بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيم

In the name of Allah, The Most Gracious, The Most Merciful

5th January 2024 | 23 Jml. II 1445 AH

INTERIM SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF TSA GROUP BERHAD

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **TSA Group Berhad**
- Market: ACE Market of Bursa Securities
- IPO: Public
- Financial Statement Year Ended: 2022

We have conducted a comprehensive Shariah Screening of **TSA Group Berhad** to determine the Shariah Status of its IPO. We have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **TSA Group Berhad** is **Compliance with Shariah.**

Kindly be advised that the final Shariah status will be issued by the Shariah Advisory Council of the Securities Commission Malaysia.

Details of our assessment can be reviewed in **Appendix I.**

والله أعلمُ

Issued by,
Sharlife Sdn. Bhd.

Ustaz Arham Merican
Shariah Officer

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SharLife Advisory

APPENDIX I

<u>Business Activity Benchmark Assessment</u>

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

TSA Group is principally involved in the distribution and supply of ferrous and non-ferrous metal and other industrial hardware products, manufacturing and processing of stainless steel pipes and other metal products.

Operating Revenue

Segment	Segment Revenue (RM '000)	SNC Revenue	% SNC	Classification	Results
Trading of metal and other products	219,362	0	0.00%	Consist of rolled metal product, pipes, channels and angles, and hardware and others	Passed
Manufacturing of stainless steel pipes	111,576	0	0.00%	Primarily consist of manufactured stainless steel pipes wit round, square and rectangle profiles as well as their respective slotted profiles	Passed
Processing of stainless steel products	26,333	0	0.00%	Consist of carry out process of slitting, polishing and perforation	Passed
TOTAL	**357,271**	**0**	**0.00%**	**Manufacturing operations**	**Passed**

Non-Operating Revenue

Segment	Segment Revenue (RM '000)	SNC Revenue	% SNC	Classification	Results
Interest income	607	607	100.0%	Subject to 5% benchmark	Failed
Gains on disposal of property, plant and equipment	2,218	0	0.00%	N/A	Passed
Gains on foreign exchange	2,116	0	0.00%	N/A	Passed
Gains on foreign exchange	2,073	0	0.00%	N/A	Passed
Others	535	0	0.00%	Including sundry and rental income, government grant, bad debt recovered and rent concession	Passed
TOTAL	**7,549**	**607**	**8.0%**	**-**	**Failed**

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	607
Total SNC Revenue	607
Total Revenue (Gross)	364,820
% SNC Revenue	0.17%
STATUS	**PASSED**

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RM '000)	Total Assets	% Ratio	Result
Fixed deposits with a licensed bank	544	241,366	13.2%	Within 33% limit
Cash and bank balances	31,423			
TOTAL	**31,967**			**PASSED**

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RM '000)	Total Assets	% Ratio	Result
Lease liabilities	685	241,366	24.7%	Within 33% limit
Borrowings	58,901			
TOTAL	**59,586**			**PASSED**

IPO Shariah Status

Segment		Status
Business Activity Benchmark		PASSED
Financial Ratio Benchmark	Cash	PASSED
	Debt	PASSED
Result		PASSED

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.