9)</u>
		<u>79</u>	<u>3,006</u>	<u>79</u>	<u>3,006</u>



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

	NOTE	QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		RM'000	RM'000	RM'000	RM'000
Earnings Per Share					
Basic (sen)	B11	0.02	0.84	0.02	0.84
Diluted (sen)	B11	0.02	0.71	0.02	0.71

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 2021 and the accompanying explanatory notes attached to this interim financial report.

N/A Not Applicable



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited 31.03.2022	Audited 31.12.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,482	30,392
Investment property	5,197	3,568
Deferred tax assets	628	628
Fixed deposits with licensed banks	7,542	7,480
Cash and bank balances	1,379	798
	<u>43,228</u>	<u>42,866</u>
Current assets		
Trade receivables	78,202	79,282
Other receivables	6,219	7,042
Tax recoverable	664	29
Contract assets	27,722	20,571
Fixed deposits with licensed banks	20,216	26,332
Cash and bank balances	5,884	5,589
	<u>138,907</u>	<u>138,845</u>
TOTAL ASSETS	<u>182,135</u>	<u>181,711</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	58,476	58,476
Merger deficit	(24,065)	(24,065)
Retained earnings	51,246	51,166
Equity attributable to owners of the Company	<u>85,657</u>	<u>85,577</u>
Non-controlling interest	644	645
Total equity	<u>86,301</u>	<u>86,222</u>
Non-current liabilities		
Lease liabilities	7,322	8,105
Borrowings	10,208	10,273
	<u>17,530</u>	<u>18,378</u>
Current liabilities		
Trade payables	59,273	61,014
Other payables	7,153	7,566
Contract liabilities	1,148	-
Lease liabilities	6,277	6,678
Borrowings	4,423	627
Tax payable	30	1,226
	<u>78,304</u>	<u>77,111</u>
Total liabilities	<u>95,834</u>	<u>95,489</u>
TOTAL EQUITY AND LIABILITIES	<u>182,135</u>	<u>181,711</u>
Number of issued shares ('000)	390,000	390,000
Net asset per share attributable to owner of the Company (RM)	<u>0.22</u>	<u>0.22</u>

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 2021 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 31.12.2020 (Audited)	46,176	(24,065)	52,279	74,390	397	74,787
Total comprehensive income for the financial period	-	-	2,487	2,487	(15)	2,472
Transaction with owners:						
Issue of shares	12,300	-	-	12,300	-	12,300
Newly incorporated subsidiary	-	-	-	-	263	263
Dividend paid	-	-	(3,600)	(3,600)	-	(3,600)
Balance as at 31.12.2021 (Audited)	58,476	(24,065)	51,166	85,577	645	86,222

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 2021 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 31.12.2021 (Audited)	58,476	(24,065)	51,166	85,577	645	86,222
Total comprehensive income for the financial period (Unaudited)	-	-	80	80	(1)	79
Balance as at 31.03.2022 (Unaudited)	58,476	(24,065)	51,246	85,657	644	86,301

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 2021 and the accompanying explanatory notes attached to this interim financial report.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 31.03.2022 RM'000	PRECEDING YEAR TO-DATE 31.03.2021⁽¹⁾ RM'000
OPERATING ACTIVITIES		
Profit before tax	104	4,341
Adjustments for:-		
Depreciation of property, plant and equipment	1,258	1,626
Amortisation of investment property	27	11
Reversal of impairment on other receivables	-	-
Interest expense	289	248
Interest income	(143)	(139)
Operating profit before working capital changes	<u>1,535</u>	<u>6,087</u>
Changes in working capital:-		
Receivables	1,903	3,049
Contract assets/liabilities	(6,003)	(3,204)
Payables	<u>(2,154)</u>	<u>(1,086)</u>
Cash (used in)/generated from operations	(4,719)	4,846
Interest received	143	139
Interest paid	(289)	(248)
Tax paid	<u>(1,857)</u>	<u>(1,092)</u>
Net cash (used in)/ generated from operating activities	<u>(6,722)</u>	<u>3,645</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,004)	(913)
Placement of fixed deposits pledged	(62)	(347)
Placement of sinking fund pledged	<u>(580)</u>	<u>(632)</u>
Net cash used in investing activities	<u>(1,646)</u>	<u>(1,892)</u>



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

	CURRENT YEAR	PRECEDING YEAR
	TO-DATE	TO-DATE
	31.03.2022	31.03.2021
	RM'000	RM'000
FINANCING ACTIVITIES		
Drawdown of lease liabilities	549	-
Repayment of lease liabilities	(1,734)	(1,782)
Drawdown of term loans	3,753	189
Repayment of term loans	(21)	(60)
Net cash from/(used in) financing activities	2,547	(1,653)
CASH AND CASH EQUIVALENTS		
Net changes	(5,821)	100
Brought forward	31,921	48,105
Carried forward	26,100	48,205
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	27,758	30,648
Cash and bank balances	7,263	30,611
	35,021	61,259
Less: Fixed deposits pledged	(7,542)	(11,485)
Less: Sinking fund pledged	(1,379)	(1,569)
	26,100	48,205

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 2021 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 and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

A2. Significant Accounting Policies

The accounting policies adopted by the Group in the preparation of the interim financial report are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2021, except for the following:

MFRSs and/or IC Interpretations (Including The Consequential Amendments) which came into effect for financial periods beginning on or after 1 January 2021.

Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to Reference to the Conceptual Framework in MFRS Standards
Amendments to MFRS 16: COVID-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) do not have any material impact on the unaudited consolidated financial statements of the Group upon their initial application.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial year ended 31 December 2021:

Standards issued but not yet effective:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Annual Improvement to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
MFRS 17 Insurance Contracts & Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4* Extension of temporary exemption from applying MFRS 9	1 January 2023
Amendments to MFRS 101 Disclosure of accounting policies	1 January 2023
Amendments to MFRS 108 Definition of accounting estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



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

A2. Significant Accounting Policies (cont'd)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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 2021.

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 B9, 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 31.03.2022

	Construction Services	Investment Holding	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue: -				
External revenue	52,682	-	-	52,682
Inter-Segment revenue	4,173	-	(4,173)	-
	<u>56,855</u>	<u>-</u>	<u>(4,173)</u>	<u>52,682</u>

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				<u>79</u>

Financial quarter/ year-to-date ended 31.03.2021

	Construction Services	Investment Holding	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue: -				
External revenue	60,205	-	-	60,205
Inter-Segment revenue	1,356	-	(1,356)	-
	<u>61,561</u>	<u>-</u>	<u>(1,356)</u>	<u>60,205</u>

Segment results⁽¹⁾

Amortisation of investment property				(11)
Depreciation of property, plant and equipment				(1,626)
Interest income				139
Interest expenses				(248)
Unallocated income				73
Unallocated expenses				(54,191)
Tax expense				(1,335)
Segment profit				<u>3,006</u>

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 B9, 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 were no 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 31.03.2022	Audited 31.12.2021
	RM'000	RM'000
Performance bonds and corporate guarantees for construction projects	60,174	60,174

A14. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred.

	Unaudited 31.03.2022	Audited 31.12.2021
	RM'000	RM'000
Authorised and contracted for:		
Purchase of construction equipment	1,432	2,285

A15. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to the companies in which Directors have interests	59	71	59	71



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Group Performance

For the current quarter under review, the Group's registered a revenue of RM52.68 million as compared to RM60.21 million in the preceding year corresponding quarter. This was mainly due to the following factors:

- Higher progress billing in the preceding year corresponding quarter from four completed projects, namely the Hermington Project, Suria Pantai Project, Woodbury Project and Tropicana Urban Home Project.
- The construction progress of our on-going projects (including J.Satine, West Coast Expressway and Tropicana Miyu Project) was hindered by the continuous impact of the COVID-19 pandemic, which has also caused disruptions in the building materials supply chain.

The Group recorded a profit before tax ("**PBT**") of RM0.10 million in current quarter under review as compared to a PBT of RM4.34 million in the preceding year corresponding quarter. This was chiefly attributed to the following factors:

- Lower revenue achieved in the current quarter under review.
- Lower profit margin from several ongoing projects that are still in early stages. Profit margin would usually pick up as construction works progress further.
- Rising raw material costs stemming from disruptions in the building materials supply chain brought upon by the COVID-19 pandemic.

B2. Comparison with the Immediate Preceding Quarter Result

The Group recorded a revenue of RM52.68 million in the current quarter under review as compared to RM54.85 million in the immediate preceding quarter, representing a marginal decrease of RM2.17 million or 3.96%. The decrease in revenue was mainly due to the completion of three projects, namely the Hermington Project, Woodbury Project and Tropicana Urban Homes Project in the 2nd half year of 2021.

Despite lower revenue, the Group reported a PBT of RM0.10 million in the current quarter under review versus a loss before tax ("**LBT**") of RM6.74 million in the immediately preceding quarter. The LBT was predominantly owing to the one-off impairment on the financial assets amounting to RM4.14 million in relation to the KTCC Mall Project.

B3. Commentary on Prospects

Looking ahead, the demanding business operating landscape is expected to persist on the back of market uncertainties, supply chain disruptions, rising raw materials and commodity prices, as well as labour shortage. The Group is mindful of these challenges, which are affecting the entire construction industry. TCS is proactively addressing these issues and the situation remains manageable at this moment. Meanwhile, the Group is also continuously enhancing our operational efficiency and procurement process. On a positive note, prices of certain materials are stabilizing as the supply chain issues improve gradually, which is a good development for the industry.

TCS continues to see signs of more jobs being awarded as Malaysia transitions into the endemic phase of COVID-19 along with the economic recovery gaining further traction. This is encouraging not just for us but the whole construction sector. Our team remains busy working on tenders and the Group is eyeing projects such as residential and commercial buildings, infrastructure projects, purpose-built buildings (eg. private hospitals and schools), as well as institutional buildings (eg. government hospitals).

All in all, the outlook of the Group is cautiously positive as TCS focuses on smooth execution and on-time delivery of our healthy order book. For all our projects, TCS continues to place utmost emphasis on ensuring quality delivery, timely completion, safe and healthy work environment and optimal cost



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

B3. Commentary on Prospects (cont'd)

efficiency. Simultaneously, the Group is forging ahead in navigating the challenges faced, supported by our solid balance sheet, as well as prudent planning and careful execution by the management. The Board of Directors expects the Group's financial performance for financial year ending 31 December 2022 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.

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
Income tax	25	1,335	25	1,335
Effective tax rate (%)	24.00	30.76	24.00	30.76
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 2022 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, other than disclosed below:

- On 9 July 2021, the Company announced to undertake a private placement of up to 20% of the total number of issued shares of TCS ("TCS Share(s)" or "Share(s)") (excluding treasury shares) to third party investor(s) to be identified later at an issue price to be determined later in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Private Placement").

As at the date of this report, 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 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.



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

B7. Utilisation of Proceeds Raised

a) Initial Public Offering (“IPO”)

In conjunction with TCS' listing on the ACE Market of Bursa Securities, the Company had undertaken an Initial Public Offering (“IPO”) of 108,000,000 ordinary shares (“Shares”) at an IPO price of RM0.23 per Share comprising public issue of 90,000,000 new Shares (“Public Issue”) and offer for sale of 18,000,000 existing Shares. The Company has completed the IPO and listing exercise on 23 July 2020.

The gross proceeds of approximately RM20.70 million from the Public Issue is intended to be utilised in the following manner:

<u>Utilisation of proceeds</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Balance Unutilised</u>	<u>Estimated timeframe for utilisation from the date of listing</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Purchase of new construction machinery and equipment	13,000	(13,000)	-	Within 36 months
Working capital for construction projects	4,200	(4,200)	-	Within 24 months
Estimated listing expenses	3,500	(3,500)	-	Within 3 months
Total	20,700	(20,700)	-	

The utilisation of proceeds as disclosed above should be read in conjunction with the Company's prospectus in relation to the IPO (“Prospectus”).

b) Private Placement

The status of the utilisation arising from the total gross proceeds of RM12.30 million raised from the first and second tranches of the 20% Private Placement, were as below:

<u>Utilisation of proceeds</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Deviation</u>	<u>Balance Unutilised</u>	<u>Estimated timeframe for utilisation from receipt of placement funds</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Working capital for construction projects	12,230	(8,280)	(52)	3,898	Within 24 months
Estimated listing expenses	70	(122)	52	-	Upon receipts of placement funds
Total	12,300	(8,402)	-	3,898	



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

B8. Borrowings

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

	Unaudited 31.03.2022	Audited 31.12.2021
	RM'000	RM'000
Non-current:		
Borrowings	10,208	10,273
Lease liabilities	7,322	8,105
	<u>17,530</u>	<u>18,378</u>
Current:		
Borrowings	4,423	627
Lease liabilities	6,277	6,678
	<u>10,700</u>	<u>7,305</u>
Total	<u>28,230</u>	<u>25,683</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. 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 ("TCS Construction") 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, TCS Construction 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, TCS 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 is put in abeyance at this juncture 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, TCS had filed a request to the Director of the AIAC to appoint an adjudicator on 24 January 2022 and an adjudicator has been appointed on 31 January 2022. As MPM has been wound up on 28 February 2022 and hence TCS is in the midst of obtaining the leave from the Court to continue with the adjudication proceedings against MPM.



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

B9. Material Litigation (cont'd)

Legal Proceeding

Pursuant to the announcement made on 15 July 2021 and 21 July 2021, TCS Construction and MPM have filed a suit against each other. TCS Construction 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 results of, amongst others, MPM and KTCC Mall Sdn Bhd's breaches ("TCS's Suit"). MPM is withholding payments for these works done on the alleged ground that TCS has not fully completed its works. This is contrary to the evidence that Certificate of Completion and Compliance ("CCC") has already been issued for KTCC Mall on 23 January 2020 and KTCC Mall was opened for business on 24 January 2020.

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

As MPM has been wound up on 28 February 2022, TCS is in the midst of obtaining the leave of court to continue with its suit against MPM and other defendants. TCS 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.

B10. Proposed Dividend

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

B11. 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	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	80	3,015	80	3,015
Weighted average number of shares ('000)	390,000	360,000	390,000	360,000
Basic EPS (sen) ⁽¹⁾	0.02	0.84	0.02	0.84

(b) Diluted

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the Company (RM'000)	80	3,015	80	3,015
Weighted average number of shares ('000)	373,559	423,492	373,559	423,492
Diluted EPS (sen) ⁽²⁾	0.02	0.71	0.02	0.71



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

B11. Basic and Diluted Earnings Per Share (cont'd)

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.

B12. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(143)	(139)	(143)	(139)
Interest expense	289	248	289	248
Amortisation of investment property	27	11	27	11
Depreciation of property, plant and equipment	1,258	1,626	1,258	1,626

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

B13. Derivative Financial Instruments

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

B14. 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 26 May 2022.

By order of the Board of Directors
Tan Tong Lang (MAICSA 7045482/ SSM PC No. 202208000250)
Thien Lee Mee (LS 0009760/ SSM PC No. 201908002254)
26 May 2022
Company Secretaries