TCS GROUP HOLDINGS BERHAD

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

Interim Financial Report
For Fourth Quarter Ended
31 December 2025

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

		QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	NOTE	RM'000	RM'000	RM'000	RM'000
Revenue	A9	140,673	88,758	356,051	392,874
Cost of sales		(136,002)	(86,188)	(340,896)	(379,111)
Gross profit		**4,671**	**2,570**	**15,155**	**13,763**
Other income		54	737	665	1,898
Administrative expenses		(3,426)	(2,574)	(11,663)	(11,402)
Profit from operations		**1,299**	**733**	**4,157**	**4,259**
Finance income		59	78	248	352
Finance costs		(690)	(587)	(2,420)	(3,860)
Reversal of impairment on financial assets		-	-	332	742
Profit before tax	B12	**668**	**224**	**2,317**	**1,493**
Tax expense	B5	-	-	-	(9)
Profit /Total Comprehensive Income for the financial period		**668**	**224**	**2,317**	**1,484**
Profit /Total Comprehensive Income for the financial period after taxation attributable to:					
Owners of the Company		692	168	2,253	1,434
Non-controlling interest		(24)	56	64	50
		668	**224**	**2,317**	**1,484**

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

		QUARTER ENDED		YEAR-TO-DATE ENDED	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	NOTE	RM'000	RM'000	RM'000	RM'000
Earnings Per Share					
Basic (sen)	B11	0.10	0.03	0.36	0.28
Diluted (sen)	B11	0.10	0.03	0.36	0.28

Note:

(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 2024 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION[1]

	Unaudited 31.12.2025 RM'000	Audited 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,437	31,884
Investment property	3,396	2.599
Fixed deposits with licensed banks	9,737	8.082
Cash and bank balances	358	823
	42,928	43,388
Current assets		
Trade receivables	111,051	120,228
Other receivables	6,469	9,724
Tax recoverable	1,923	1,855
Contract assets	111,499	54,246
Fixed deposits with licensed banks	-	676
Cash and bank balances	10,529	12,421
	241,471	199,150
TOTAL ASSETS	284,399	242,538
EQUITY AND LIABILITIES		
Equity		
Share Capital	81,576	75,317
Merger deficit	(24,065)	(24,065)
Warrant reserve	11,439	11,439
Retained earnings	18,157	15,904
Equity attributable to owners of the Company	87,107	78,595
Non-controlling interest	1,796	1,732
Total equity	88,903	80,327
Non-current liabilities		
Lease liabilities	1,998	6,500
Borrowings	4,794	4,088
	6,792	10,588
Current liabilities		
Trade payables	128,780	105,913
Other payables	25,055	18,781
Amount due to director	3,700	-
Lease liabilities	7,323	6,787
Borrowings	16,644	19,388
Bank overdraft	7,202	754
Total current liabilities	188,704	151,623
Total liabilities	195,496	162,211
TOTAL EQUITY AND LIABILITIES	284,399	242,538
Number of issued shares ('000)	660,662	600,602
Net asset per share attributable to owner of the Company (RM)	0.13	0.13

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 2024 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	Warrant Reserve 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 31.12.2023 (Audited)	66,164	-	(24,065)	14,935	57,034	617	57,651
Transaction with owners:							
Issuance of shares pursuant to:							
- Rights issue with free warrants	9,153	11,439	-	-	20,592	-	20,592
- Exercise of Warrants 2021/2024 [(2)]	-	-	-	-	-	-	-
Non- controlling interests changes in ownership interest in a subsidiary	-	-	-	(464)	(464)	1,064	600
Total transactions with owners	9,153	11,439	-	(464)	20,128	1,064	21,192
Total comprehensive Income for the financial year	-	-	-	1,433	1,433	51	1,484
Balance as at 31.12.2024 (Audited)	75,317	11,439	(24,065)	15,904	78,595	1,732	80,327

Notes:

(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 2024 and the accompanying explanatory notes attached to this interim financial report

(2) Exercise of warrants by a shareholder of the Company amounting to RM 456 during the financial period was excluded from above statement after adjustment for rounding.

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

	Attributable to owners of the Company						
	Non-Distributable			Distributable			
	Share Capital RM'000	Warrant Reserve 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 31.12.2024 (Audited)	75,317	11,439	(24,065)	15,904	78,595	1,732	80,327
Transaction with owners:							
Total comprehensive income for the financial period	-	-	-	2,253	2,253	64	2,317
Issuance of Shares	6,259	-	-	-	6,259	-	6,259
Balance as at 31.12.2025 (Unaudited)	81,576	11,439	(24,065)	18,157	87,107	1,796	88,903

Notes:

(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 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS[1]

	CURRENT YEAR TO-DATE 31.12.2025 RM'000	PRECEDING YEAR TO-DATE 31.12.2024[1] RM'000
OPERATING ACTIVITIES		
Profit before tax	2,317	1,493
Adjustments for:-		
Amortisation of investment property	59	120
Depreciation of property, plant and equipment	8,452	7,727
Gain on disposal of property, plant and equipment	-	(6)
Gain on disposal of investment of properties	-	(799)
Interest expense	2,420	3,860
Interest income	(248)	(352)
Net gain on reversal of impairment of financial assets	(332)	(742)
Operating profit before working capital changes	12,668	11,301
Changes in working capital:-		
Receivables	12,764	(2,601)
Contract assets/ liabilities	(57,253)	10,125
Payables	29,142	(8,864)
Cash (used in)/ generated from operations	(2,679)	9,961
Interest received	248	95
Interest paid	(2,420)	(561)
Tax paid	(68)	(414)
Tax refund	-	20
Net cash (used in)/ generated from operating activities	**(4,919)**	**9,101**
INVESTING ACTIVITIES		
Interest received	-	49
Purchase of property, plant and equipment	(6,005)	(590)
Purchase of investment property	(856)	-
Proceeds from disposal of property, plant and equipment	-	9
Proceeds from disposal of asset held for sales	-	4,150
Net cash (used in)/ generated from investing activities	**(6,861)**	**3,618**

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

	CURRENT YEAR TO-DATE 31.12.2025 RM'000	PRECEDING YEAR TO-DATE 31.12.2024[1] RM'000
FINANCING ACTIVITIES		
Drawdown of domestic bill of exchange purchased-i	1,509	2,421
Repayment of multi currency trade financing-i	-	(5,897)
Repayment of term loan	(3,548)	(874)
Interest paid	-	(3,299)
Interest received	-	208
Repayment of lease liabilities	(3,966)	(8,874)
(Placement)/ Withdrawal of fixed deposits pledged	(1,655)	1,825
Withdrawal/ (Placement) of sinking fund pledge	465	(559)
Advances from/ (repayment to) directors	3,700	(2,000)
Subscription of additional equity interest in subsidiaries by non-controlling interests	-	600
Proceeds from issuance of share capital, net of share issuance expenses	6,258	20,592
Net cash generated from financing activities	**2,763**	**4,143**
CASH AND CASH EQUIVALENTS		
Net changes	(9,017)	16,862
Brought forward	12,344	(4,518)
Carried forward	**3,327**	**12,344**
CASH AND CASH EQUIVALENTS		
Cash and bank balances	10,887	13,244
Fixed deposits with licensed banks	9,737	8,758
Bank overdraft	(7,202)	(754)
	13,422	**21,248**
Less: Fixed deposits pledged	(9,737)	(8,081)
Less: Sinking fund pledged	(357)	(823)
	3,327	**12,344**

Note:

(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 2024 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 2024.

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 2024.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements except for:-

Amendments to MFRS 101 - Presentation of financial statements: Disclosure of accounting policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant’ with material’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples the explain and demonstrate the application of the ‘four step materiality process’ described in MFRS Practice Statement 2.

The amendments have had an impact on the Group’s disclosures of accounting policies but not on the measurement, recognition on presentation of any items in the Group’s 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.

Amendments to MFRSs effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of financial statements: Non-current liabilities with covenants
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 7* and MFRS 107*	Financial instruments – disclosures and statement of cash flows: Supplier finance arrangements

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

A2. Significant Accounting Policies (Cont'd)

A.2.1 Standards issued but not yet effective (cont'd)

Amendments to MFRSs effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121	The effect of changes in foreign exchange rates: Lack of exchangeability

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.

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 2024.

A4. Seasonal or Cyclical Factors

The Group's performance has 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 ended 31.12.2025	Construction Services RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue: -				
External revenue	140,673	-	-	140,673
Inter-Segment revenue	1,089	-	(1,089)	-
	141,762	-	(1,089)	140,673
Segment results[1]				
Amortisation of investment property				(15)
Depreciation of property, plant and equipment				(2,170)
Interest income				59
Interest expenses				(690)
Unallocated income				54
Unallocated expenses				(137,243)
Tax expense				-
Segment profit				668

Financial quarter ended 31.12.2024	Construction Services RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue: -				
External revenue	88,758	-	-	88,758
Inter-Segment revenue	5,535	-	(5,535)	-
	94,293	-	(5,535)	88,758
Segment results[1]				
Amortisation of investment property				(18)
Depreciation of property, plant and equipment				(2,057)
Interest income				78
Interest expenses				(587)
Unallocated income				737
Unallocated expenses				(86,687)
Tax expense				-
Segment profit				224

Note:

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

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

A9. Segmental Reporting (cont'd)

Financial year-to-date ended 31.12.2025	**Construction Services RM'000**	**Investment Holding RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue: -				
External revenue	356,051	-	-	356,051
Inter-Segment revenue	11,086	-	(11,086)	-
	367,137	-	(11,086)	356,051
Segment results(1)				
Amortisation of investment property				(59)
Depreciation of property, plant and equipment				(8,452)
Reversal of impairment of financial assets				332
Interest income				248
Interest expenses				(2,420)
Unallocated income				665
Unallocated expenses				(344,048)
Tax expense				-
Segment profit				2,317

Financial year-to-date ended 31.12.2024	**Construction Services RM'000**	**Investment Holding RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue: -				
External revenue	392,874	-	-	392,874
Inter-Segment revenue	20,611	-	(20,611)	-
	413,485	-	(20,611)	392,874
Segment results(1)				
Amortisation of investment property				(120)
Depreciation of property, plant and equipment				(7,727)
Reversal of impairment of financial assets				742
Interest income				352
Interest expenses				(3,860)
Unallocated income				1,898
Unallocated expenses				(382,666)
Tax expense				-
Segment profit				1,493

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

A13. Financial guarantees

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

	Unaudited 31.12.2025 RM'000	Audited 31.12.2024 RM'000
Performance bonds for construction projects	69,128	72,038

A14. Capital Commitments

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

	Unaudited 31.12.2025 RM'000	Audited 31.12.2024 RM'000
Authorised and contracted for:		
Purchase of properties	1,192	-

A15. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Rental expenses paid to the companies in which Directors have interests	45	59	221	234
Provision of construction services to a company in which Directors have interests	4,143	2,913	13,915	2,913

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Group Performance

a) Results for current quarter

For the current quarter under evaluation, the Group's revenue rose 58.5% year-on-year ("YoY") to RM140.67 million from RM88.76 million in the prior year. This improvement was due to higher progress billings from our ongoing projects namely Arcadia Residences at Bandar Saujana Putra, Setia Bayuemas at Klang, i23 & i24 Semi-D factories at Sime Darby Elmina Business Park and Pan Borneo Highway Phase 1b Work Package 32 in Sabah.

In tandem with the top-line improvement, profit after tax ("PAT") for the current quarter under review improved to RM0.67 million from RM0.22 million in the prior year.

b) Results for financial year to-date

Cumulatively, the Group recorded revenue of RM356.05 million for the period under review which is lower than RM392.87 million achieved last year. This was due to:

- Completion of previous projects such as M Arisa at Sentul, IOI Moxy Hotel at Putrajaya and Tropicana Miyu at Petaling Jaya; and
- Construction progress for ongoing projects such as Arcadia Residences at Bandar Saujana Putra, Setia Bayuemas at Klang, i23 & i24 Semi-D factories at Sime Darby Elmina Business Park and Pan Borneo Highway Phase 1b Work Package 32 at Sabah, were picking up.

Nevertheless, PAT improved 56.1% YoY to RM2.32 million for the current period under review, compared to RM1.48 million last year. This was largely driven by improved gross profit margins of ongoing projects and lower finance costs from reduced borrowings.

B2. Comparison with the Immediate Preceding Quarter Result

For the quarter-on-quarter ("QoQ") comparison, revenue grew 47.6% QoQ to RM140.67 million from RM95.32 million in the immediate preceding quarter. PAT for the current quarter under review improved slightly by 1.7% QoQ to RM0.67 million, compared to RM0.66 million in the immediate preceding quarter. This was primarily due to higher progress billings from our on-going projects.

B3. Commentary on Prospects

Malaysia's construction industry continues to demonstrate resilience with an expansion of 12.5% in 2025 with the value of work done hitting RM178.6 billion according to the Department of Statistics Malaysia ("DOSM"). The expansion was largely driven by the strong performance of the special trade activities and non-residential buildings sub-sectors.

Malaysia's economy also expanded, with gross domestic product ("GDP") growing by 4.9% in 2025, supported by domestic demand based on data from DOSM. For 2026, the Ministry of Finance ("MoF") estimates GDP growth of between 4.0% and 4.5%, supported by both government-led initiatives such as the 13th Malaysia Plan ("13MP"), which allocated RM430 billion in development expenditure, and private sector investments.

This provides a continued positive outlook for the local construction industry as well as TCS. The Group remains focused on executing its existing order book and ongoing projects while upholding high standards of safety, quality and integrity. Our team remains actively engaged in pursuing new opportunities and participating in more tenders. Simultaneously, we are also closely monitoring the fluctuations in raw material prices and the latest developments in the operating environment. On balance, the long-term prospects of the Group remain positive.

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

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	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Current year	-	-	-	-
Effective tax rate (%)	N/A	N/A	N/A	N/A
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 December 2025 is not applicable due to unutilised tax losses brought forward.

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:

Private Placement

On 18 July 2025, the Company announced to undertake a private placement of up to 10% of the total number of issued shares of TCS ("TCS Share(s)" or "Share(s)") 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 ("Act") ("Proposed Private Placement").

As at the date of this report, the Company has completed one tranche of the Private Placement involving issuance of 60,060,167 new TCS Shares, at an issue price of RM0.1042, raising a total proceeds of RM6.26 million.

On 30 January 2026, the Company announced the completion of the above private placement as the timeframe for implementation had lapsed on the same date.

B7. Utilisation of Proceeds Raised

Private Placement

The status of the utilisation arising from the total gross proceeds of RM6.26 million raised from the 10% Proposed Private Placement, were as below:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation from receipt of placement funds
Working capital for construction projects	6,178	6,094	(84)	-	Within 24 months
Estimated listing expenses	80	164	84	-	Upon receipts of placement funds
Total	**6,258**	**6,258**	**-**	**-**	

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

B8. Borrowings

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

	Unaudited 31.12.2025 RM'000	Audited 31.12.2024 RM'000
Non-current:		
Borrowings	4,794	4,088
Lease liabilities	1,998	6,500
	6,792	10,588
Current:		
Borrowings	16,644	19,388
Lease liabilities	7,323	6,787
Bank overdraft	7,202	754
	31,169	26,929
Total	37,961	37,517

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 ("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.

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

B9. Material Litigation (cont'd)

Adjudication Proceeding (cont'd)

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.

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 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").

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

B9. Material Litigation (cont'd)

Adjudication Proceeding (cont'd)

On 1 November 2022, TCSCSB 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 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.

Pursuant to the High Court Order dated 12 January 2024 for Section 30 OS ("Section 30 Order"), the High Court has decided that:

1) KTCCMSB shall directly pay TCSCSB according to the Adjudication Decision dated 13 September 2022, namely:-

   (a) Adjudicated amount of RM6,141,557.77;
   (b) Costs of the adjudication proceedings and the Claimant's costs totalling RM 106,289.00; and
   (c) Interests at the rate of 5% per annum on the adjudicated amount of RM6,141,557.77 from the date due of payment of the Claimant's Progress Claim No.17 (revision), ie. on 4.7.2020 until the date of full payment.

2) KTCCMSB shall pay TCSCSB RM10,000.00 for costs, subject to allocator fee.

Pursuant to the High Court Order dated 12 January 2024 for Terengganu Suit, the High Court has dismissed Terengganu Suit, and ordered for KTCCMSB to pay TCSCSB RM10,000.00 for costs, subject to allocator fee.

On 22.1.2024, KTCCMSB filed Notice of Appeal against both High Court Orders dated 12.1.2024. The hearing of the two Appeals took place before the Court of Appeal on 12.11.2025, and the Court of Appeal was initially set to deliver its decision on 9.2.2026. This date was vacated by the Court of Appeal, and a new decision date has been set for 13.5.2026.

On 22.8.2024, the Court of Appeal had allowed KTCCMCB's application for the execution of the Section 30 Order to be stayed pending disposal of KTCCMSB's appeal against the Section 30 Order at the Court of Appeal. ("**COA Stay Order**")

In view of the COA Stay Order, TCSCSB's pending execution proceedings premised on the Section 30 Order could not continue until the disposal of KTCCMSB's Notice of Appeal dated 22.1.2024.

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.

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

B9. Material Litigation (cont'd)

Legal Proceeding (cont'd)

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.

On 24 October 2024, the Court has allowed the 7th Defendant's application to stay the proceedings for TCS's Suit pending disposal of the 7th Defendant's application / appeal at the High Court Suit No.: BA-28PW-236-09/2023, and the Court of Appeal Civil Appeal No.: No. B-02(A)-275-02/2023 , or for a period 6 months, whichever is earlier, with costs of RM5,000.00 to be paid by the 7th Defendant to the Plaintiffs. The stay of proceedings has expired on 24.4.2025.

On the application of the 7th Defendant, on 30 July 2025, the High Court ordered for amongst other, one Mr Wong Weng Foo to be appointed as Joint Liquidator together with Datuk Mohd Afrizan bin Dato Husain.

Trial had initially been fixed for 23 – 25, 30 September 2025, 1 – 2, 8 – 9 October 2025.

On 28 August 2025, the solicitors for the 1st Defendant's liquidators filed an application to cease acting for the 1st Defendant in this suit on grounds of a conflict of interest with Mr. Wong Weng Foo. This application was allowed by the Court on 17 September 2025.

Parties attended Court on 23 September 2025, the planned date of commencement of trial in the matter. On this date, the parties informed the Judge of the present lack of representation for the 1st Defendant and the need for the Joint Liquidators to refer the issue to the Insolvency Court for further instructions.

Consequently, the Court vacated the trial dates set for 23 September 2025 to 25 September 2025, and directed that trial would commence on 30 September 2025.

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

B9. Material Litigation (cont'd)

Legal Proceeding (cont'd)

On 25 September 2025, the 7th Defendant filed an application into the Insolvency Court, seeking sanction to conduct proceedings in this suit on behalf of the 1st Defendant. This application was granted on 29 September 2025.

On 30 September 2025, the Plaintiff, the Plaintiff, 2nd, 3rd and 8th Defendants and 4th -7th Defendants attended before Court to commence trial in the matter. On this date, parties commenced cross-examination of the Plaintiff's first witness, Mr. Wong Choo Leong. The 1st Defendant was not represented and was not in attendance at trial from 30 September 2025 to 2 October 2025.

On 3 October 2025, the parties were informed that the Messrs Philip Mathew had been appointed as solicitors for the 1st Defendant.

On 6 October 2025, the parties and the Court fixed new trial dates in the above matter. The present trial dates in the above matter are set for 8 October 2025 – 9 October 2025, 3 July 2026, 21 September 2026 – 24 September 2026 and 28 September 2026 – 30 September 2026.

On 7 October 2025, the 1st Defendant's solicitors filed application for leave to file a Defence and Counterclaim in the suit ("**Leave Application**"), and further for a stay of proceedings until the disposal of the 1st Defendant's application for leave ("**Stay Application**").

On 8 October 2025, the parties attended before Court for the resumption for trial. However, the 1st Defendant raised issue of its Stay Application and Leave Application before the commencement of witness testimony on that date. Upon hearing the parties, the Court allowed the 1st Defendant's Leave Application, and further directed that the Plaintiffs file their Affidavit in Reply on the same by 22 October 2025 and further that the 1st Defendant file their Affidavit in Response by 5 November 2025. The Court further set a hearing date for the Leave Application on 9 December 2025.

As the grant of the Stay Application led to the trial dates on 8 October 2025 – 9 October 2025 being vacated, the Court further set two additional hearing dates on 12 February 2026, and 13 February 2026.

On 17 December 2025, the Court allowed the 1st Defendant's Leave Application. Consequently, the 1st Defendant filed its Defence and Counterclaim on 31 December 2025, the Plaintiffs filed their Reply to the 1st Defendant's Defence and Defence to 1st Defendant's Counterclaim on 14 January 2026 and the 1st Defendant filed its Reply to Defence to Counterclaim on 28 January 2026.

On 12 February 2026, the 1st Defendant filed an application to expunge the existing Statement of Agreed Facts between the Plaintiffs and the 1st Defendant. The Court set dates for the filing of the parties' respective affidavits and submissions in the application, and set the hearing on the application on 1 April 2026.

On 12 February 2026 and 13 February.2026, the Plaintiffs and all the Defendants attended the continuation of the trial before the Shah Alam High Court, where Mr. Wong Choo Leong completed his testimony after being examined by the 1st Defendant's counsel.

The parties are presently awaiting the hearing of the 1st Defendant's application to expunge the existing Statement of Agreed Facts on 1 April 2026 and further the resumption of trial on 3 July 2026, as well as the subsequent trial dates on 21 September 2026 – 24 September 2026 and 28 September 2026 – 30 September 2026.

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

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	
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
Profit attributable to owners of the Company (RM'000)	692	168	2,253	1,434
Weighted average number of shares ('000)	660,662	600,602	623,474	512,812
Basic EPS (sen)(1)	0.10	0.03	0.36	0.28

(b) Diluted

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
Profit attributable to owners of the Company (RM'000)	692	168	2,253	1,434
Weighted average number of shares ('000)	660,662	600,602	623,474	512,812
Diluted EPS (sen)(2)	0.10	0.03	0.36	0.28

Notes:

(1) 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 dilute effects of all potential ordinary shares.

(2) 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.

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

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Interest income	(59)	(78)	(248)	(352)
Interest expenses	690	587	2,420	3,860
Reversal of impairment on financial assets	-	-	(332)	(742)
Amortisation of investment property	15	18	59	120
Depreciation of property, plant and equipment	2,170	2,057	8,452	7,727

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 28 November 2025.

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)
27 February 2026
Company Secretaries