TRC

TRC SYNERGY BERHAD

199601040839 (413192-D)

A STEADY PROGRESSION

ANNUAL REPORT 2023

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A STEADY PROGRESSION

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MANAGEMENT DISCUSSION
AND ANALYSIS DISCLOSURE

OVERVIEW OF GROUP'S BUSINESS OPERATIONS

TRC Synergy Berhad (The Company) is an investment holding company listed on the Bursa Main Market since 2002. Its main subsidiary, Trans Resources Corporation Sdn Bhd (TRC) has been actively involved in the Malaysian construction industry since 1984. To date, the Company's subsidiaries (the Group) are involved in engineering and construction, property development and oversea business investments, particularly in Australia.

The Group's main focus largely remains in the construction sector, where it has been a consistent player in the domestic construction industry for the last forty (40) years. Its construction division has established itself as a prominent Bumiputra contractor that continues to serve its stakeholders in delivering business values. Going forward, the Group will maintain and grow its activities in these three business areas.

Although the Covid-19 pandemic has passed, 2023 was the year where the Group was still operating within a challenging environment, impacted by market uncertainties and evolving macroeconomic. The cost of doing business continues to escalate due to factors such as the war in Ukraine, supply chain disruptions, increased cost of operations resulting from global inflation and material price escalation. Malaysia is not immune from these global developments given the openness in our economy and financial systems. As such, these have directly impacted outputs in all our divisions; construction, property development and other investments.

MRT Package DPT201, Serdang Maintenance Depot

Looking ahead, with the policy initiatives under the MADANI Economy framework, the mid-term review of the Twelfth Malaysian Plan, and the accompanying national strategic plans, the Government is expected to roll out several missed big-ticket projects in 2023 for the year 2024. Among those projects are the development of civil packages for MRT3 (RM45.0 billion), the Pan Borneo Sabah Phase 1B (RM15.7 billion), flood mitigation project (RM11.80 billion), Penang LRT (RM10.0 billion), Sabah-Sarawak Link Road Phase 2 (RM7.4 billion) and LRT3 reinstatement (RM4.7 billion).

All these mega infrastructure projects that the Government will implement will benefit the construction industry, and this augurs well for the Group's business due to its robust balance sheet and well-proven track records for undertaking mega projects such as MRT 1 & 2, LRT 2, LRT 3 depot, highways, bridges, airports, submarine base, and high-rise buildings. As such, the Group is hopeful to be in contention to gain advantage from this emphasis.

On a similar note, the Malaysian construction industry experienced significant positive growth in 2023 with a total value of projects realised at RM132 billion, a RM10 billion increase from the preceding year. This value derives predominantly from private sector projects and what fuelled this resurgence is a significant increase in high-rise residential mix-developments, industrial projects driven by supply-chain optimization and data centre developments.

To summarize the Group's results, the Construction Division experienced a slight drop in performance, whereas its Property Development Division posted a better output in 2023 due to revenue recognized from the completion of Perumahan Penjawat Awam Malaysia (PPAM) project in 2Q 2023. Most of the projects undertaken by the Group's construction division have reached physical completions but it has yet able to replenish its current order book to an optimal value, although some new projects were secured in 4Q 2023. While both Construction and Property Development Divisions remain as the Group's major earners, performance of hotel operations in Melbourne has yet to gain momentum.

MRSM Ranau

The Remedial Works at Pier No. P163, P164 & P165 and Associated Works near Bandaraya LRT Station of Ampang Line

For four decades, the Group has withstood global and local economic variability, but in the end, it has always emerged stronger. This is made possible through the backing of a group of dedicated management and employees who give their utmost commitments to deliver outputs as planned. With guidance from the Board of Directors (the Board) and coupled with our culture of resilience and perseverance, the Group remains optimistic in overcoming the challenges and achieving its strategic goals.

The Group remains optimistic that given this positive outlook, the construction sector in Malaysia will continue to grow stronger like before the pre-pandemic levels or better in the incoming months. The Group will remain focused on project execution and continue to strive for excellence in continuously nurturing its business through prudent financial management in order to maintain a healthy profit margin and balance sheet.

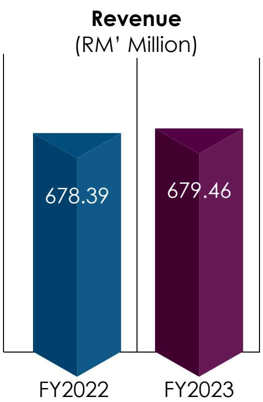
To demonstrate its commitment to excellence, it constantly implements various management tools such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System as well as application of QLASSIC (Quality Assessment System in Construction by CIDB) on all its building projects to ensure optimal output delivery.

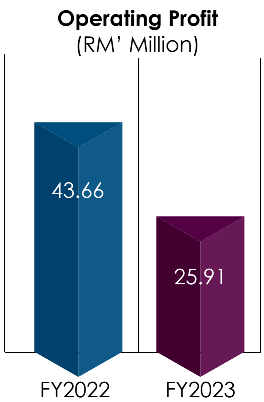
ANALYSIS OF FINANCIAL RESULTS

Group Financial Performance for FY2023

Description	FY2023 RM' Million	FY2022 RM' Million	Variance RM' Million	Variance %
Revenue	679.46	678.39	1.07	0.16
Operating Profit	25.91	43.66	(17.75)	(40.65)
Net Profit	25.60	57.09	(31.49)	(55.16)
**Core Net Profit	18.91	46.54	(27.63)	(59.37)

** Core Net Profit before taking into account the impact of the unrealised gain on foreign exchange, reversal of allowance for expected credit loss on trade and other receivables, allowance for expected credit loss on trade and other receivables, and impairment loss on investment in associate.

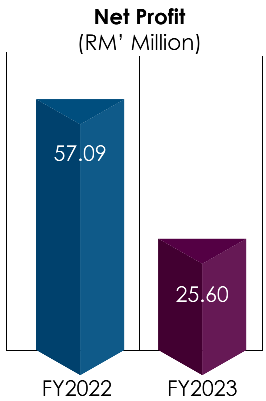


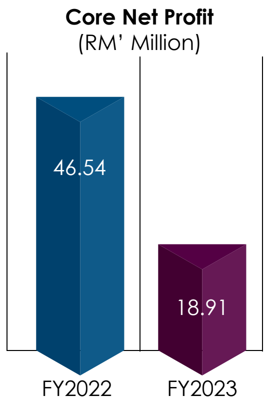


For FY2023, the Group's revenue increased by 0.16% to RM679.46 million, compared to RM678.39 million in the preceding year.

The Group's operating profit decreased by 41% to RM25.91 million from RM43.66 million in the previous year. FY2022 operating profit was higher due to a reversal of allowances for expected credit loss after the Group received an arbitration judgment against the Brunei Economic Development Board (BEDB) on 16 January 2023.

The Group's net profit decreased by 55% to RM25.60 million from RM57.09 million in the previous year, partly due to the reversal of expected credit loss on trade and other receivables and other finance income due to the interest income recognise in FY2022 for the amount owing by BEDB as awarded. However, the core net profit decreased by 59% to RM18.91 million from RM46.54 million in the preceding year.

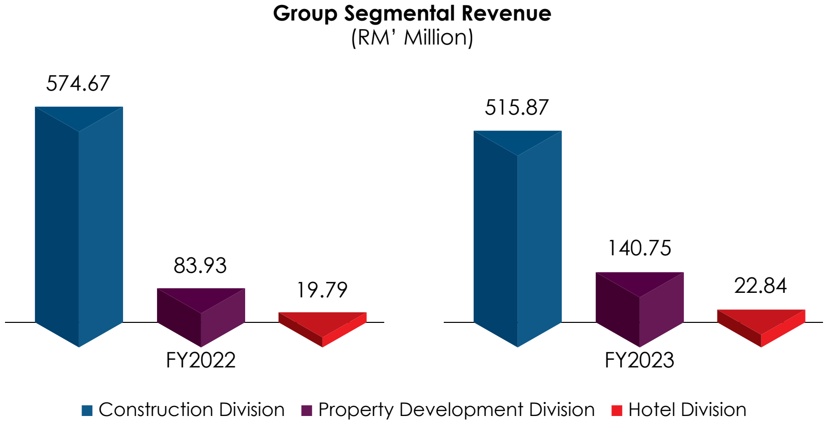




The group's stronger financial performance in FY2023 resulted from cost-effective and prudent financial management of all business segments despite facing multiple new challenges and uncertainties after the threat of the COVID-19 pandemic. Hence, maintaining a healthy financial position with stringent cash flow management continues to be our top priority.

GROUP SEGMENTAL PERFORMANCE

Year	Description	Construction Division	Property Development Division	Hotel Division	Others Division	Elimination	Total
FY2023	Revenue (RM' Million)	515.87	140.75	22.84	-	-	679.46
	Revenue Contribution (%)	75.92	20.72	3.36	-	-	100.00
	Operating Profit (OP) (RM' Million)	17.09	4.33	(2.76)	6.84	0.41	25.91
	OP Contribution (%)	65.96	16.71	(10.65)	26.40	1.58	100.00
FY2022	Revenue (RM' Million)	574.67	83.93	19.79	-	-	678.39
	Revenue Contribution (%)	84.71	12.37	2.92	-	-	100.00
	Operating Profit (OP) (RM' Million)	67.06	4.99	(2.51)	(6.97)	(18.91)	43.66
	OP Contribution (%)	153.59	11.43	(5.75)	(15.96)	(43.31)	100.00



CONSTRUCTION DIVISION

For the past few years, the Construction Division has consistently been the largest revenue and operating profit generator and contributor to the Group.

For FY2023, the Construction Divisions contributed 76% (RM515.87 million) and 66% (RM17.09 million) of its revenue and operating profit to the Group compared to 85% (RM574.67 million) and 153% (RM67.06 million) respectively, in the last preceding year.

However, the revenue was slightly lower for FY2023 compared to FY2022 due to the completion of certain projects, notably the Construction and Completion of Johan Setia Depot (Phase 2) and Associated Works for Construction and Completion of Light Transit Line 3 (TD2), The Proposed Construction and Completion of a New Maktab Rendah Sains Mara at Daerah Ranau, Sabah (MRSM), Retender of Proposed Design, Construction and Completion of New Prasarana Headquarters Building at Lembah Subang (PRASARANA HQ), and the Development and Upgrading of the Proposed Pan Borneo Highway in the State of Sarawak-Phase 1 (PBP5).

The Construction Division's operating profit for FY2023 was also lower compared to FY2022, mainly due to the reversal of the allowance of expected credit loss on trade and other receivables in FY2022 after the Singapore International Arbitration Centre (SIAC) gave an arbitration judgement in favour of TRC against Brunei Economic Development Board (BEDB). Also, the prices of construction materials, labour costs, and logistics have increased tremendously due to the chain effect of the COVID-19 pandemic, which has contributed to lower operating profits during the financial year.

Moving forward, the Group is cautious and vigilant but will continue to pursue opportunities to expand the construction portfolio by aggressively capitalising on its strong balance sheet, prudent and sound financial management, and favourable and cost-effective tendering exercises. These are amongst the strategies adopted by the Group to procure new construction contracts for its long-term growth.

PROPERTY DEVELOPMENT DIVISION

The Property Development Division contributed 21% (RM140.75 million) and 17% (RM4.33 million) of its revenue and operating profit to the Group for FY2023, compared to 12% (RM83.93 million) and 11% (RM4.99 million) in the preceding year, an increase by 9%.

Higher revenue was reported for the Property Development Division in FY2023, primarily due to the completion of the Projek Perumahan Penjawat Awam Malaysia (PPAM) in 2Q 2023 and some sales from the balance of the ARA Sentral development project (PERLA) as well as from Impian Senibong Residency in Johore.

Looking ahead, the property development market will still remain challenging in the short to medium term due to the rising cost of building materials and commodities and the shortage of workers.

Residential Tower, Ara Damansara Petaling Jaya (PERLA Ara Sentral)

Residential Towers, Podium Block, Facilities Block, and Serviced Apartment on Plot 8MD3, Precinct 8, Putrajaya

However, encouraged by PERLA 1st phase achievement, the Group will continue its 2nd Phase construction in 3Q 2024, mainly for its basement structure up to podium level. The launch of the 2nd Phase is expected to be in 3Q 2025. The 2nd phase comprises 134 retail and 704 service apartment units with an expected Gross Development Value of RM500 million.

Therefore, the launch of the 2nd Phase will keep the Groups' Property Development Division busy for the next three years, boosting and enhancing the Group's revenue and earnings.

Investments in Australia

- Property Development Division

On 20 July 2009, TRC (Aust) Pty Ltd acquired one-third (1/3) interest in Springridge Estate to develop 133.4 hectares of land in Wallan, Melbourne, Australia. The land is subdivided into 1,039 lots and will be developed in seventeen (17) stages. To date, 850 lots has been sold, out of which 666 lots have been fully settled by the purchasers.

For FY2023, this joint venture development incurred losses to the Group amounting to RM113,000.00, an improvement from the preceding FY2022 losses of RM834,000.

- Hotel Division

Element by Westin which is 100% owned by TRC Aust Pty Ltd is located at 588 Swan Street, Richmond Melbourne Australia. The 4-star Hotel with 168 keys was launched on 9th December 2019.

For this FY2023, the Hotel Division contributed 3% (RM22.84 million) of its revenue with an operating loss of 11% (RM2.76 million) to the Group, compared to a revenue of 3% (RM19.79 million) and an operating loss of 6% (RM2.51 million) respectively in the preceding FY2022.

For FY2023, Hotel revenue was slightly higher than the previous year due to a higher occupancy rate as more working holidaymakers and domestic overnight visitors travelled to Melbourne, Australia, after the Australian government opened its borders in 2Q 2022.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION AS OF 31 DECEMBER 2023

Description	FY2023 RM' Million	FY2022 RM' Million	Variance RM' Million	Variance %
Total Assets	985.07	1,126.48	(141.41)	(12.55)
Total Liabilities	431.92	622.02	(190.10)	(30.56)
Total Equity	553.14	504.46	48.69	9.65
Total Borrowings	102.11	159.51	(57.40)	(35.98)
Total Bank Balances	414.16	277.69	136.47	49.14
Net Asset per Share	1.15	1.05	0.10	9.52
Net Cash	112.99	(208.62)	321.61	(154.16)

Based on the above Group's Consolidated Financial Statement Analysis for FY2023, the Group has demonstrated a healthy, robust and prudent financial resilience with a strong balance sheet position.

The Group's total assets decreased by 12% to RM985.07 million in FY2023, primarily due to reduced trade and other receivables, inventories and contract cost assets compared to the previous year. The total liabilities also decreased by 30% to RM431.92 million from RM622.02 million in the previous year due to reduced trade and other payables and contract liabilities during the financial year.

The Group's total borrowing also decreased by 36% to RM102.11 million as of the end of FY2023. Of the total borrowing, approximately 6% is short-term borrowing within 12 months, and the balance of 94% is long-term borrowing for more than 12 months, mainly on term loans granted by National Australian Bank Pty Ltd (NAB) for the construction of Element Hotel.

However, the Group's total equity increased by 10% to RM553.14 million from RM504.45 million in the previous year, primarily due to an increase in the Group's retained earnings and other reserves during the FY2023.

Due to the Group's prudent and resilient financial management, the bank balances increased by 49% to RM414.16 million, compared to RM277.69 million in the previous year. The net asset per share also increased by 9% to RM1.15 per share from RM1.05 per share, resulting in an overall increase of the net cash position of the Group to RM112.99 million from negative net cash of RM208.62 million in the previous year.

The Group is committed to maintaining adequate liquidity to meet its short-term and working capital requirements. The Group closely monitors this net cash position and assesses it periodically to ensure a healthy liquidity level at all times.

CONSOLIDATED CASH FLOW ANALYSIS

Net Cash Inflow/(Outflow) from	FY2023 RM' Million	FY2022 RM' Million	Variance RM' Million	Variance %
Operating Activities	199.68	(22.70)	222.38	(979.65)
Investing Activities	9.54	3.88	5.66	145.88
Financing Activities	(72.94)	30.60	(103.54)	(338.37)
Closing Cash & Cash Equivalent	286.87	147.56	139.31	94.41

Despite facing many operational challenges due to the global and uncertain economic situation, The Group still demonstrated a strong and resilient net cash inflow of cash and cash equivalent position of RM286.87 million for FY2023 compared to RM147.56 million in the preceding FY2022. The increase in net cash and cash equivalent by RM139.31 million was due to an increase in collection from completed projects and an increased in deposit with money market funds.

The Group's net cash inflow from operating activities increased by RM222.38 million to RM199.68 million compared to the preceding FY2022 of net cash outflow of RM22.70 million after accounting for the changes in working capital, tax paid and interest received during the FY2023.

The Group's net cash inflow from investing activities increased by RM5.66 million to RM9.54 million from RM3.88 million in the preceding FY2022, mainly due to the proceeds from the disposal of property, plant and equipment, increased in money market fund, dividend income from money market funds and the distribution of profit from our joint venture.

The Group posted a net cash outflow for financing activities of RM72.94 million, compared to a net cash inflow of RM30.60 million in the preceding FY2022 primarily due to repayment of short-term borrowing and withdrawal of pledge deposit, interest payments, and dividend payments to shareholders.

However, to ensure the Group has adequate liquidity and cash flows for its working capital requirement and to meet its financial obligations in the future, the Group has a policy of being stringent in its credit terms and debt collection risk management, in addition to performing continuous financial and debt assessments.

DIVIDEND

The Group is committed to paying annual dividends to its shareholders. However, the quantum is determined after considering the Group's financial performance, level of available funds, amount of retained earnings, capital expenditure commitments, and other investment planning requirements before any dividend declaration is made.

For this FY2023, subject to shareholders' approval in the forthcoming Annual General Meeting, the Group will declare its first and final single-tier dividend of 1.20 sen per ordinary share for the year ended 31 December 2023, the same amount of dividend paid last FY2022. This amount represents 33% of the year Group's profit, which is in line with the Group's dividend policy of at least 25% of the year Group's profit.

REVIEW OF GROUP OPERATING ACTIVITIES

FY2023 sees the physical completion with Certificate of Completion and Compliance (CCC) of several projects undertaken by the Group's Construction Division namely, Prasarana Head Office, MRSM Ranau and Pan Borneo Highway package P5. These projects were completed on time with respectable profit margins.

For Johan Setia Depot (LRT3), although all physical works have been completed, CCC activities are still ongoing at this point of reporting. Additionally, Phase 2 of Mint Modernization project in Shah Alam for Bank Negara to resume the balance of work as per the contract in 4Q 2023.

Residential Towers, Podium Block, Facilities Block, and Serviced Apartment on Plot 8MD3, Precinct 8, Putrajaya

MRSM Ranau

The Construction Division also completed the construction of the 500 units PPAM in Putrajaya in 2Q 2023 for the Group's Property Development Division.

As a result of the completion of several projects in hand, the Construction Division's order book value has been further depleted. Nevertheless, the Group is hopeful that the division will be able to replenish it in FY2024, based on business development efforts and vigorous tender exercises in FY2023. This year, this division participates in tenders valued at RM5.0 billion by numerous clients; government and government agencies as well as private sectors.

Amidst all challenges, the Construction Division remains the biggest contributor to the Group's turnover at RM515.87 million, or 76%, a slight decrease from last year of 85%. The Division's ability to remain competitive and profitable amidst all business challenges marks the solid management and strong commitment from the Board, management down to all employees and team members.

On a positive note, FY2023 also sees this division securing two projects within Klang Valley valued at RM38.9 million. These projects are the remedial works of Pier 163 to 165 near Bandaraya LRT Station for Prasarana Berhad and the flood mitigation project in Empangan Batu, Gombak for Jabatan Pengairan dan Saliran Malaysia (JPS). The division is hopeful of being in line for future project opportunities under the purview of these two clients.

Prasarana Head Office

As for the Property Development Division, the Division has successfully completed and handed over to purchasers 500 units of PPAM in Putrajaya in the 2Q 2023, with a respectable QLASSIC score. Additionally, encouraged by the robust sales of 1st phase of ARA Sentral development project in 2022, the Division will resume the construction of the 2nd phase, targeted to be in the 3Q 2024. Through this continuation of development in Ara Damansara, this division will be kept occupied for the next three years and at the same time will contribute positively to the Group's earning. Although this division is upbeat of the prospect, it will remain vigilant on the challenges ahead due to continual rising cost of building materials and labour.

For FY2023, the Property Development Division contributed similar income to the total Group turnover of RM140.75 million, at 21%.

Pembangunan Perumahan Awam Malaysia (PPAM), Precinct 18 Putrajaya

Similar to the previous years, both construction and property development will remain as biggest earners for the Group, contributing 97 percent of the total revenue. Going forward the same trend is expected to continue and so will remain focus in the business as previous year.

On the Group's investments in Australia, despite recording higher revenue, the hotel division still incurs losses during the financial year due to higher operating expenses, such as price inflation on wages, higher food and beverage prices, non-operating costs, and higher interest rates. Furthermore, the new supply continues to suppress occupancy growth, impacting Average Daily Rate (ADR) growth, which has recorded negative growth in four of the last six months, thus reducing the hotel margin.

However, despite facing many challenges in the past few years, the Group is still optimistic about the future of the Hotel Division as the Australian government continues to rebound its tourism industry to the pre-pandemic level. This will attract more corporate/business and domestic overnight travellers to visit Melbourne in 2024, which will significantly contribute to the Group's revenue and strong and healthy balance sheet in the future.

Another investment in Australia, the joint venture property development in Springridge Estate, has not been contributing positively to the Group for FY2023,

This is no doubt that the construction, property development and overseas investments will continue to be challenging in the future, but the Group remains optimistic of their potentials. Equipped with years of experience, technical know how as well as committed team members, the Group is bullish to deliver favourable values and results to its stakeholders.

RISK MANAGEMENT AND RISK FACTORS

The Board acknowledges the significance of implementing an effective risk management practice and a sound of internal control system. As such, the Board affirms its responsibility of periodically reviewing the adequacy and integrity of these systems, so as to protect the Group's assets as well as shareholders' investments.

Nevertheless, it should be understood that any internal control system and risk management are designed to manage rather than to entirely eliminate the risk of failure, based on the overall of the Group's strategic business and operational goals and its risk appetites. In short, they can only provide acceptable but not definite assurance against material misstatement, loss or fraud.

BNM Mint Modernisation Project, Shah Alam, Selangor

LRT3 Package TD2, Johan Setia Depot

The Group has a well-defined organisational structure with clearly defined lines of accountability, authority and responsibility to the Board, its committees and functional units, down to the management level. Key processes have been established in periodically reviewing the adequacy and effectiveness of the risk management and internal control system, including the establishment of the Audit and Risk Management Committee (ARMC) of the Group to performs regular risk management assessments and through the Internal Audit function, reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The ARMC also seeks the observations of the independent external and internal auditors of the Group as and when necessary.

Down the hierarchy, Senior Management and Head of Department is responsible to identify, evaluate, monitor and report the risks while at the same time take appropriate and timely corrective actions as needed, as to be aligned with the Group's risk management philosophy and at the same time promote compliance and manage risks. These processes are cycles of ongoing process to ensure that all business risks are well managed. The Group's significant risks at strategic level are identified to be replenishment of order book, managing cash flow effectively, reviewing tender strategy for better competitiveness and enhancing customer retention.

There are also significant risks at operational level which are appropriately identified, monitored and mitigated at operational level; be it at departmental or project level, such as ensuring standardized safety and health best practises across all projects, placing talents at appropriate locations and ensuring timely procurement of subcontractors and suppliers.

Generally, all these risks have been appropriately mitigated to ensure they do not pose critical threat to the organization and its business.

GROUP'S FUTURE OUTLOOK AND PROSPECTS

Following the recent 2024 Budget announced by the Government, the Group expects, in general, a modest performance for its construction division. The Group however remains bullish of its prospects with new pool of potential clients based on tenders that it is currently participating and pursuing. In this budget too, the Government has allocated RM12.4 billion development budget to Sabah and Sarawak for the states' economic growth and the wellbeing of the rakyat. The Group will actively participate in relevant tenders to unlock these new opportunities.

Simultaneously, Construction Division will continue to execute the ongoing projects to ensure their timely completion which will naturally result in sufficient revenue for the forthcoming year. Similar to practices in preceding years, the Group will also continue to form collaborations and smart partnerships with suitable parties for better footing in tender participations or negotiations.

The Property Development Division remains optimistic with the prospect of urban housing development. Hence the Group targeted to launch the 2nd Phase of Ara Damansara development in 3Q 2023. The Division is also continuously exploring potential joint venture developments and to increase land bank for sustainable development. As such, this Division is set to be the Group's steady income earner in the next three years with the launch of the 2nd phase of Ara Damansara development next year.

In Australia, the Hotel Division will operate accordingly and will continue to ensure operational cost is kept checked. It will also take advantage in any incentives offered by the Australian government should the opportunities arise.

The Group has also made a concerted effort to pursue new opportunities to replenish its current order book.

Financial performance is no doubt essential to the Group and it can only be achieved by also emphasizing hand in hand with other considerations such as good governance, compliance to government or authorities' regulations and customer delight. These are fundamentals that preserved the Group's consistent accomplishment.

SUSTAINABILITY STATEMENT

INTRODUCTION

TRC Synergy Berhad ("the Company") and its group of companies ("the Group") have been reporting on its sustainability risks and opportunities since 2016 alongside with its financial performance. Since then the Group continues to progress towards its sustainability initiatives and is committed to playing its part in improving its Sustainability performance.

This Sustainability Statement ("Statement") provides a concise narrative of the commitment of the Group towards addressing its Economic, Environmental and Social risks and opportunities ("Sustainability Matters") as well as its financial and non-financial value creation. This Statement also encapsulates the Group's strategy in managing prioritized sustainability-related risks and opportunities.

SCOPE OF SUSTAINABILITY REPORTING

This Sustainability Statement covers the reporting period from 1st January 2023 to 31st December 2023 ("FY2023") and is prepared in accordance with the following:-

1. Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities");

2. Sustainability Reporting Guide (3rd Edition) issued in September 2022; and

3. Bursa Malaysia Enhances Sustainability Reporting Framework with New Climate Change Reporting, issued in September 2022

The scope of the Statement mentioned below covers material issues with 3 years data comparison arising from the principal activities and business operations of the holding company and all its subsidiaries within the Group in Malaysia as well as in Melbourne, Australia which are related to the Group's three main businesses namely construction, property development and investment. However, the following projects are excluded from this Statement due to the fact that those projects have been duly completed:-

i. Pembangunan Perumahan Awam Malaysia, Precinct 8, Putrajaya; and
ii. Residential Tower, Ara Damansara, Petaling Jaya, Selangor.

Some of the projects and subsidiary companies based outside Malaysia are also excluded from this Statement since they made no significant impact on the Group's operations and revenue in FY2023.

TRC SYNERGY BERHAD

Subsidiaires

- Trans Resources Corporation Sdn Bhd ("TRC")
- TRC Land Sdn Bhd ("TRCL")
- ADS Projek Sdn Bhd ("ADS")
- TRC Niaga Sdn Bhd ("TRCN")
- TRC (Aust) Pty Ltd

Foundation

Yayasan TRC ("YTRC")
A foundation established by the Group which undertakes charitable and philanthropic activities

Projects

TD2
Klang, Selangor
The construction of light rail transit line (LRT3) from Bandar Utama to Johan Setia

MRSM RANAU
Ranau, Sabah
The construction and completion of a new Maktab Rendah Sains Mara (MRSM) Ranau and any associated works

8MD3
Precinct 8, Putrajaya
The construction and completion of Residential Towers, Serviced Apartments, Common Facilities, High Street, upgrading and making good works for Promonade and other Ancillary Works

MINT
Shah Alam, Selangor
The Modernisation Project for Bank Negara Malaysia which comprised of Structural, Civil, External, Ancillary, Architectural, Mechanical, Electrical and External Works known as BNM MINT Modernisation Project

PHQ
Subang, Selangor
The design, construction and completion of Prasarana's Headquarters

P163
Jalan Raja Laut, Kuala Lumpur
The Design & Build of the Remedial Works at Pier No. P163, P164 & P165 and Associated Works near Bandaraya Station of Ampang Line

SUSTAINABILITY GOVERNANCE AND IMPLEMENTATION

The integration of the Sustainability matters into every aspects and all levels within the Group, its business operation and activities by pursuing its sustainability goals through a concerted effort with sound internal processes and an effective internal control environment have enabled the Group to remain steadfast in its sustainability commitments. In tandem, the Group has progressively expanded its sustainability disclosures through the years.

2017 ESTABLISHMENT OF THE SUSTAINABILITY POLICY

Encompasses all aspects of ethical business practices that include the Sustainability Matters consideration.

Objective:
To promote sustainability practices within the Group by integrating the principles of the Sustainability Matters into the Group's strategies, policies and procedures.

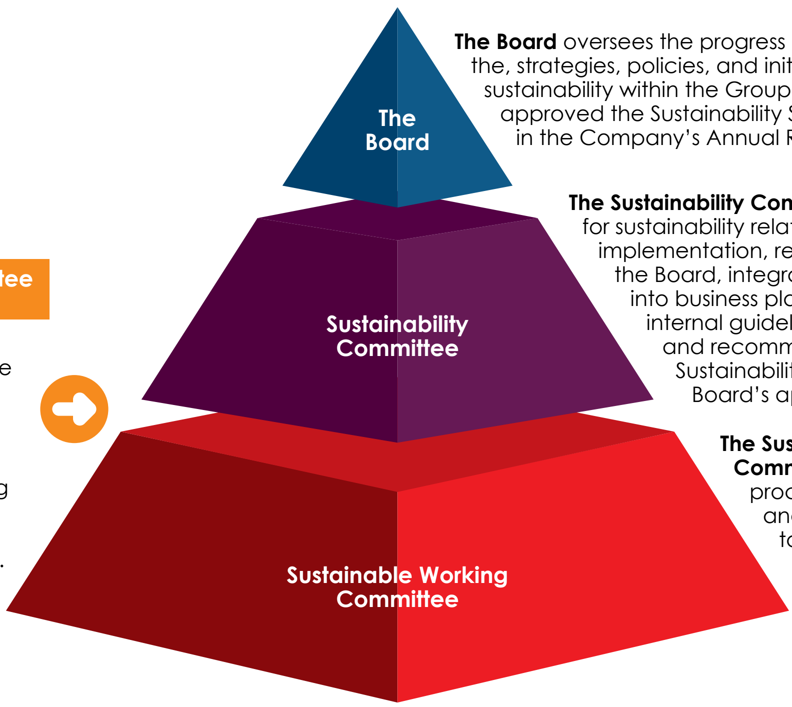
2019 ESTABLISHMENT OF THE SUSTAINABILITY COMMITTEE

Comprised of 3 Board Members and the CEO of TRC.

Objective:
To assist the Board of Directors in fulfilling their responsibilities related to the sustainability practices within the Group.

To assess the sustainability risks within the Group and to review the accuracy and completeness of the sustainability disclosure, the Company has assigned that role to the Group's Risk Working Committee and the Internal Auditors who will periodically prepare reports on the Group's sustainability risks and will review the Sustainability Statement to conform its accuracy and completeness before it being presented to the Sustainability Committee for approval.

The Group's sustainability governance is well illustrated in the following structure: -



The Board oversees the progress and approves the, strategies, policies, and initiatives related to sustainability within the Group. The Board will approved the Sustainability Statement for inclusion in the Company's Annual Report.

The Sustainability Committee is responsible for sustainability related policies, oversees implementation, reports progress to the Board, integrates sustainability into business planning, reviews internal guidelines and targets, and recommends the annual Sustainability Statement for the Board's approval.

The Sustainable Working Committee is responsible for processing, gathering and analysing data and reports to the Sustainability Committee on the Group's progress towards sustainability goals.

Risk Working Committee and Internal Auditors

The Risk Working Committee is responsible for assessing the sustainability risks within the Group whereas the Internal Auditors is responsible for reviewing the accuracy and completeness of the sustainability disclosures.

STAKEHOLDERS ENGAGEMENT

Stakeholders' engagement is one of the most important component in the Group's sustainability approach. Throughout FY2023, the Group actively engaged with different stakeholder groups to address their expectations on the Group's sustainability practices. At the same time the engagement will allow the Company to prepare for change and offers insight into the sustainability agenda of the Group as it reveals the sustainability priority areas to tackle while fulfilling operational requirements. Through regular and proactive engagements with the Group's stakeholders, the Group also manages to obtain concerns, needs and perspectives on what matters to its stakeholders, business operations and sustainability performances.

For effective engagement with the Group's stakeholders, various methods are employed including but not limited to the following:

STAKEHOLDERS	ENGAGEMENT METHODS
SHAREHOLDERS AND INVESTORS	• Annual General Meeting • Announcements to Bursa Securities • Company's corporate website • Annual Reports • Annual Stakeholders' Engagement Survey
CLIENTS	• Contractual engagement • Tender meetings/briefings • Progress Reports & Meetings • Annual Stakeholders' Engagement Survey
GOVERNMENT AGENCIES & AUTHORITIES	• Regulatory compliance and licensing • Project Site Inspection • Annual Stakeholders' Engagement Survey
SUB-CONTRACTORS, SUPPLIERS AND VENDORS	• Contractual engagement • Daily operations • Annual Stakeholders' Engagement Survey
ORGANIZATIONS	• Seminars • Annual Stakeholders' Engagement Survey
FINANCIERS	• Regular meetings • Annual Stakeholders' Engagement Survey
EMPLOYEES	• Training sessions • Daily operations • Annual Performance review • Meetings • Annual Stakeholders' Engagement Survey

MATERIALITY ASSESSMENT

Since 2021, the Group has conducted materiality assessment via the Engagement Survey Form ("the Survey") to identify and prioritize the Group's sustainability most material matters that will enable the Group to focus efforts and resources on improving the sustainability performance where it matters most to the stakeholders.

The Survey was also made available on the Company's website for easy access by its stakeholders.

The Group's nine (9) Sustainability most material matters are spread across three (3) pillars of sustainability strategy, as follows:

Social Sustainability

1. Workplace Environment
2. Learning & Development
3. Employee Engagement
4. Community Investment

Quality, Safety, Health & Environment (QSHE)

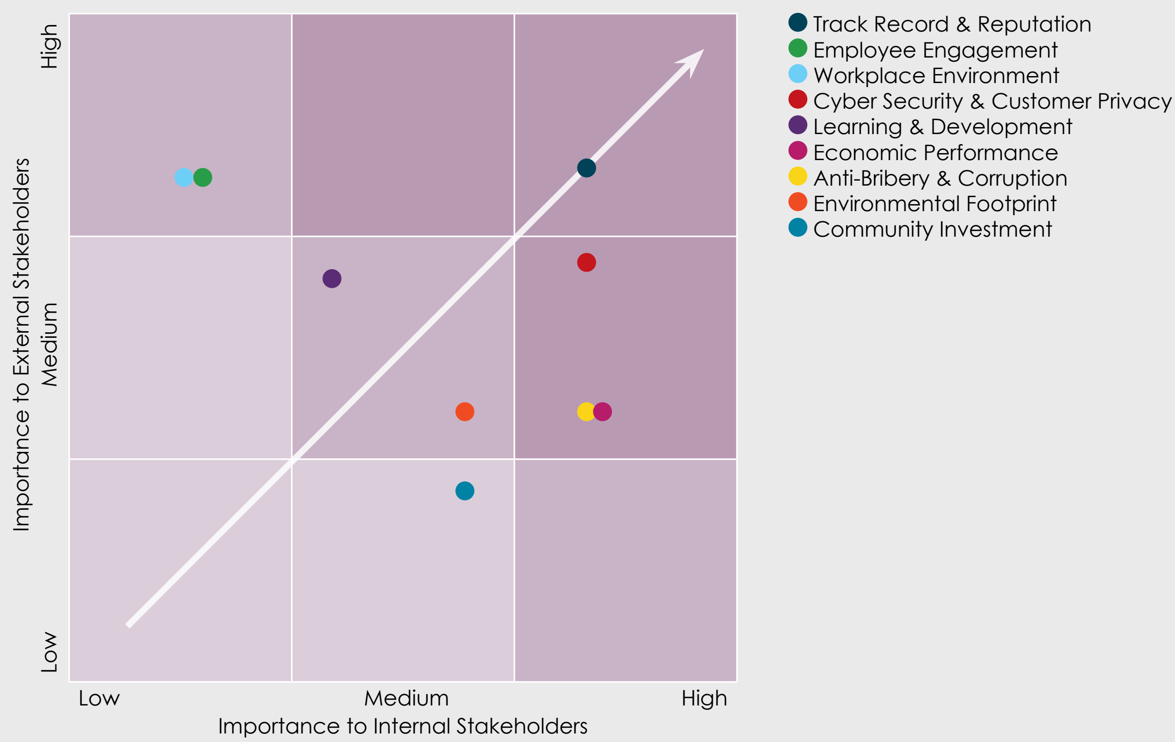
5. Environmental Footprint
6. Cyber Security & Customer Privacy

Economic Sustainability

7. Economic Performance
8. Anti-Bribery & Corruption
9. Track Record & Reputation

The materiality assessment results will also help the Group establishes its sustainability strategy and objective moving forward, which will be aligned with its stakeholders' interests internally and externally. The Materiality Matrix below represents the Group's materiality assessment results for FY2023:

MATERIALITY MATRIX



The above Matrix clearly indicates the shift of priority in 2023 by both internal and external stakeholders whereby they all agreed that Track Record and Reputation should be given more attention by the Company in 2023 as against the Economic Performance which scored the highest in 2022. In 2022, Track Record and Reputation was ranked lower than Economic Performance. Both Stakeholders also agree on the importance of Cyber Security and Costumer Privacy as this has been chosen as High Importance in surveys both in year 2022 and 2023.

The shift of importance from Economic Performance to Track Record and Reputation can be due to the less general fear towards the impact of COVID-19 pandemic as the local economic conditions and social life rebounded in 2023 compared to 2022. The priority given to Track Record and Reputation in 2023 indicated that the stakeholders understand the importance of continual progression of the Group as it is the impetus to the Company's economic sustainability as explained later under the Economic Sustainability.

The Company takes note of the external stakeholders' emphasis for the Company to give priority to the Social Materiality Pillar, as has been indicated by the High Importance score given in the 2023 surveys. In 2022, these Materiality Matters were ranked Medium Importance by both external and internal stakeholders.

Despite a very clear divergence between the external and internal stakeholders on the importance of Economic Performance and Anti-Bribery and Corruption in 2023, the Company will continuously give due attention to the said Materiality Matters on the premises of their undoubted impact on the Company's sustenance and growth. As highlighted earlier, In 2022 Economic Performance and Anti-Bribery and Corruption ranked higher by both external and internal stakeholders.

THE GROUP'S SUSTAINABILITY FRAMEWORK

Insights from the stakeholders gained through the material assessment are a foundational step in how the Group formulates its sustainability strategy, conducts business and reports on its progress. The identified material matters from the Survey are assimilated in the Group's three-pillar sustainability strategy and commitments and shared as follows:

Social Sustainability

1. **Corporate Social Responsibility ("CSR")**
   - Employees' Welfare
   - Donations to Community

2. **Talent Management**
   - Our Employees - the Driving Force
   - Gender Balance in Business
   - Women Representation & Leadership
   - Building a Diverse & Inclusive Workforce
   - Performance & Career Progression
   - Life Long Learning via Training & Development and Engagement Activities
   - Working Together – Continued Opportunities via Industry Collaborations and Education Training Programs (Internship, Work Based Learning and Protégé)
   - Yellow Ribbon Programme
   - Recruitment and Remuneration Paid to Senior Citizens

Quality, Safety, Health, and Environment ("QSHE")

1. **Quality of Works**

2. **Employees' Safety & Health**

3. **Environment**

4. **Sustainability Initiatives**
   - Creating and Raising Awareness
   - Our Commitment to the Environment
   - Sustainable Practices in Element Melbourne Richmond Hotel

5. **Cybersecurity**

Economic Sustainability

1. **Corporate Governance**

2. **Track Record and Reputation**

3. **Business Sustenance and Growth**

The above Sustainability Framework is outlined based on the core objective of creating a sustainable future for the Group. The framework is further interpreted within the Sustainability Policy which acts as the Group's business operating guideline to help mitigate risks and enhance the positive impact of its business.

SOCIAL SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY – CSR

The Group aims to achieve a balance between its own corporate growth and its social responsibilities. The Group believes in giving back not only to its employees but to society in general.

Therefore, the Group actively engages in programmes and activities with various communities which are primarily under the purview of YTRC, a foundation established by the Group with main objective to undertake charitable and philanthropic activities and to take care of the welfare of the Group's employees and also the surrounding community, especially those neighboring the Group's HQ and project sites carried out by the Group. At present, YTRC is chaired by General (R) Tan Sri Dato' Seri Mohd Shahrom Bin Dato'Hj Nordin, the former Chairman of the Company. YTRC is supported by the Group's employees on an ad hoc and voluntary basis as and when necessary.

Employees' Welfare

The Group always believes that investing in the welfare of employees can lead to more engaged and committed workforce, contributing to the success of the Group. Therefore, like previous years, throughout FY2023 various activities and initiatives for the employees have been carried out by the Group as well as YTRC. Among those activities are:-

i) Educational assistance and examination excellence award of employees' children; expenses related to health and death and natural disasters, marriages and birth of children, employee engagement events, gifts and etc amounting to RM156,830.75.

Activities	FY2021	FY2022	FY2023
Employee Welfare	RM 70,836.00	RM 61,250.00	RM156,830.75

ii) Providing meal during night works at sites and lunch at HQ staff amounting to RM 472,714.50; and

iii) The Group spent RM671,750.96 to cover its employee's insurance schemes such as Group Term Life (GTL), Group Personal Accident (GPA), Group Hospitalization and Surgical (GHS) and Worker Hospitalization and Surgical (WHS). The Group also spent approximately RM326,000.00 for its employees' outpatient medical expenses.

Back-to-school Programme at TRC Head Office and Project Site

Donations to the Community

The Group understands good connection and giving back to the communities in which it operates will have the power to positively impact the lives of individuals, families, and even the entire communities. It also recognizes that thriving and resilient communities are essential for a sustainable future. Hence, the Group always endeavours to enrich the community, which can also serve as good publicity for the Group's presence and activities.

Program Jalinan Kasih : Chinese New Year Contribution to Chinese Orphanage Home

In 2023 the Group on its own and via YTRC utilized a total budget of RM127,387.00 for various social and welfare activities including donation activities in conjunction with Hari Raya Aidilfitri and Chinese New Year celebrations; early schooling donations (Back to School Programme) and scholarship program for selected students from Universiti Tun Hussein Onn Malaysia. YTRC also gave a treat to the employees' children and students from low-income families in conjunction with the World Children's Day to visit Aquaria KLCC.

YTRC Prihatin : Ramadhan Al-Mubarak Contribution 4.0

A day out with YTRC in conjunction with the Worlds Children's Day

The above amount also includes donations by the Group to Master Builders Association Malaysia (MBAM) and Kelab Sukan Rekreasi dan Kebajikan Balai Polis Hulu Kelang. Besides, the Company has been contributing annually for Sumbangan Hari Raya for Malaysian Armed Forced Personnel (ATM) since 2017.

Activities	FY2021	FY2022	FY2023
Donation and Contributions to the Community	**RM 63,500.00**	**RM 93,500.00**	**RM127,387.00**
Contribution in Kind	Donations of Smart Phones to selected SPM candidates	Maintaining 17 used computer, 24 repurposed laptops and 1 television screen	Donations of 40 units of refurbish computers and 15 units of refurbish laptops

The Group via YTRC also extended its helping hand by sending volunteers in providing helps and recovery efforts to the flood affected victims in Kampung Sungai Mawai, Johor in March 2023.

Community Initiatives & CSR : Post – Flood Relief Program

In FY2023, YTRC donated 40 units of refurbished computers and 15 units of refurbished laptops to two schools, 10 units of which were for the learning improvement program for indigenous children. FY2023 was YTRC's second year in providing refurbished computers and laptops to the parties in need.

Contribution of Refurbished Computers and Laptops to Students

TALENT MANAGEMENT

Our Employees - the Driving Force

One key aspect of the Group's success is the employees who make up its workforce. These individuals are not just workers, they are people with unique talents, skills, and experiences that contribute to the overall success of the Group. In today's rapidly changing and globalized economy, the Group must adapt to new technologies, market trends, and consumer demands. As such, having a workforce that is flexible, innovative, and motivated is essential for staying competitive in the market.

Moreover, the workforce plays a vital role in shaping the culture and values of the organization to achieve common goals. By building these values; Teamwork, Reliable and Competent amongst employees, the Group believes they can perform as an instrument in driving sustainability within the organization.

The Group has employed its people in various employment types such as permanent, fixed term contract and part-time. More than half of its workforces are hired under fixed term employment contract (68%) with majority of male employees. The Group's nature of activities which largely involve 3D works; difficult, dirty and dangerous requires more male employee than female. However, most of the female employees are hired under permanent employment as shown below: -

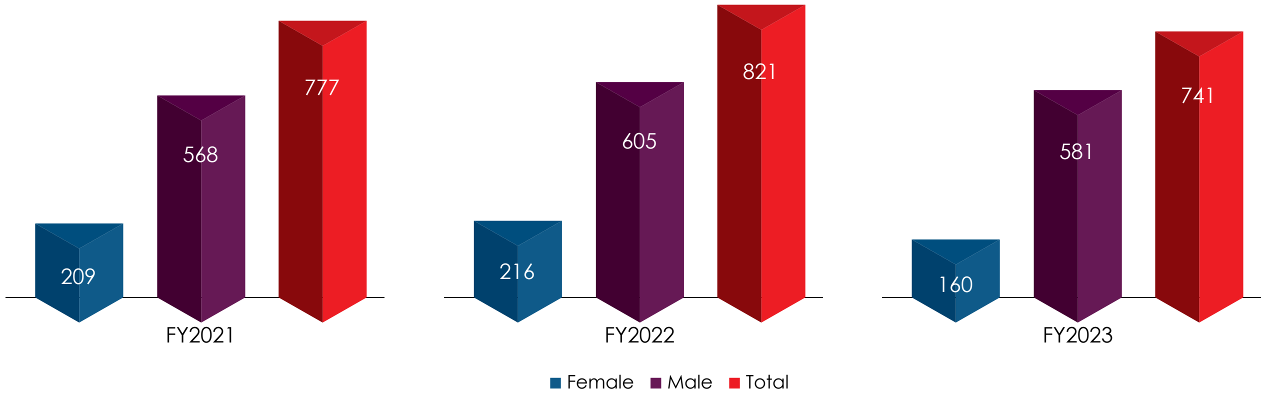
Category	Female	%	Male	%	Total	%
Contract Staff	65	8.77	442	59.65	507	68.4
Permanent Staff	94	12.69	138	18.62	232	31.3
Part-Time Staff	1	0.13	1	0.13	2	0.3
Total	**160**	**21.59**	**581**	**78.41**	**741**	**100.0**

Gender Balance in Business

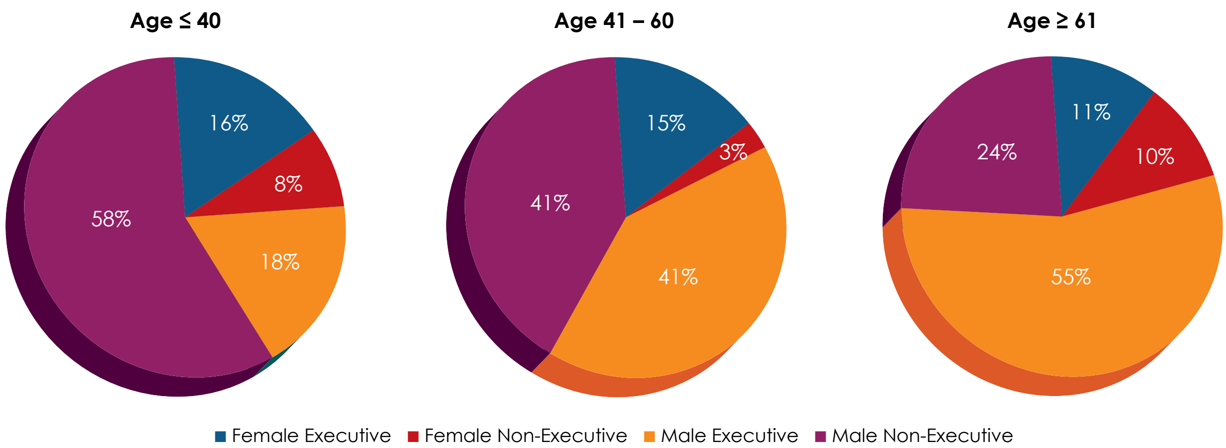
The Group's total employees of 741 people comprised of a quite imbalance of gender representation of 581 male and 160 female representing 78% and 22% of total workforce respectively. This trend is quite consistent since the previous year whereby despite our effort, to be fair and unbiased, the Group's workforce continues to be male dominated given the nature of work in the constitution industry.

Despite the imbalance distribution of the gender in the workforce, the Group will always ensure that all employees irrespective of the gender receive equal treatment and opportunity to thrive.

Gender Split Total Working Population



Gender	Category	Age Group			Total
		≤ 40	41 - 60	≥ 61	
Female	Executive	68	42	3	113
	Non-Executive	37	7	3	47
	Sub-Total	**105**	**49**	**6**	**160**
Male	Executive	80	114	16	210
	Non-Executive	251	113	7	371
	Sub-Total	**331**	**227**	**23**	**581**
Grand Total		**436**	**276**	**29**	**741**

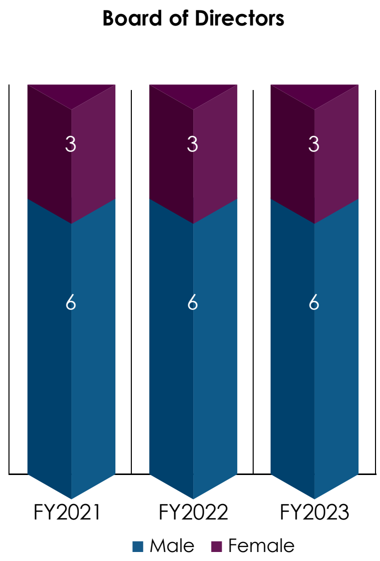


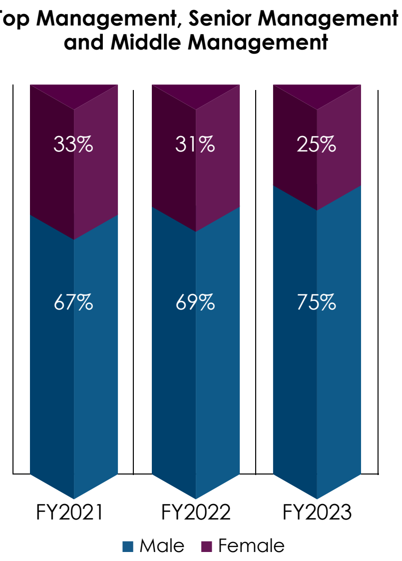
Women Representation & Leadership

In FY2023, 160 of the Group's employees were women and the proportion of female employees has reduced to 22% (26% in FY22). The Group will continue its efforts in developing its internal talents and enhancing the conditions for female employees to grow within all parts of the organization included initiatives to promote women's leadership development, eliminate gender bias in recruitment and promotion processes, and increase visibility and representation of women in leadership roles.

The Group acknowledges of a small number of female at senior executive and managerial levels of the Group's workforce as this relates very much to the total number of female staff in the organization and the percentage it represents. Notwithstanding that, the Group will ensure equal opportunity to its female employees for them to make it to the managerial level by continuously providing them with relevant training and development programs.

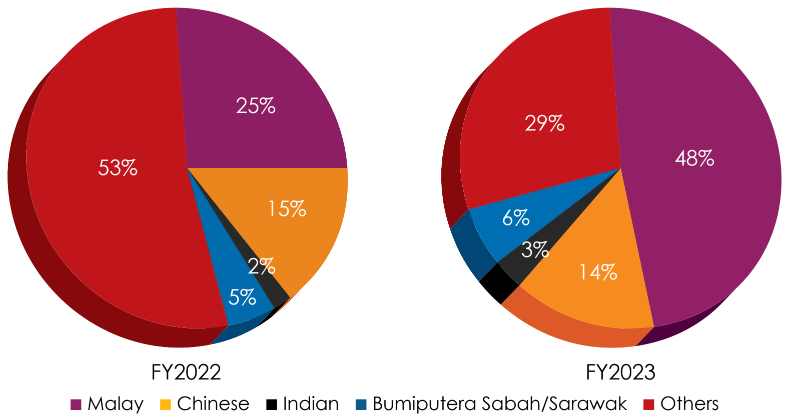
In FY2023, the Company maintained its Board's composition which comprised of 3 female members (33.3%). Whereas at the Group's level, 25% of the leadership/management level were represented by female employees (28 out of 111 employees) with the remaining 75% were male employees.





Building a Diverse & Inclusive Workforce

The Group is committed to hire talented, skilled and competent workforce regardless of the characteristic. There was an increase of percentage of Malay, Bumiputera Sabah, Sarawak and Indian races in the total Group's workforce in FY2023 as compared to the year before. As for the foreign workers, there was a reduction in its dependency from 53% to 29% in FY2022 and FY2023 respectively. By reducing reliance on foreign labor, domestic workers are given more opportunities for employment, leading to a rise in wages and improvement in working conditions. This shift towards self-sufficiency can lead to a more stable economy and a stronger and more cohesive society. By working together to promote diversity, we can create a brighter future for generations to come.



The Group always believe that the successful implementation of its sustainability strategy and the achievement of its objectives depends very much on its employees regardless of the employment types. Therefore, it is essential for the Group to value and invest in its employees, as they are the driving force behind achieving organizational goals and objectives. Employees who are engaged and committed to their work not only produce better results but also contribute to a positive work environment.

Furthermore, recognizing and valuing employees as individuals can lead to higher motivation, job satisfaction, and ultimately, better performance. By fostering a positive work environment that prioritizes the well-being and development of its employees, the Group can create a culture of trust, loyalty, and commitment. This, in turn, can lead to reduced turnover rates, increased productivity, and ultimately, a stronger bottom line. In relation thereto, the Company is happy to report that during FY2023, the Group received zero substantiated complaints related to human right violations from its employees, workers and other stakeholders.

Performance & Career Progression

The Group continuously work to encourage career growth and succession for its employees. By identifying high-potential employees and providing them with the necessary training and development opportunities, the Group can groom future leaders who are prepared to step into key positions when needed.

Across the Group, employees receive continuous performance review that focuses on several areas such as competencies, skills and results and they include a self-assessment and feedback from immediate supervisors and managers. The performance review process is also a chance for the employees to reflect on their commitments and contributions to the Group. Also, it is one of the proven ways that help the Management values high performing employees and highly deserving talents who have done exceptionally for the Group. In FY2023, 44 employees from various job categories and specializations received their employment promotions (27) and seventeen (17) converted from fixed term employment to permanent employment. It also sees 26% attrition rate (188 employees) leave the organization throughout FY2023 with various reasons with 66 employees (9%) leave due to voluntary resignation and absconded as per detail below.

Gender	Category	Year & Percentage					
		2021	%	2022	%	2023	%
Female	Executive & Above	3	12.5	3	10.3	2	7.4
	Non-Executive	11	45.8	7	24.1	7	25.9
	Sub-Total	**14**	**58.3**	**10**	**34.5**	**9**	**33.3**
Male	Executive & Above	3	12.5	6	20.7	10	37.0
	Non-Executive	7	29.2	13	44.8	8	29.6
	Sub-Total	**10**	**41.7**	**19**	**65.5**	**18**	**66.7**
Grand Total		**24**	**100.0**	**29**	**100.0**	**27**	**100.0**

Note: The above data covers promotion only

Category	Gender		Grand Total
	Female	Male	
Executive	10	33	43
Non-Executive	14	131	145
Grand Total	**24**	**164**	**188**

Note: Attrition data

Life Long Learning via Training & Development and Engagement Activities

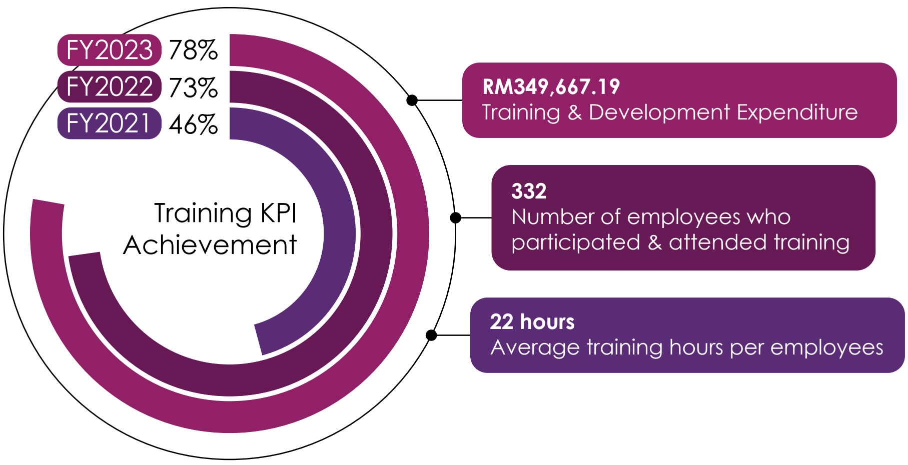
The Group believe in driving potential among our employees and a culture of continues skill development which have the added benefit of ensuring business continuity for our business interest.

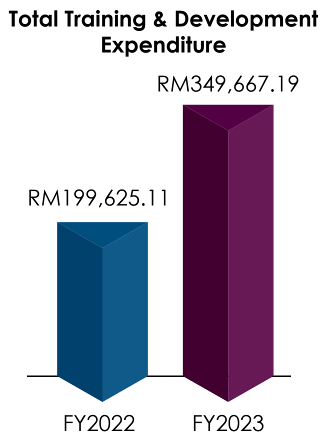
Throughout FY2023, the Group invested RM349,667.19 for trainings and development activities for its 332 employees. By continuously invest in its employees to keep them equipped with right skills, competencies and experiences, the Group is in the right track to create sustainable workforce in the organization. The Group will continue to motivate and inspire its employees not only through learning and acquiring new skills, knowledge, experience, mentoring, supervising, and coaching but also by building strong relations and lasting networks across the Group. This helps them to form a lasting foundation for successful career, development, and growth.

Category	Number of Employee Attended Training	Training Hours Attended
Executive	267	6,268.0
Non-Executive	65	1,018.5
Grand Total	**332**	**7,286.5**

With the expansion of Pembangunan Sumber Manusia Berhad (PSMB) Act 2001 and section 14 of the said Act, the Group utilized approximately 44.0% of the contributed levy and had provided almost 7286.5 formal training hours for its employees with an average of 22 hours per employee attended the training in FY2023 with a slight increase compared to FY2022 (19.5 hours per employee). During the year, 78.0% of the Group's employees achieved their KPI for training of 8 hours per annum; this is an increase of 5.0% compared to 73.0% in FY2022.

Details	FY2021	FY2022	FY2023
Employees attended training/ courses and achieved their KPI training goals *(8 hours of training per annum)*	196 pax	365 pax	332 pax
	46%	73%	78%





Working Together - Continued Opportunities via Industry Collaborations and Education Training Programs (Internship, Work Based Learning and Protégé)

The Group persistently facilitates internships for students across various fields through programs like the Work Based Learning (WBL) and Protégé Programs. In FY2023, a total of 66 students and graduates were trained under these initiatives, 38 of them were from the preceding year. An expenditure of RM286, 420.22 was allocated for their allowances and soft skills training.

The strategic support provided by the Group through internship and graduate placement programs has contributed in attracting promising talents to apply for internship with the Group. Majority of the applications received were from students pursuing courses in civil engineering, quantity surveying, construction management and building surveying. Notably, students from institutions such as Universiti Teknologi MARA, Politeknik Ungku Omar, Tunku Abdul Rahman College University, and Consist College have been the prominent applicants for the internship programme.

Not only providing places for Internship, the Group also extends employment opportunities to its trainees and graduates upon the completion of their internship and graduate programs. Many of them continue to work with the Group under fixed-term contracts, whereby fourteen (14) interns and graduates transitioning to full time employees as of FY2023 compared to seven (7) in FY2022.


Knowledge sharing session at TRC Edu-Centre

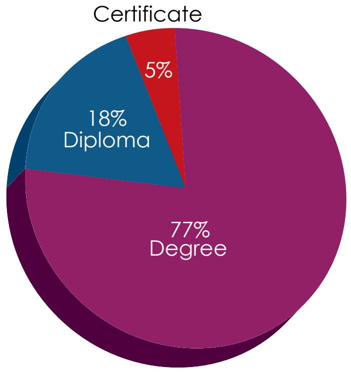

Completion of Internship Program

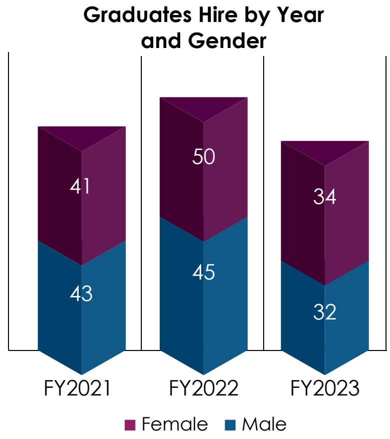
The establishment of TRC Edu-Centre at Politeknik Ungku Omar (PUO), Ipoh since year 2018 has benefited the institution as it provides avenues for the Group's own talents, other academicians and experts in various subject matters to share their experiences and knowledges with PUO students.

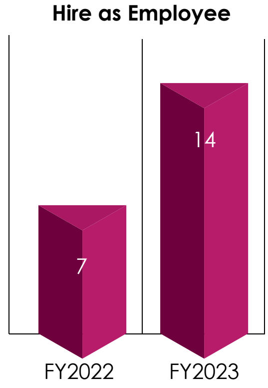
Throughout Year 2023, various types of activities were held at the Center such as Strategic Plan and Development SKU PUO 2023 Workshop, PUO 2023 Risk Management Plan Workshop, Development of Programme Need Analysis (PNA) Workshop and PUO New Degree Program CAP 2.0 Training. Apart from that, the Group also provided talks and knowledge sharing sessions to the students to give them overview and expectation when they work in construction industry. This is one of the Groups's commitments in helping them to grow and be ready for the challenging working world and become a sought-after candidate by future employers.

In November 2023, the Group collaborated with Malaysia Government via Jabatan Pendidikan Politeknik dan Kolej Komuniti, Kementerian Pendidikan Tinggi to develop and improving modules, syllabuses and curricula of study programs in various fields. This collaboration allows companies to gain access to cutting-edge research and talent, while universities benefit from subject matter experts and real-world application of their research. By leveraging the expertise and resources of both academia and industry, these partnerships can drive innovation and create a more dynamic and competitive business environment and contribute to the success of a student's academic journey.

By working together with colleagues and experts from diverse backgrounds and disciplines, individuals can leverage their collective intellect and skills to tackle complex challenges and advance knowledge in their respective fields. Through collaboration, graduate school students have the opportunity to engage in cross-disciplinary research projects, enhance their critical thinking abilities, and gain new perspectives that can enrich their experience.







RM286,420.22
Training Allowances for Education Programme

66 Trainees Placement

21% Trainees Hired as Employee

74% Trainees from IPTA

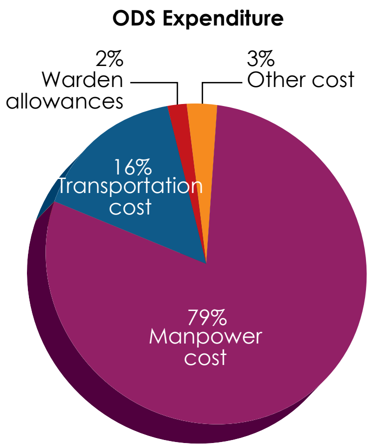
Yellow Ribbon Programme

Since end of November 2019, the Group has been participating in the Yellow Ribbon Programme initiated by the Government. In FY2023, the Group via collaboration with Malaysian Prison Department employed 100 offenders / Person under Surveillance ("PUS") for its various construction sites. A total of 311 PUS have completed the programme at the Group's construction sites since inception. The Group is dedicated to continuously participate in this programme as it believes that PUS deserve a second change and they themselves can be part of the society and the social ties after they came out from the prison upon completing their jail terms.

Since the inception of the programme, the Group hired fifteen (15) PUS to be part of the organization after they were released from the prisons. We believe that providing job opportunities to ex-convicts can reduce the likelihood of recidivism and it is crucial for society to support the successful reentry of ex-convicts into the workforce in order to promote rehabilitation, reduce crime, and build a more inclusive and productive society.

In FY2023, the Group spent RM1,887,727.71 on salaries, allowances, transportation and other expenses for our dedicated PUS personnel who were employed at the TRC TD2 Projects: Light Rail Transit Line 3 (LRT 3), 8MD3 Project: TRC Mixed Development Project in Putrajaya and PHQ Project : Prasarana Headquarters at Subang, Selangor.

For this on-going initiative, LHDN Malaysia allows the Group to enjoy double tax deduction in its yearly income tax submission.



RM1,501,339.25
Double Tax Deduction Incentive

Employed since the programme begin **311 ODS**

15 Hired as employees upon programme completion

Recruitment and Remuneration Paid to Senior Citizens

The Group offers employment opportunities to staff beyond mandatory retirement age of 60 years old. They were re-employed on a fixed term contract and usually to cater for the Group's operations and business requirements.

In FY2023, the Group spent RM364,721.93 with regards to the employment of ten (10) senior citizens above 60 years old with salary bracket up to RM4,000 per month. For this, the Group is entitled to claim double tax deduction in its yearly income tax submission to LHDN.

10 People
Age of 60 years old and above

71 years old
The oldest people in the Group's workforce

1.35%
Representing from the Group's total workforce

RM337,783.08
Double Tax Deduction Incentive

QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE)

The Group's mission statement affirms that QSHE remains at the forefront of the Group's priorities, guiding the Group on how it should conduct its business and operations. In pursuing QSHE excellence, the Group's main subsidiary, TRC which is "ISO" (International Standards Organization) certified drafted the QSHE Policies which has since been adopted by the Group. This policy is regularly reviewed to continuously strengthen and improve the QSHE performance.

VISION STATEMENT
To be a leading company in sustainable construction and creating values for stakeholders

MISSION STATEMENT
1. We provide superior quality products and professional construction services for our clients
2. We develop effective teams by providing continuous trainings and inclusive working experience
3. We enrich communities through sustainable practices

The Group is committed in ensuring its sustainability practices as a mean in supporting the Government's sustainability commitment such as achieving Sustainable Development Goals (SDG) and Net Zero Target by 2050. The Group has also initiated a comprehensive QSHE Manual which fulfills the ISO requirements with regard to QSHE in order to validate the Company's ISO 9001 Quality Standard, 14001 Environmental Standard and 45001 Safety and Health Standard. A controlled hard copy of the QSHE Manual were distributed to each Department and Project Sites for their reference, which is part of the QSHE Management System Documentation. New employees are requested to acquaint themselves with the said manual. The manual is updated on a regular basis to keep up with any modifications to the ISO requirements.

QUALITY OF WORKS

Quality improvements within a business especially where compelled by ISO standards, help the Group evaluates and improves its efficiency, reduces waste, and improve its management process. This can then, in turn, improves the competitive advantage of the Group. The ISO Standards practiced within the Group have contributed extensively towards this end.

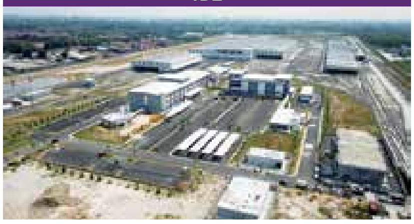
EMPLOYEES' SAFETY & HEALTH

The Group priorities the safety of its employees, workers, and subcontractors by maximizing all precaution measures and maintaining an occupational safety and health framework that is comprehensive based on guidelines issued by local and international standard such as Standard and Industrial Research Institute of Malaysia (SIRIM) and International Organization for Standardization (ISO).

Since most of the Group's projects involve interaction with the public, it is undeniable that the Company does not only owe an ethical and a legal duty to provide a safe workplace for the employees, but also to the general public. Hence, the Company must ensure that standard operating procedures ("SOP") to mitigate the effects on those who are possibly at risk are in place.

Examples of the Company's application of the SOP since 2019 are as shown below.

TD2



Kg Johan Setia
- Maintenance of public road access.
- For vibration occurring due to piling works, surveys with photographic documentation are conducted before and after the works with TRC to repair any damage found upon comparison.
- Dust control via water bowser.
- In the event of a flood, TRC is to rectify the existing drainage and provide CSR to flood victim such as manpower and machinery for the cleanup.

8MD3

Precinct 8, Putrajaya
- Noise complaint and mitigated by the Environmental Department.
- Road closures.
- Dust control via dust control canvas and water bowser.
- Silt curtain for lake protection

RANAU

Complex Sukan Ranau & Paragliding Activities
- Road diversion
- Dust control via water bowser

PHQ

Subang
- Dust control via water bowser

MINT

Seksyen 15, Shah Alam
- Dust control via water bowser.
- Maintenance of public road access

In order for the Group to conform with the requirements of its QSHE Policies and the QSHE Manual, internal audits specifically addressing QSHE issues are carried out twice annually. The resultant Audit Reports serve as guidelines for improvements. The Group also provides adequate Personal Protective Equipment ("PPE") to all workers.

The Group is committed to engage regularly and educates its employees at project sites. Scheduled training sessions are conducted to ensure that all employees and workers are equipped with relevant and updated information to meet safety and health requirements. Apart from the in-house training, the Group has also sent its employees for external training, especially for the competent personnel such as Safety and Health Officer for the collection of Continuous Education Program (CEP) Points. Other than the CEP points trainings, other key employees were also sent for safety and health related trainings such as Fire Drill exercise with BOMBA, Crane Awareness Program, Certified Emergency Response Plan & Preparedness Training, Authorized Entrant and Standby Person for Confined Space (AESP) and etc. Total number of employees sent for safety and health training are 90 for internal training and 125 for external training.

2nd Pilot Apprenticeship Programme -- Site Safety Supervisor (SSS) & Lifting Supervisor (LS) by MBAM

The Group has also participated in the 2nd Pilot Apprenticeship Programme -- Site Safety Supervisor (SSS) & Lifting Supervisor (LS), a program organized by a collaboration of International Labor Organization (ILO) and Master Builders Association Malaysia (MBAM). Two (2) numbers of apprentices were allocated at one of the Group's project site, 8MD3 for three (3) months as their practical attachment in completing the program. The program aims to increase national capacity for inclusive economic growth through more future-ready and equitable skills and TVET systems in order to improve employability, employment opportunities and earning potential of workers in Malaysia.

The Group is aware of the importance of physical and mental health for its employees. Hence in FY2023, a session with a doctor and psychiatrist was held to give an awareness to the employees thereon. By raising awareness about mental health, employees can better understand the importance of self-care and seeking professional help when needed.

At the Group's Head Office, the Group also has safety, health and environmental (SHE) committee, whose mission is to promote and further advance employees' safety and well-being at work. The committee meets quarterly to discuss topics requiring special attention and brings forward the issues raised by employees to the Management.

There was no fatality case and Lost Time incident recorded in FY2023. The Group will strive to maintain the excellence records for the upcoming years. The Group has recorded Lost Time Incident Rate (LTIR) for each of the project under the Group. The calculation of the LTIR is conducted using the formula of:

$$\frac{A}{B} \text{ X } 200,000$$

Where
A: Number of lost time injuries in the reporting period
B: Total number of hours worked in the reporting period

The LTIR for each of the project under the Group were compared with the 3 previous years LTIR except for new project, P163. The records are as follows:

Project	Lost Time Incident Rate		
	2021	2022	2023
MRSM-R	0	0	0
MINT	0.46	0	0
PHQ	0	0.47	0
8MD3	0	0	0
LRT3-TD2	0	0	0
P163	-	-	0

The three years data reveals a positive trend towards achieving zero Lost Time Injuries (LTIs) across the Group's projects. This commitment is further emphasized by two key QSHE objectives:

- To achieve zero lost time injury (LTI) at every 500,000 man-hours for project value less than RM 300 million; and
- To achieve zero lost time injury (LTI) at every 1,000,000 man-hours for project value more than RM 300 million.

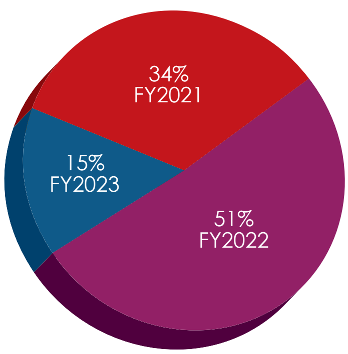
All Project Sites within the Group were urged to achieve the above objectives. Any LTI incident is considered a deviation from these goals and triggers a comprehensive response. This includes a thorough accident investigation and report, along with corrective action procedures to prevent similar occurrences in the future.

Apart from that, the Group's Human Resources Department recorded five (5) cases of work-related injury including those who met with road accidents while travelling to and from work and three (3) other cases related to personal health issues in FY2023.

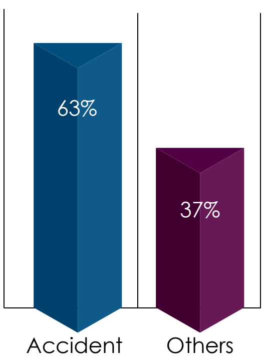
During the 'Transition to Endemic' Phase starting April 2022, all benefit claims related to COVID-19 cases are processed as Service Diseases and only applicable for employees in health industry thus zero case recorded for FY2023.

FY2021		FY2022		FY2023	
Work Related Injury	COVID-19	Work Related Injury	COVID-19	Work Related Injury	Others (Personal Health issue)
0	23	4	30	5	3

SOCSO Claims



SOCSO Claims FY2023



ENVIRONMENT

The Group is aware that caring for the environment is crucial and only right that the Group continues to raise bar in its environment performance. Operating in the construction sector, the Group acknowledges the need to strengthen its emphasis on limiting environmental impacts. Therefore, several initiatives to promote environmental awareness among staff and workers are significant.

SUSTAINABILITY INITIATIVES

i) Creating and Raising Awareness

The Group encourages a green mindset among its employees by their participation in sustainable office practices such as 3Rs - Reduce, Re-use and Recycle. Appropriate signage, posters and other means of communication were in place to inculcate awareness among the employees.

Other means of creating awareness include turning off the computers and other electrical appliances when not in use, pre-setting air condition temperatures at 24° Celsius at the common areas and in the offices and installation of LED fluorescent bulbs in open spaces. The Group also shared educational information and messages on environmental awareness during the Company's SHE meetings.

ii) Our commitment to the Environment

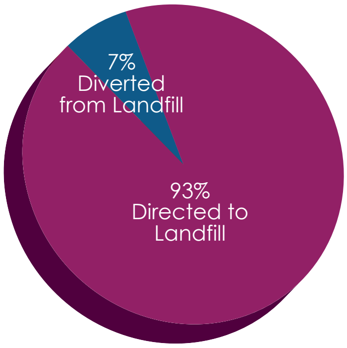
Waste Management

The Group adheres to and implement stringent procedures to avoid environmental pollution across all operation sites. In reducing waste from being end up in final disposal (cradle to grave), recycling or recovery methods are used as an approach to divert waste from landfill. The comparative data on the Group's waste management are as follows:-

Sites	Waste Generation (MT)					
	2021		2022		2023	
	Directed to Landfill	Diverted from Landfill	Directed to Landfill	Diverted from Landfill	Directed to Landfill	Diverted from Landfill
Head Office				0.42	4.88	0.32
TD2	564.91	85.71	617.16	25.16	698.92	4.81
8MD3	2,438.11	67.00	1,649.00	63.97	3,444.77	106.38
PHQ					135.80	2.77
MRSM-R			8,980.00		4,275.00	504.91
P163	-	-	-	-	10.50	
MINT					36.16	
Total	**3,003.02**	**152.71**	**11,246.16**	**89.55**	**8,606.03**	**619.19**
Grand Total	**3,155.73**		**11,335.71**		**9,225.22**	

* ■ Data could not be collected due to incomplete data collection from the previous years.

The total wastes directed to and diverted from landfill in FY2023 is presented in pie chart below:



Proportion of Wastes Directed to Landfill and Diverted from Landfill, 2023

The wastes generations are compared to the interim payment application of each project to provide a proper comparison by Ringgit Malaysia as an indicator for the actual amount of disposed wastes between project sites (Waste intensity). The waste intensity for 2023 was calculated by the formula of:

$$\textbf{Waste Intensity} = \frac{\textit{Total Amount of Wastes Generation (MT per year)}}{\textit{Amount if Interim Payment Application (RM)}} \textit{ X 1,000,000}$$

The wastes intensity can be viewed as follows:

Sites	Directed to Landfill (MT)	Wastes Intensity (MT/million RM)	Diverted from Landfill (MT)	Wastes Intensity (MT/million RM)
TD2	698.92	4.76	4.81	0.03280
8MD3	3,444.77	25.58	106.38	0.79008
PHQ	135.80	2.14	2.77	0.04370
MRSM-R	4,275.00	43.77	504.91	5.17014
P163	10.50	1.32	0.00	0.00000
MINT	36.16	2.74	0.00	0.00000
Total	**8,601.15**	**80.32**	**618.87**	**6.04**

By comparing the wastes intensity, it can be observed that the most to least wastes intensive projects are MRSM-R, 8MD3, TD2, MINT, PHQ and followed by P163. The Group aims to increase the percentage of diverted wastes from landfill from 7% to 8% in 2024 as an initial initiative.

Despite the efforts to reduce waste generation and increase recycling, the Group still struggle to achieve high diversion rates whereby the percentage of waste directed to landfill is higher than the percentage diverted from landfill. This is due to the large volumes of contaminated or mixed waste that cannot be easily sorted or processed for recycling. In these cases, the best option is to dispose of the waste in a landfill. The Group targets a total of 15% diverted wastes from landfill by 2030. The Group will focus its recycling and recovery campaign at project sites as the significant number of wastes generated come from the Project Sites as compared to the Head Office wastes generation.

Apart from the common wastes' generation at Project Sites and Head Office, the Group also conducted a recycling campaign along with a plogging activity in FY2023. The campaign was a collaboration between YTRC, HQ SHE Committee, and MPAJ. During the campaign, all staffs at Head Office and Project Sites were encouraged to send their recyclable wastes to the Head Office for recycling and to be handed over to MPAJ. A total of 551.6 kg of recyclable wastes were collected from Head Office and Project Sites prior to the plogging activity, while 481 kg of recyclable wastes were collected during the plogging activity.

Recycling and Plogging Activity at the Group's Head Office

Energy Management

The Group regularly monitor and keep track the amount of energy usage within the Group. The comparative energy usage data of all projects site and Head Office within the scope of the Statement are as follows:-

Sites	Energy Consumption (GJ)		
	FY2021	FY2022	FY2023
Head Office		1,070.00	1,400.52
TD2	358.00	219.00	63.36
8MD3	1,177.00	1,963.00	2,673.54
PHQ			341.39
MRSM-R		2,277.10	82.18
P163	-	-	23.04
MINT		359.00	31.18
Total	**1,535.00**	**5,888.10**	**4,615.20**

* ■ Data could not be collected due to incomplete data collection from the previous years.

From 2023 data, Building Energy Intensity (BEI) was calculated for Head Office by the formula of:

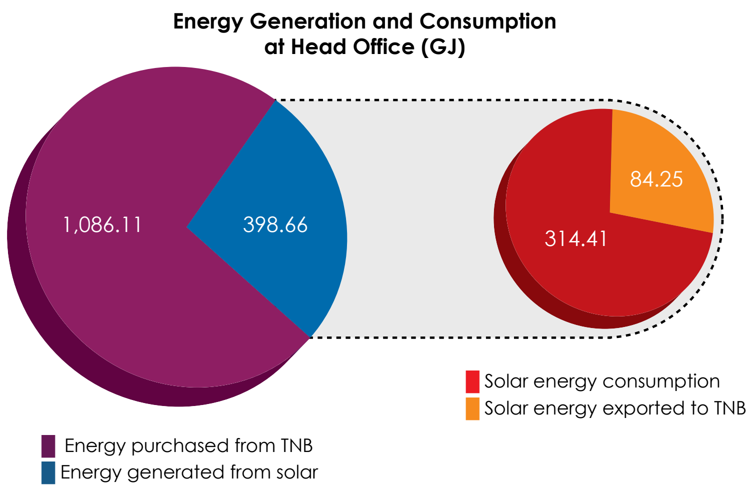
$$\textbf{\textit{Building Energy Intensity}} = \frac{\textit{Total Energy Consumption (kWh per year)}}{\textit{Net Floor Area } (m^2)}$$

Where, total net floor area of the Group's Head Office = 4,938.56 m^2

The BEI for head office in 2023 was 78.77, which is considered as 5 stars rating according to the National Building Energy Intensity Labelling. The ranking of the National Building Energy Intensity Labelling can be viewed as follows:

BEI Range	Star Rating
BEI ≤ 100	5-star
100 ≤ BEI ≥ 130	4-star
130 ≤ BEI ≥ 160	3-star
160 ≤ BEI ≥ 250	2-star
BEI ≥ 250	1-star

The BEI was only calculated for Head Office as there is no absolute net floor area can be obtained from Project Site as the net floor area would be inconsistently changed according to the project progress. From the 1400.52 GJ used for Head Office, 314.41 GJ (22.45%) energy consumption was from Renewable Energy (Solar Power) which was installed on the Group's Head Office rooftop in April 2022. The energy usage for the Head Office can be tabulated as follows:



As shown in the chart above, a total of 398.66 GJ was generated from the solar panel. Out of the 398.66 GJ, 314.41 GJ (78.86 %) were consumed by the Head Office operation, while 84.25 GJ (21.14%) were exported to TNB. Other form of solar energy generation was also observed in the Group such as using tower light equipped with solar panel. However, that kind of solar energy generation is yet to be quantified due to the lacking of measurement methods equipped to that kind of equipments. The Company has also promoted a good habit among the employees such as pre-setting the air conditioning to 24°C in common area. Besides, LED fluorescent bulbs are installed in open spaces and signs on saving electricity were displayed at power point area.

Water Management

The water consumption within the Group is mainly from the purchased treated water supplied by Syarikat Air Selangor. However, there is some special occasion where water was being extracted from natural resources such as river and rainwater harvesting. The data for water consumption can be viewed as follows:

Sites	Water Consumption (Megaliters)		
	FY2021	FY2022	FY2023
Head Office		5.216	7.584
TD2	3.620	5.031	13.161
8MD3	12.768	13.018	11.747
PHQ			7.045
MRSM-R		0.186	3.511
P163	-	-	2.400
MINT		7.366	
Total	**16.388**	**30.817**	**45.488**

* ■ Data could not be obtained due to incomplete data collection from the previous years. No data was obtained from MINT as the project's water consumption was shared with the client's bill for year 2023.

From the total water consumption at project sites of 37.864 ML, 8.112 ML was extracted from detention pond at TD2 while 2.4 ML was extracted from river at P163. The use of untreated water has reduced the amount of treated water usage by 22.92% in FY2023. Other initiatives at Head Office and Site Office includes the usage of water efficient product and display of water saving signs at water tap.

Head Office water consumption saw an increased by 2.368 ML in FY2023 compared to FY2022. This rise can be attributed to two key factors. Firstly, occupancy rates fluctuated throughout the fiscal years due to staff transitioning from project sites back to the Head Office. Average monthly occupancy raised from a range of 95-100 personnel in FY2022 to 115-120 personnel in FY2023. Additionally, the Head Office hosted a higher volume of events and training sessions during this period. Secondly, the increased occupancy directly impacted water usage. To address this, initiatives were implemented at both the Head Office and project sites. These initiatives included using water-efficient products and displaying water-saving signage at water taps.

Emissions Management

In support to the Malaysia's Net Zero Target by 2050, and the commitment of reducing 45% GHG emissions intensity to GDP by 2030 (according to 2005 emissions intensity), the Group is committed to track and reduce its GHG emissions by implementing green initiatives within the Group. The Group has started to measure its GHG emissions in FY2023 for scope 1 (stationary combustion only) and scope 2 emissions. The emissions data can be viewed as follows:

Sites	Scope 1 emissions (tCO_2e)	Carbon Intensity (tCO_2e/ million RM)	Scope 2 emissions (TCO_2e)	Carbon Intensity (tCO_2e/ million RM)
Head Office	0.00		288.69	
TD2	337.86	2.30	0.00	0.00
8MD3	102.74	0.76	562.93	4.18
PHQ	46.27	0.73	71.88	1.13
MRSM-R	106.37	1.09	17.30	0.18
P163	21.54	2.72	0.00	0.00
MINT	19.97	1.51	6.56	0.50
Total	**634.75**	**9.11**	**887.36**	**5.99**

Where, the carbon intensity was calculated by the formula of:

$$\textbf{Carbon Intensity} = \frac{\textit{Total Amount of GHG Emissions (tco}_2\textit{e per year)}}{\textit{Amount of Interim Payment Application (RM)}} \times 1{,}000{,}000$$

The carbon intensity for Head Office was excluded as the Head Office does not have any progress claim to be applied. However, absolute emissions were used in measuring the Head Office emissions. As the Head Office used solar energy as one of its energy generations, it has provided a total of 66.2 tCO2e avoidance throughout the year. This has amounted to 7.46% of the total scope 2 GHG emissions throughout the Group. The Group aims to include its mobile combustion in its scope 1 measurement in FY2024 and upcoming years. As for scope 3, The Group will report on the emissions for the FY2024 onwards for business travel and employee commuting categories.

The emissions factor databases used for the calculations are as follows:

Scope 1
• 2006 IPCC Guidelines for National Greenhouse Gas Inventories

Scope 2
• Malaysia Grid Emissions Factor (GEF)

The list of emission factors used in this GHG inventory calculation is as given below:

Emission Source	Emission Factor	Unit	Database Source
Diesel	2.65937174	$kgCO_2e/L$	Defra
Grid(Non-Renewable)	0.758	tCO_2e/MWh	Energy Commission

iii) Sustainable Practices in Element Melbourne Richmond Hotel

Since its opening, the Hotel maintains its eco-conscious touch points throughout the property including:

- water-efficient taps and fixtures,
- energy-efficient appliances,
- motion sensor lighting controls in all the public areas around the hotel,
- smart energy in room controls,
- energy-saving LED lighting and controls,
- an extensive recycling program,
- daylight glare control to reduce use of air conditioning,
- CO2 sensors to monitor indoor and car park air quality,
- rainwater harvesting and non-chemical water treatment,

Additionally, the Hotel has sustainable elements and practices available for guests to enjoy such as:

- simple furniture using organic and natural materials in all lobby, dining, meeting, and guestroom spaces,
- carbon neutral flooring,
- a Bike-to-Borrow Program and electric vehicle charging stations,
- in-room linen change program for guests
- option of contactless check in – mobile check in and mobile key
- QR Code Food and Beverage ordering system

The hotel prides itself in maintaining a very small plastic footprint. For example, shampoo or body wash dispensers are provided in rooms as an alternative to individual plastic amenities. Instead of the traditional plastic water bottles, the Hotel provides eco-friendly and refillable water bottles. The Hotel has also installed a state-of-the-art filtration system at its water source which provides filtered water across every faucet in the Hotel. Guests are encouraged to refill the eco-friendly bottles provided, rather than purchase a plastic bottle.

The function or meeting rooms are set with linen-less tables, and 100% recycled materials are used for all stationary across the Hotel. The Executive Chef tends to his own outdoor herb garden at the Mint Lane Restaurant, where the ingredients are featured throughout numerous dishes. Our Beer and Wine list offered to our guests features all Victorian based beverages. The Hotel has also signed up for the Earth Check accreditation.

In 2024, the Hotel is planning towards a full energy audit and Sustainability Certification.

CYBERSECURITY

The Company acknowledges that in today's digital economy, businesses face challenges in meeting simultaneously their sustainability targets and ensuring robust cybersecurity and privacy measures. Concerns relating to these areas have been at the highest from the stakeholders' perspective as demonstrated in the results to the Engagement Surveys conducted by the Company since the year 2021. In relation thereto, the Company also acknowledges that the cybersecurity and customer privacy is central to its reputation and the trust that the Group engenders as an organization notwithstanding of the increasing frequency and sophistication of cybersecurity incidents directed at companies in various industries.

To address the risk, the Information and Communications Technology ("ICT") Department is committed to ensuring compliance with ethical business conduct as well as ethical and responsible data privacy with cyber security management, apart from providing a secure working environment. This is achieved by:

a) Utilizing up-to-date technologies and tools to protect information, including multifactor authentication, firewalls, intrusion detection and prevention systems.
b) Providing awareness training for employees on data privacy and cybersecurity covering a broad range of security topics, including password protection, social engineering and compliance.
c) Implementing incident response measures and procedures to ensure timely and accurate resolution of computer security incidences.
d) Continually educate the staffs on issues related to cybersecurity and customer privacy.
e) Implementing Computer Usage Policy as guidance to create a safe computer environment within the Group.
f) Strengthening internal measures to prevent information leakages from the transfer process of computer or laptop usages, especially from staffs who resign or retire to new staffs.

In FY2023, none has been reported about cybersecurity attack to the Group's business activities.

Moving forward, in cognizant of the significant impact of the cybersecurity and customer privacy to the Group's business activities the Group will continuously work to improve its cybersecurity control measures through investments in both IT infrastructure and employee awareness programs.

ECONOMIC SUSTAINABILITY

Economic sustainability is vital in order to generate long-term economic value for the Group's long term growth and success which ultimately will contribute to the development of the Country's economic sustainability. It is also imperative for the Group to build long-term customer loyalty and financial success, as ignoring economic sustainable measures will eventually lead to an obsolete business model, since the current resources utilized for the Group's activities will no longer be viable due to the imminent challenges ahead. In light of the above, the Group realizes that good corporate governance, sound track record and strong business sustenance and growth are crucial for its economic sustainability.

CORPORATE GOVERNANCE

The Company always believes that good corporate governance will lead to enhanced economic sustainability of the Group as it can improve the overall efficiency and effectiveness of its business activities. Therefore, the Group is committed towards achieving excellence in corporate governance. It endeavours to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value. Hence, the Group fully supports the principles and best practices promulgated in the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance ("the Code") and other prevailing rules and regulations to enhance business prosperity and maximize shareholders' value.

The Group understands its duty as a public instant update of listed entity to disclose accurate and timely information to its shareholders and other stakeholders. In addition to timely announcements to Bursa Malaysia and the Group's website, the Group is also committed to good corporate governance practices, with our pursuits guided by ethical foundations and responsible interactions with stakeholders. The Group has established a Board Charter, Code of Conduct, Boardroom Policy, Sustainability Policy, Anti-Bribery and Corruption Policy and Whistleblowing Policy and Procedures which are published on the Company's website at www.trc.com.my and are regularly reviewed and updated by the relevant Board committees. Similar with previous year, the Group is pleased to report that there is no confirmed incidents of corruption and action taken.

The Group's corporate governance practice is reported under Corporate Governance Overview Statement of this Annual Report which is to be read together with the Company's 2023 Corporate Governance Report.

The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in the Code to the best interests of the Company Economic Sustainability.

TRACK RECORD AND REPUTATION

The Company recognizes that the Group's sounds business conduct especially its successful implementation of works either with regard to its construction business, its property development activities or its investment activities will have a huge impact on the Group's overall reputation which will eventually have repercussion on its economic sustainability.

Based on the above premises, the Board will ensure that all works undertaken by the Group are completed on time with the highest standard of quality in consonance with the expectations of clients as set out in the Group's Quality Management System in accordance with ISO 9001: 2015.

In addition to the above, the Group will also strive to promote:

- Increased value for money to industry clients as well as environmental responsibility in the delivery process.
- The viability and competitiveness of domestic construction enterprises; and
- Optimization of the role of all participants and stakeholders through process, technological and institutional enhancements and human resource development.

As part of the Group's sustainable development initiative, the Group ensures most of its development projects conform to QLASSIC which one of the recently assessed development project, PPAM obtained 70% QLASSIC Score in December 2023. In addition, this program is being expanded to other on-going project namely 8MD3 (mixed development project) and PHQ (Prasarana Head Quarters). These 2 projects shall be due for assessment by Construction Industry Development Board (CIDB) in year 2024. The Group has been initiating and providing various QLASSIC and Quality related trainings to increase knowledge and competency of its relevant personnel.

In addition, the Group has managed to achieve a certificate of award for the "Excellent Achievement of 5 Million Man Hours Without Lost Time Injury (LTI) for up to November 2023. This award was Putrajaya Holding Sdn Bhd for Project 8MD3 (mixed development project).

To equip itself with internationally recognized working standards, the Group has since 2002 embarked on ISO certifications. In 2019 the Group was accredited with ISO 45001 (Safety and Health Standard) and ISO 14001 (Environmental Standard). Moving forward, the Group has embarked upon and initiated the necessary processes for ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories. In addition, the Group has successfully maintained the lab accreditation (SAMM) from Jabatan Standard Malaysia which is valid until June 2028. Furthermore, the Group has also managed to establish an accredited site lab at 8MD3 (mixed development project) to support the project needs.


SISTEM PENILAIAN KESELAMATAN DAN KESIHATAN DALAM PEMBINAAN (SHASSIC)

TAJUK PROJEK

PEMAJU / PEMILIK : PRASARANA MALAYSIA BERHAD
KONTRAKTOR UTAMA : TRANS RESOURCES CORPORATION SDN BHD (G7)

SKOR SHASSIC BAGI PROJEK DI ATAS ADALAH 92.03%

ANUGERAH BINTANG

This is a computer-generated certificate. No signature is required.

The Group voluntarily participated in the Safety And Health Assessment System in Construction assessment carried out for project PHQ – Prasarana Head Quarters (Received a 5 Star rating – Excellent Occupational Safety and Health ("OSH") management system planned and implemented with proactive commitment from top management to manage OSH at all times). This was a voluntary safety and health assessment program carried out by CIDB to rate the level of safety and health compliance at the Group's projects.

BUSINESS SUSTENANCE AND GROWTH

The Company and its stakeholders both agree that economic sustainability is the most important material sustainability matters. The Company believes adequate financial strength of an organization allows it to resolve all other materiality issues with precision, ease and without any financial hindrances.

During FY2023, the Group's key focus remained preserving its capability to generate value for all of its stakeholders. Therefore, the Group focused strongly on the business sustenance and growth for the creation of economic values for its stakeholders.

However, the Group is undeniably facing challenges with regards to the external environment of construction sector in Malaysia, which is currently marked by heightened uncertainty with fluctuating cost of building materials and protracted economic impact from the Covid-19 pandemic. In facing the challenges, the Group has adopted various cost optimization measures and prudent stance of conserving healthy cash flow and profitability to ensure its continuous commitment towards the Group's economic sustainability.

The Group's economic performance is directly proportional to project progress and hence, the Group encourages forward planning to manage its risks, develop appropriate mitigation measures and create clear and reasonable goals. The Group's financial performance for FY2023 is disclosed and further explained in the Management Discussion and Analysis in this Annual Report.

Going forward, the Company believes that construction and property development underpin the progress of society and are always high on the Government's agenda. The Group is expected to rebound in following the reopening of the economy underpinned by stronger domestic demand, stabalised construction materials prices and improving labor market.

MOVING FORWARD

As the Group progressed in its sustainability journey, the Group continued with efforts to manage its business in a balanced and responsible way. The Group has always wanted to break away from the tactics of rhetoric and act with determination. Sustainability is not only feasible in principle but is also possible in practice; in fact it is the most logical thing to do, like living a holistic life. Therefore, the Group is committed to work together with each of its stakeholders to achieve company business goals and contribute positively to the environment, economy and social system we live in.

BURSA MALAYSIA ESG REPORTING PLATFORM PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	127387
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	193
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive and Above Under 40	Percentage	19.97
Executive and Above Between 41-60	Percentage	21.06
Executive and Above Above 61	Percentage	2.56
Non-executive Under 40	Percentage	38.87
Non-executive Between 41-60	Percentage	16.19
Non-executive Above 61	Percentage	1.35
Gender Group by Employee Category		
Executive and Above Male	Percentage	28.34
Executive and Above Female	Percentage	15.25
Non-executive Male	Percentage	50.07
Non-executive Female	Percentage	6.34
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.7
Female	Percentage	33.3
Under 40	Percentage	0
Between 41-60	Percentage	33.3
Above 61	Percentage	66.7
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executive and Above	Hours	6268
Non-executive	Hours	1019
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	68.7
Bursa C6(c) Total number of employee turnover by employee category		
Executive and Above	Number	43
Non-executive	Number	145
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	215
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1282
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	45.48
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive and Above	Percentage	0
Non-executive	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	80

Internal assurance External assurance No assurance (*)Restated

CORPORATE STRUCTURE

TRC SYNERGY BERHAD
199601040839 (413192-D)

100%
ADS PROJEK SDN BHD
201201037346 (1021828-M)

100%
ADS SENTRAL SDN BHD
200401006674 (645178-P)

100%
TRC ENERGY SDN BHD
200301014028 (616448-K)

100%
TRC LAND SDN BHD
199701028663 (444162-W)

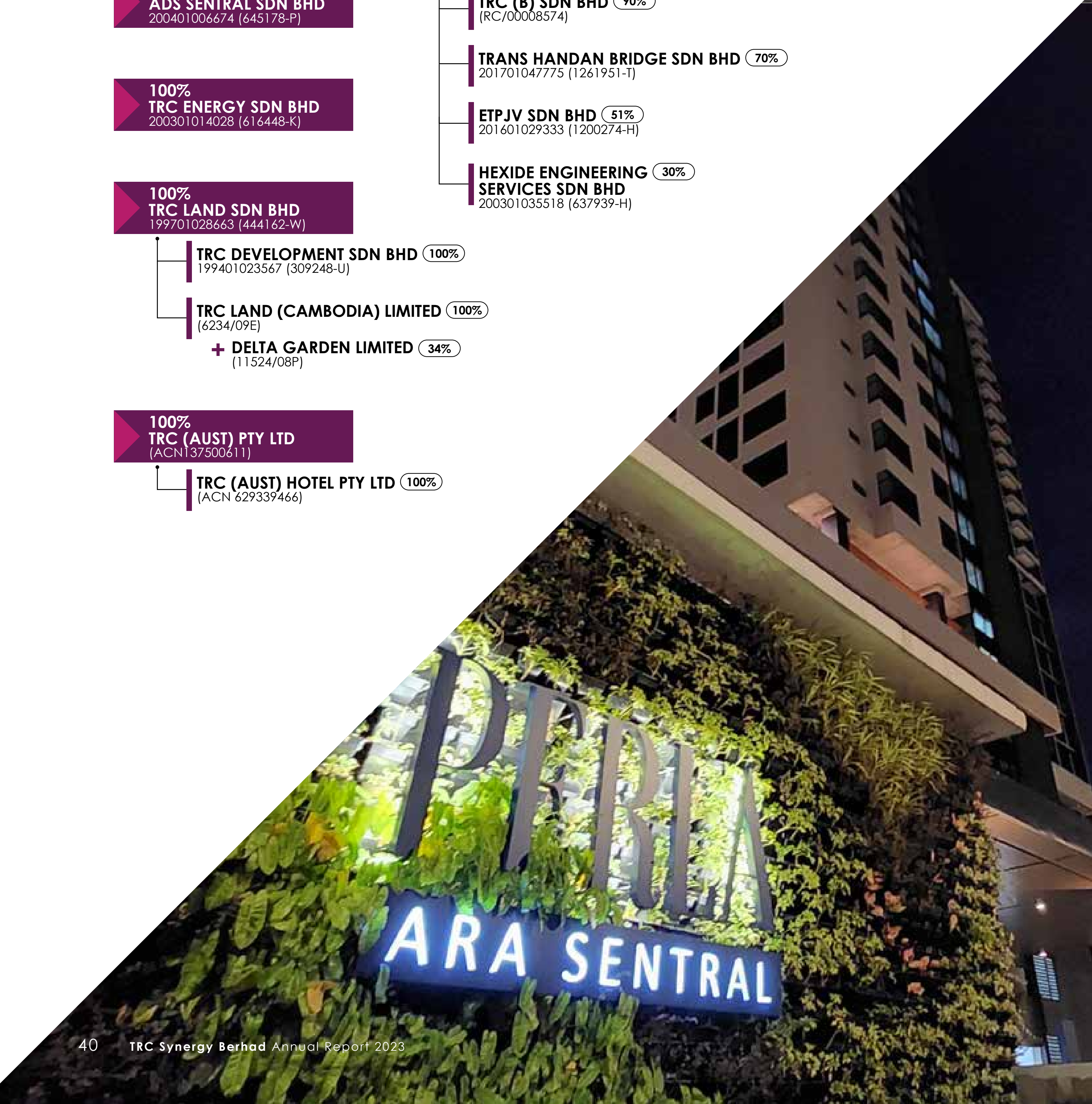
- **TRC DEVELOPMENT SDN BHD** (100%)
  199401023567 (309248-U)
- **TRC LAND (CAMBODIA) LIMITED** (100%)
  (6234/09E)
  - + **DELTA GARDEN LIMITED** (34%)
    (11524/08P)

100%
TRC (AUST) PTY LTD
(ACN137500611)

- **TRC (AUST) HOTEL PTY LTD** (100%)
  (ACN 629339466)

100%
TRANS RESOURCES CORPORATION SDN BHD
198401007746 (120265-P)

- **TRC NIAGA SDN BHD** (100%)
  198601002256 (151401-V)
- **TRC (B) SDN BHD** (90%)
  (RC/00008574)
- **TRANS HANDAN BRIDGE SDN BHD** (70%)
  201701047775 (1261951-T)
- **ETPJV SDN BHD** (51%)
  201601029333 (1200274-H)
- **HEXIDE ENGINEERING SERVICES SDN BHD** (30%)
  200301035518 (637939-H)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin
Chairman
Independent Non-Executive Director

Tun Jeanne Binti Abdullah
Independent Non-Executive Director

Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin
Managing Director

Dato' Abdul Aziz Bin Mohamad
Deputy Group Managing Director

Dato' Richard Khoo Teng San
Executive Director

Dato' Ir. Abdullah Bin Abd Rahman
Independent Non-Executive Director

Dato' Sr. Abdull Manaf Bin Hj Hashim
Independent Non-Executive Director

Fadzilah Binti Mohd Salleh
Independent Non-Executive Director

Siti Sarlina Binti Abdul Rahman
Alternate Director to
Dato' Abdul Aziz Bin Mohamad

COMPANY SECRETARY

Abdul Aziz Bin Mohamed
(LS0007370)
(SSM PC No. 201908003187)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (Construction)
Stock No. 5054

WEBSITE

www.trc.com.my

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

TRC Business Centre, Jalan Andaman Utama,
68000 Ampang, Selangor.
Tel.: 603-41038000
E-mail: info@trc.com.my *(for general info and inquiries)*
alert@trc.com.my *(for whistleblowers)*

BRANCH OFFICE

3rd Floor, Lot 3627, Lorong Rock 2, 93200 Kuching, Sarawak.
Tel: 082-231906 Fax: 082-231853

AUDITOR

Mazars PLT (AF-001954)
Wisma Golden Eagle Realty, 11th Floor, South Block,
142-A, Jalan Ampang, 50450 Kuala Lumpur.
Tel: 603-27025222

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail,
50250 Kuala Lumpur.
Tel: 603-26924271 Fax: 603-27325388 & 603-27325399

PRINCIPAL BANKERS

RHB Bank Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad
AmBank (M) Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
Affin Bank Berhad
Hong Leong Bank Berhad
Bangkok Bank Berhad
Kuwait Finance House (Malaysia) Berhad

SOLICITORS

Messrs Noorzilan & Partners
Messrs C.C. Choo, Hazila & Teong
Messrs Zain Megat & Murad
Messrs Jeff Leong, Poon & Wong
Messrs Adam Bachek & Associates

PROFILES OF DIRECTORS

TAN SRI DR. AHMAD KAMARULZAMAN AHMAD BADARUDDIN
Chairman
Independent Non-Executive Director
Malaysian / Male / Age 65

Tan Sri Dr Ahmad Kamarulzaman was appointed as a Director of the Company on 25th April 2019. He was then re-designated as Chairman of the Company on 1st March 2024.

He graduated from the University of Strathclyde Business School, Scotland in 1999 with a Master Business Administration. He also obtained a Master of Arts in Defense Studies and International Relations from the Universiti Kebangsaan Malaysia in 2003. He also completed the Executive Program in Business Management at Kenan-Flagler Business School, University of North Carolina, USA. He is a Distinguished Graduate of the Fu Hshing Kang College, Republic of China in Political Warfare as well as the US Naval War College, Newport, Rhode Island.

Tan Sri Dr Ahmad Kamarulzaman also completed the Advanced Management Program at Harvard Business School, Harvard University, Boston USA in 2019.

He has served King and country for 42 years and has held numerous positions in the Navy and Joint Services including that of the Chief of Staff of the Malaysian Armed Forces Headquarters and the Joint Force Commander of the Malaysian Armed Forces. He achieved a peak in his career as he assumed command of the 16th Royal Malaysian Navy Chief on 18th November 2015 before he effectively retired on 30th March 2019.

He attended five (5) Board of Directors Meetings held during the financial year ended 31st December 2023.

TUN JEANNE BINTI ABDULLAH
Independent Non-Executive Director
Malaysian / Female / Age 71

Tun Jeanne Binti Abdullah was appointed as a Director of the Company on 1st December 2017 and subsequently as chairman on 27th February 2018. On 1st March 2024 she was redesignated as the Chairman of the Sustainability Committee. The Honourable Tun Jeanne is the wife of the Former Prime Minister of Malaysia, Tun Abdullah Ahmad Badawi.

Tun Jeanne is the Chancellor of the Open University Malaysia as well as the Chairman of Landscape Malaysia and Tropical Rainforest Conservation and Research Centre, the Executive Chairman of Sekretariat Malaysia Prihatin, and Patron of the Malaysian Paralympic Council.

She received an honourary degree in Sustainability Science from Universiti Malaysia Kelantan and another honourary degree from the University of Nottingham for her outstanding advocacy for conservation. She is also the patron of the Sustainability Committee.

During the financial year ended 31st December 2023, Tun Jeanne attended all five (5) Board of Directors Meetings held during the year.

TAN SRI DATO' SRI SUFRI BIN HJ MOHD ZIN
Managing Director
Malaysian / Male / Age 68

Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin is the founder of the TRC Group of Companies. He was appointed as the Managing Director of TRC Synergy Berhad on 29 March 2002. He held the position of Executive Chairman of the Company before being re-designated as Managing Director. He is also the Managing Director of the Group's subsidiary Companies.

Tan Sri Sufri graduated from the MARA Institute of Technology in 1982 with a Diploma in Business Studies. He began his career with Standard Chartered Bank before joining Bank Bumiputera Malaysia Berhad in 1982 as an International Banking Division Officer. He then went on to pursue a Bachelor's Degree in Jurisprudence at University of Malaya (UM) and he has since obtained a Master's Degree in Business Law and National University of Malaysia (UKM) in 2014.

In August 2009, Tan Sri Sufri was selected as a winner of the Outstanding Entrepreneurship Award organised by Enterprise Asia. He achieved a great personal milestone when he was honoured as CEO of the Year by the Construction Industry Development Board (CIDB) that same year. CIDB also named him as Winner of Contractor of the Year at their Malaysian Construction Industry Excellence Awards 2011.

Tan Sri Sufri has been actively involved as a Council Member of the Master Builders Association Malaysia (MBAM) since 2004. Since 2022, Tan Sri Sufri is the Immediate Past President of MBAM, a Board Member of the International Federation of Asian & Western Pacific Contractors' Associations (IFAWPCA), the Chairman of the Finance Committee, IFAWPCA, the Chairman of Awards & Constitution Committee, a Board Member of the MBAM Education Fund Board of Management and Board Advisory of Construction Labour Exchange Berhad (CLAB). He was elected as the President of MBAM for the period of 2020 to 2022. Throughout his involvement in MBAM, he was the Chairman of the International Affairs Committee, the Chairman of the Education and Special Institutions Committee, the ASEAN Constructors' Federation (ACF) Council Member and a Director of MBAM Onebuild Sdn Bhd. Tan Sri Sufri also represented MBAM as the Board of Director in the CIDB and CLAB from 2020 to 2022 during his presidential term. During this time, he became PEMUDAH Member for Private Sector and The Special Task Force to Facilitate Business. Additionally, he is the Corporate Advisor of Persatuan Kontraktor Infrastruktur & Pengurusan Fasiliti Bumiputera (PKIPFB).

Tan Sri Sufri was appointed as the Industry Panel Advisor to the Polytechnic Civil Engineering Technology degree programme by the Ministry of Higher Education in March 2017. Since 2017, he became the CEO Faculty at the Polytechnic Education Department and Community College. From 2018, he serves as the Chairman of Industry Advisory Council (IAC) under the nomination of Polytechnic Ungku Umar, Ipoh. On 16 August 2023, he was appointed as Chairman of Board of Director Universiti Malaysia Perlis (UniMAP) by Minister of Higher Education.

Presently, he is a Trustee of Yayasan TRC and Whistleblowing Committee member of the Company. He is also a Trustee of World Islamic Economic Forum Foundation (WiEF). He is also a member of the Road Engineering Association of Asia and Australia (REAAA) and the Corporate Advisor to Persatuan Kontraktor Melayu Malaysia (PKMM) (Federal Territory Branch).

During the Financial Year ended 31st December 2023, he attended four (4) out of five (5) Board of Directors Meetings.

DATO' ABDUL AZIZ BIN MOHAMAD
Deputy Group Managing Director
Malaysian / Male / Age 65

Dato' Abdul Aziz Bin Mohamad was appointed as an Executive Director of the Company on 29th March 2002. He was then re-designated as Deputy Group Managing Director of the Company on 15th June 2021. He started his career in Trans Resources Corporation Sdn Bhd, a subsidiary of the TRC Group, in 1994 when he was designated as a Senior Contracts Executive prior to becoming the Chief Executive Officer in 2009 until 2019.

Dato' Abdul Aziz received his early education at the Malay College Kuala Kangsar and later furthered his studies in England where he graduated from Trent Polytechnic, Nottingham in 1983. He is a Quantity Surveyor by profession and is a member of the Institution of Surveyors Malaysia. His career began in 1982 with the position of Assistant Quantity Surveyor at Rider Hunt & Partners, England. He later joined Jabatan Kerja Raya Kuala Lumpur in 1983 as a Quantity Surveyor where he administered the contractual aspects of projects under their purview before going on to make his contribution towards TRC's success.

He is a Member of the Sustainability Committee and a member of the Board of Trustees of Yayasan TRC and Yayasan Ulul Albab.

Dato' Abdul Aziz attended all five (5) Board of Directors Meetings held during the financial year ended 31st December 2023.

DATO' RICHARD KHOO TENG SAN
Executive Director
Malaysian / Male / Age 59

Dato' Richard Khoo Teng San was appointed as a Director of the Company on 25th February 2020. He has been with TRC Group since 1991 when he joined the Group as a Project Coordinator on 13th December 1991. In 2009 Dato Richard was appointed as Chief Operating Officer of Trans Resources Corporation Sdn Bhd, a subsidiary of the TRC Group.

Prior to joining TRC Group, he started his career in 1989 when he joined W.A. Fairhurst & Partners Limited, United Kingdom as a Design Engineer for the years 1989 to 1991.

Throughout his career in TRC Group, he assumed important positions such as Project Coordinator, Region Manager (East Malaysia), and Chief Project Coordinator for various mega projects undertaken by the Group.

He graduated with a Bachelor of Engineering (Civil Engineering) from the University of Strathclyde, United Kingdom in 1989.

Dato' Richard Khoo Teng San attended all five (5) Board of Directors Meetings held during the financial year ended 31st December 2023.

DATO' IR. ABDULLAH BIN ABD RAHMAN
Independent Non-Executive Director
Malaysian / Male / Age 69

Dato' Ir. Abdullah Bin Abd Rahman was appointed as an Independent and Non-Executive Director on 1st June 2018. Currently he is the chairman of the Whistleblowing Committee. He is also a member of the Audit and Risk Management Committee and the Nominating and Remuneration Committee.

He graduated from the University of Wales, Cardiff, United Kingdom with a Degree in Civil & Structural Engineering and has gone on to qualify as a Certified Professional Engineer registered with the Malaysian Board of Engineers in 2006.

He began his career with the Malaysian Public Works Department as a Project Engineer in 1979. His illustrious 37-year career there saw him involved at different stages in various projects implemented by the Department from being a Section Head, Resident Engineer, District Engineer, State Engineer, Deputy Director then being a Director for the Department in several states. He retired from the Public Works Department in 2015 and his last position there was Director at the Road Facility Maintenance Branch.

Dato' Ir. Abdullah has many accolades and awards to his name due to his distinguished service at the Public Works Department and these include state- and national-level awards. He is currently serving his third two-year term as Vice President of the Malaysian Asset and Project Management Association (MAPMA).

During the financial year ended 31st December 2023, he attended all five (5) Board of Directors Meetings held.

Dato' Ir. Abdullah will retire at the conclusion of the forthcoming Annual General Meeting on 26th June 2024 and will not seek for re-election.

DATO' SR. ABDULL MANAF BIN HJ HASHIM
Independent Non-Executive Director
Malaysian / Male / Age 69

Dato' Sr. Abdull Manaf Bin Hj Hashim was appointed as a Director of the Company on 1st April 2021. He was appointed as the Chairman of the Audit and Risk Management Committee on 1st March 2024. He is also a member of the Nominating and Remuneration Committee as well as the Whistleblowing Committee.

He is a qualified Consultant Quantity Surveyor by profession with a Bachelor's Degree in Quantity Surveying from the University of Technology Malaysia. He has more than 38 years of professional experience in Quantity Surveying and Contract Management. He started his career in Jabatan Kerja Raya Malaysia (JKR) and moved up the ranks. His last position was Deputy Director General of JKR Malaysia from 2012 to 2016. He has also served as a Director in the Quantity Surveyor Division of the Drainage & Irrigation Department Malaysia (DID) from 2001 to 2004.

Dato' Sr. Abdull Manaf held several positions in professional bodies. He was the President of the Board of Quantity Surveyors Malaysia (BQSM) from 2006 to 2017. He was the President of The Royal Institute Surveyors Malaysia (RISM) in 2012 and is still a Fellow of RISM since 2006.

Dato' Sr. Abdull Manaf was bestowed the Kesatria Mangku Negara (2007) and Darjah Indera Mahkota Pahang (2006). He has received numerous awards and recognitions such as Tokoh Alumni Universiti Teknologi Malaysia (2009).

During the financial year ended 31st December 2023, he attended all five (5) Board of Directors Meetings held.

FADZILAH BINTI MOHD SALLEH
Independent Non-Executive Director
Malaysian / Female / Age 52

Fadzilah Binti Mohd Salleh was appointed as an Independent and Non-Executive Director on 1st June 2018. She is the Chairman of the Nominating and Remuneration Committee effective from 1st March 2024. She is also a member of the Audit and Risk Management Committee and the Sustainability Committee.

She received an early education from Sekolah Seri Puteri Kuala Lumpur and has graduated from the International Islamic University, Malaysia in 1996 with a Bachelor of Accounting (Hons). She is also a member of the Malaysian Institute of Accountants.

She began her career with Kumpulan Naga where she was involved in audit, accounting, taxation, and company secretarial work amongst other business advisory work. She has more than 15 years of experience in audit firms starting from the internship and assistant levels until the managerial level before going on to operate her own practice, FMSalleh & Co (Chartered Accountants). She is also a managing partner of Fadzilah&Co., a financial management firm.

She attended all five (5) Board of Directors Meetings held during the financial year ended 31st December 2023.

SITI SARLINA BINTI ABDUL RAHMAN
Alternate Director to Dato' Abdul Aziz Bin Mohamad
Malaysian / Female / Age 54

Siti Sarlina Binti Abdul Rahman is currently a Chief Executive Officer ("CEO") of Trans Resources Corporation Sdn Bhd, a construction arm to TRC Synergy Berhad. She is also a CEO of Yayasan TRC a philanthropic arm to the Group. She was appointed as the Alternate Director to Dato' Abdul Aziz Bin Mohamad on 28th November 2016. She is currently a member of the Sustainability Committee.

She joined the Group as a Quality Assurance Manager in 2002 and since 2005, she has been directly involved in various projects undertaken by the Group and has assumed key positions such as Project Head and General Manager.

Her career began in an IT company in 1994 where she was a Sales Engineer. She then moved to Airod Sdn Bhd as a Planning Engineer in 1995. She joined Pesaka Gammon in 1996 as a Site Planning and Quality Control Engineer. In 1997, she worked as a Quality Assurance Engineer at Putra Perdana Construction Sdn Bhd until 2002.

She holds an American Associate Degree in Applied Science from Kolej Persediaan Pengajian Mara, Subang Jaya and a degree in Aerospace Engineering from the State University of New York at Buffalo, New York, United States. She also holds a Master's Degree in Human Resource Management from Open University Malaysia.

Notes:
Save as disclosed above,

1. *None of the Directors have:*
   - *any family relationship with any director and/or major shareholder of the Company;*
   - *any conflict of interest with the Company; and*
   - *any conviction for offences (other than traffic offences) within the past five (5) years.*
2. *Save and except for Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin who is also a Director of T7 Global Berhad and Chairman of Lagenda Properties Berhad, none of the Directors hold a directorship in other public companies and listed issuers.*

PROFILES OF KEY SENIOR MANAGEMENT

SITI SARLINA BINTI ABDUL RAHMAN
Chief Executive Officer
Malaysian / Female / Age 54

Siti Sarlina Binti Abdul Rahman was a Deputy Chief Executive Officer from 1st July 2015 before being redesignated as Chief Executive Officer of Trans Resources Corporation Sdn Bhd. She was appointed as the Alternate Director to Dato' Abdul Aziz Bin Mohamad on 28th November 2016.

She joined the Company as Quality Assurance Manager in 2002 and tasked to set up and implement the Company's Quality Management System and assumed the role of Internal Lead Quality Auditor for the company from 2002 to 2005.

Since 2005, she has been directly involved as Project Head for various major projects undertaken by the Group. She also assumed other key positions in the company, as General Manager overseeing several support departments such as Administration, Human Resources and Quality, Safety, Health and Environmental (QSHE).

She started her career with an IT company in 1994 and then moved to Airod Sdn Bhd as a Planning Engineer in 1995 mostly for the maintenance of USAF C130 fleet. She then joined Pesaka Gammon in 1996 as a Site Planning and QC Engineer. This was when her career in the construction industry started. In 1997, she worked as a QA Engineer at Putra Perdana Construction Sdn Bhd and was based on site in Putrajaya until 2002. There she was involved in the construction and completion of several roadworks and government buildings in the then new Putrajaya township.

She holds an American Associate Degree in Applied Science from Kolej Persediaan Pengajian Mara, Subang Jaya and a graduate of the State University of New York at Buffalo, New York, United States with a degree in Aerospace Engineering. She also holds a Master's Degree in Human Resource Management from Open University Malaysia (OUM).

HOO YEN TONG
Deputy Chief Operating Officer
Malaysian / Male / Age 59

Hoo Yen Tong was appointed as a General Manager (Construction) on 1st September 2015. In July 2022, he has been promoted to a Deputy Chief Operating Officer. He joined the Group as a Project Engineer in 2001. He has since been directly involved in various projects undertaken by the Group and has assumed key positions such as Project Manager, Project Coordinator and Project Director.

He graduated from the Oklahoma State University with a Bachelor of Science in Civil Engineering. He also holds an Engineer-in-Training Certificate from U.S.A.

He started his career as Civil Engineer at Berger, Lehman Associates, P.C. (U.S.A) in 1988 until 1992 which was involved in the designing of major infrastructures packages within the Tristate area namely state of New York, New Jersey and Connecticut.

He then pursued his career in Malaysia as an Assistant Resident Engineer at Berakah Jurutera Perunding Sdn Bhd in 1993 and subsequently joined Engineering & Environmental Consultants Sdn Bhd in 1997 (KLIA project).

Since joining the group in 2001, he has started working as a project engineer involved in various major Infrastructure, government quarters and residential projects in Putrajaya and also other projects within the Klang Valley. He was subsequently tasked to lead on execution & completion of major infrastructure projects for MRT Line 1 (Sg Buloh Depot, S1 stations, and Pasar Seni Paid Link) and recently just completed MRT2 projects (Serdang Depot,S208 stations). He currently is leading the ongoing LRT3 and Prasarana HQ projects and various tender exercises as well.

Ts. MAHATHIR BIN MOKHTAR
Senior General Manager (Contracts)
Malaysian / Male / Age 48

Ts. Mahathir Bin Mokhtar started his career in 1999 with Perunding Unikon, the Quantity Surveyor and Project Consultant firm as a Quantity Surveyor and after 1 year he joined Trans Resources Corporation Sdn Bhd (TRC) in November 2000 as a Project Quantity Surveyor. In January 2023, he has been promoted to a Senior General Manager (Contracts) and he is responsible to lead the company's end-to-end tender exercise and drive the post contract management activities. He is also overseeing the process and maintaining of company's registrations particularly with CIDB, PKK and MOF.

He graduated from Universiti Teknologi MARA (UiTM) with a Diploma in Quantity Surveying and pursued a Bachelor of Quantity Surveying (Hons) from the same university. He is currently a certified Professional Technologists and registered with Malaysia Board of Technologists (MBOT).

Over the last 23 years with the Company, Mahathir was instrumental in delivering successful construction projects in various categories such as roads and bridges, prison and security complexes, commercial development and buildings for higher institution clientele. His well-established experience and strong credibility have brought further achievements in specialist project categories such as roads and bridges in Putrajaya, Prison in Bentong, Pahang, Universiti Kuala Lumpur (UniKL) in Pasir Gudang, Johor, and airport runway extension projects in Kuala Terengganu, Terengganu and Kota Bharu, Kelantan. Since 2011, Mahathir has also involved in rail and metro transit infrastructure construction of viaduct guideways, stations and depots for LRT2, LRT3, MRT1 and MRT2.

DATO' LEONG KAM HENG
Director/Chief Operating Officer TRC (Aust) Pty Ltd
Malaysian / Male / Age 69

Dato' Leong Kam Heng graduated from Monash University, Melbourne, Australia with an Honours Degree in Civil Engineering in 1979. Upon returning to Malaysia in 1980, he joined the Public Works Department ("PWD") as a Building Engineer. In 1984, he resigned from the PWD and ventured out into the building and construction industry.

He joined TRC Synergy Berhad in January 2009 as the Head of Corporate and International Investment. He is also the Director as well as the Chief Operating Officer of TRC (Aust) Pty Ltd, a wholly-owned subsidiary of TRC Synergy Berhad which is based and operating in Melbourne, Australia.

NASARUDDIN BIN MAHMUD
General Manager (Development)
Malaysian / Male / Age 60

Nasaruddin Bin Mahmud was appointed as a General Manager (Development) on 1st September 2016. He joined the group as a Senior Engineer in 2008. He has since been directly and actively involved in various residential and commercial development projects undertaken by the Group.

Prior to joining the Group, he was the Head of Project Implementation at Peremba Jaya Holdings Sdn Bhd where he was involved in the development of the government quarters in Putrajaya.

He graduated from the University of Wyoming, USA with a degree in Chemical Engineering in 1986.

ABDUL AZIZ BIN MOHAMED
(LS0007370)
General Manager
(Company Secretary)
Malaysian / Male / Age 53

Abdul Aziz bin Mohamed joined the Group as Company Secretary in April 2002 and has since held that position. Prior to contributing his services to the Group, his career began in 1996 during which he was reading in the chambers of Messrs Hisham, Sobri & Kadir (Advocates & Solicitors). He then pursued a corporate career path whereby he worked as a Legal Executive at Johore Tenggara Oil Palm Berhad from 1996 until 1999 when he was appointed as Company Secretary/Legal Officer. From 2001 to 2002, he acted as Company Secretary at Halim Mazmin Berhad.

He graduated with a Bachelor of Laws (Minor in Syariah) from the International Islamic University Malaysia in 1995. He is also a Licensed Secretary under Section 235 of the Companies Act 2016 (LS0007370).

SAMSON ENTEBANG
General Manager (Finance)
Malaysian / Male / Age 58

Samson Entebang joined the Group in June 1996 as a Project Accountant. In 2010, he was promoted to Group Operation Accountant and subsequently promoted to Deputy General Manager of Finance in 2013. He was further promoted to General Manager of Finance in 2015, which is the post he still holds today.

He graduated with a Diploma in Business Studies from Universiti Teknologi Mara (UITM) in 1988 before pursuing his studies at Emile Woolf Colleague in London and graduated with a Chartered Institute of Management Accountants (CIMA) in 1995. He further pursued his studies with a Corporate Master of Business Administration (CMBA) from the University Malaysia Sarawak (UNIMAS) in 2003 and graduated with majoring in Corporate Finance.

He is now an Associate member of Chartered Global Management Accountant (CGMA), a member of the Association of International Certified Professional Accountants (AICPA) and a Chartered member of Malaysian Institute of Accountants (MIA)

Before joining the Group, he worked as an Audit Assistant with Al Jeffry & Co., as an Internal Audit Officer with Harwood Timber Sdn Bhd and as a Credit officer with Malaysian Industrial Development Finance (MIDF).

LEE GAIK SIEW
General Manager (Accounts)
Malaysian / Female / Age 55

Lee Gaik Siew joined the Group as an Accountant in year 1999 and her position was subsequently re-designated as Deputy General Manager (Group Accounts) in year 2013. She is now the General Manager (Accounts).

She graduated with a professional qualification as an associate member of the Association of Chartered Certified Accountants (ACCA). She registered herself as a Chartered Accountant of the Malaysian Institute of Accountants in April 1999. She started her career in an accountancy firm and her last position before pursuing her career to gain commercial experience in the Group was Assistant Audit Manager.

Additional Information
Save as disclosed above,
1. *None of the Key Senior Management have:*
   - *any family relationship with any director and/or major shareholder of the Company;*
   - *any conflict of interest with the Company; and*
   - *any directorship in other public companies and listed issuers.*
2. *None of the Key Senior Management have been convicted of any offences (other than traffic offences) within the past five (5) years and there were no public sanctions and/or penalties imposed upon them by the relevant regulatory bodies during the financial year.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of TRC Synergy Berhad ("the Company") ("the Board") is pleased to present this Corporate Governance Overview Statement ("this Statement") which outlines the overview of the corporate governance ("CG") practices of the Company and its subsidiaries ("the Group") that are in place during the financial year ended December 2023 ("FY2023"). This Statement is prepared based on the following 3 key CG principles as set out in the Malaysian Code on Corporate Governance ("the Code") and in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR"):-

i. Board leadership and effectiveness;
ii. Effective audit and risk management; and
iii. Integrity in corporate reporting and meaningful relationship with Stakeholders.

This Statement is to be read together with the CG Report of the Company ("CG Report 2023") which can be referred to at the Company's website at www.trc.com.my under Corporate Governance section or on Bursa Securities' website at www.bursamalaysia.com.

In general, the Group has applied all applicable practices set out in the Code throughout FY2023 except for the following:-

i. Practice 4.4 - Performance evaluations of the Board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
ii. Practice 5.6 - In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing Board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.
iii. Practice 8.2 - The Board discloses on a name basis the top five senior management's remuneration component including salary, bonus, benefit in-kind and other emoluments in bands of RM50,000.

The explanations for the above departures and measures taken in relation thereto are provided in the CG Report 2023.

The Group's overall application of the practices can be summarised in the following table:-

	Total	Applied	Departure	Not Applicable	Not Adopted	Adopted
Recommended practices	43	39	3	1	-	-
Step-up Practices	5	-	-	-	1	4

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Leadership

The Company is led and governed by the Board which is headed by the Chairman and guided by the Group Managing Director who is assisted by his deputy and the Executive Director who have detailed knowledge and vast experience in the construction industry. The rest of the Board Members possess a wide range of skills and experiences in various industries ranging from construction, finance and general management disciplines from both the private and public sectors suitable for managing the Group's businesses. A brief profile of each Director is presented under Profile of Directors of this Annual Report.

The primary role of the Board is to provide overall strategic guidance on CG and management of the business affairs of the Group in order to safeguard shareholders' interest and the assets of the Group.

In discharging its fiduciary duty and oversight functions to specific responsibility arears, the Board has established and delegated certain responsibilities to the following four (4) Board Committees, namely:-

i. Audit and Risk Management Committee
ii. Nominating and Remuneration Committee
iii. Sustainability Committee
iv. Whistleblowing Committee

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Leadership (cont'd)

Each committee operates within their terms of reference approved by the Board which are periodically reviewed. The Board also delegates the authority and responsibility for managing the day-to-day business activities of the Group to the Group Managing Director, his deputy and the Executive Director who are responsible for overseeing the business development, implementation of the corporate strategies and business plans, policies and controls.

2. Board Responsibilities

The Board has overall responsibility in the stewardship of the Group's direction and its performance. The Board is also primarily responsible for determining the Company's strategic objectives and policies, and for monitoring the progress made towards achieving those objectives and policies. In this regard, the Board is guided by a Board Charter which outlines the roles and responsibilities of Directors and other functions as recommended by the Code. The Board Charter is aimed at promoting high standards of CG and is designed to provide guidance and clarity for Directors and Management with regard to their roles and the roles of the Board's committees.

The Board is committed to conducting the business activities of the Group ethically and legally by complying with all applicable laws. This includes compliances with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). In this regard, the Group has in place the Anti-Bribery and Corruption which was aimed at providing information and guidance to the Directors and employees of the Group on standards of behaviour with which they must adhere to and how to recognise as well as deal with bribery and corruption.

In discharging their duties, the Board has also formalised a Code of Conduct for the Directors which govern the underlying core ethical values and commitment of high standards of integrity, transparency and accountability as well as to promote good business conduct and maintain a healthy corporate culture in the Group.

The Board Charter, the Directors' Code of Conduct and the Anti-bribery and Corruption Policy are available on the Company's website, www.trc.com.my.

3. Board Composition

The Board currently consists of eight (8) members comprising three (3) Executive Directors and five (5) Independent Non-Executive Directors. The Company fulfils the prescribed requirement of having at least one-third (1/3) of the Board Members as Independent Non-Executive Directors as stated in Paragraph 15.02 of the MMLR.

The MMLR now limits the tenure of an independent director to not more than a cumulative tenure of 12 years. In compliance with the MMLR and also as part of the Company's ongoing effort to strengthen the Board independence and quality, presently the Company has five (5) Independent Directors and all of them have served as Board Members for a cumulative term of less than twelve (12) years.

4. Boardroom Diversity

Chapter 15.02 of the MMLR provides that the Group must ensure that at least one (1) director of the group is a woman. The Board strongly supports and concurs with the initiative to have female participation in the Board as well as in its Senior Management team.

Currently the Company has two (2) female Independent Non-Executive Directors which represent 25% of the total Board's composition. Besides, the Company also has one (1) female alternate Director who is also the CEO of its major subsidiary company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. Boardroom Diversity (cont'd)

The Company also has in place its Boardroom Policy which was designed to reinforce the Board's commitment to diversity including taking into account the tenure of independent directors to ensure turnover when appropriate; it shall serve as a formalisation of the Board's current practices in relation to promoting and implementing diversity as well as limiting the tenure of independent directorship. In light of the aforementioned, the Board has formalised its long-standing practice of limiting the tenure of its independent directors to a maximum of seven (7) years or two (2) re-elections by the shareholders.

Having considered the recommendations from the Nominating and Remuneration Committee ("NRC"), the Board agrees that the current Board's individual qualifications and their mix of skills augurs well for the Group current business activities.

5. Recruitment and Annual Assessment of Directors

The appointment of new directorship would be through a formal selection process and would take into consideration the evaluation of the individual candidate's abilities in term of their skills, knowledge, experience, expertise and integrity to discharge their responsibilities. A formal checklist form is tailored to provide a common and well-defined understanding on the criteria in considering a proposed candidate and to also facilitate a smooth process of recommendation from NRC to the Board.

Based on the evaluation and recommendation from the NRC and the current nature of business activities undertaken by the Group, the Board as a whole will assess whether the qualifications and skills of the current Board Members are sufficient for them to carry out their collective role and responsibilities as Board Members.

As part of the Company continuous effort to improve the Board effectiveness, the Company has expanded its Board performance assessment as recommended by the Code which covers the performance of the Board as a whole, its committees and the directors. The effectiveness of the Board, its Committees and Directors are evaluated annually by the NRC pursuant to its terms of reference.

During FY2023, NRC met once and the activities of the NRC are reported in Item 13 of this Statement.

6. Roles of Chairman and Managing Director

The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. The roles of the Chairman, the Managing Director and Executive Directors are distinct and separate to ensure accountability and facilitate a clear division of responsibilities in the Company. The Chairman is responsible for looking after the interest of all shareholders by installing good corporate governance practices, leadership and effectiveness, conduct and governance of the Board. On the other hand, the Managing Director, with the assistance of the Deputy Group Managing Director and Executive Director whom are supported by the Senior Management team, has the overall responsibilities for the execution of the Group's strategic plan, policies and decisions adopted by the Board and oversee the operations and business development of the Group.

7. Qualified and Competent Company Secretary

The Board members also have direct access to the advice and services of the Company Secretary whom is qualified to act in accordance with the requirements of the Companies Act, 2016. The Company Secretary is responsible for ensuring that the relevant meeting procedures, governance matters, applicable rules and statutory regulations are adhered to. The Company Secretary will also advise the Board on any new statutory requirements and oversee adherence with Board policies and procedures. He will also brief and update the Board on the proposed contents and timing of material announcements to be made to regulators. He attends all Board and Board Committees' meetings as well as Shareholders Meeting and ensures that all such meetings are properly convened with accurate and proper records of the proceeding and resolutions passed duly taken and maintained accordingly.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7. Qualified and Competent Company Secretary (cont'd)

The Group's Secretarial Department is led by Abdul Aziz Mohamed, a Licensed Secretary under Section 235 of the Companies Act 2016. He graduated from International Islamic University in 1996 with a Bachelor of Laws. He has been working in secretarial department of several public listed companies under various positions since 1996.

8. Access to Information and Advice

All Directors, including Independent Non-Executive Directors, have unrestricted and timely access to all information pertaining to the Group's business and affairs whether as a full Board member or in their individual capacities in carrying out their duties and responsibilities effectively. The Chairman undertakes primary responsibility of organizing information to be distributed to the Board. They also have direct access to the advice and services of the Company Secretary, the Senior Management team, internal and external auditors, solicitors and other independent professionals at all times and at the Company's expense. The Directors will need to consult the Chairman or discuss in Board meetings prior to seeking independent professional advices.

On quarterly basis, the Company Secretary notifies the Directors and Principal Officers of the Company of the closing period for trading of the Company's shares pursuant to Chapter 14 of the MMLR. The Company Secretary also circulates relevant guidelines and updates on statutory and regulatory requirements from time to time to the Board and, if necessary, table it to the Board Meetings.

As for the Board Meetings, the agenda is set and Board papers are circulated within reasonable time not shorter than three (3) days prior to scheduled meetings via emails or physical copies to ensure sufficient time is given to the Directors to read the Board papers and seek any clarification that they may need from Management, or to consult the Company Secretary or independent advisers prior to the meeting, if necessary. This enables the Directors to discuss the issues effectively at the Board Meetings.

9. Whistleblowing Policy and Procedures

The Company has in place its Whistleblowing Policy and Procedures which was formulated as an avenue for all the Group's staff and stakeholders as well as members of the public to disclose any legitimate misgivings they may harbour regarding any improper conduct within the Group. The Whistleblowing Committee is responsible for assisting the Board to protect the interest of the Company and stakeholders by investigating complaints of alleged misconduct received on an independent and confidential basis, and to take any other necessary actions. The policy and procedures of the Whistleblowing Committee are made available on the Company's website, www.trc.com.my.

During FY2023, the Company received no complaints or disclosure by the staffs, stakeholders as well as the public of any misgivings of improper conduct within the Group.

10. Directors' Training

The Board believes that continuous training is essential to the Board Members to ensure that they are updated with appropriate skills and knowledge so as to enable them to discharge their duties effectively. Therefore, they are encouraged to attend training programmes at least once in a year in order to supplement their knowledge and to keep abreast with recent developments of the business environment, relevant changes in laws and regulations and also in areas related to their duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

10. Directors' Training (cont'd)

The details of the training programs attended by the Directors during FY2023 are as follows:-

Directors	Training Programme	Date	Organiser
Tun Jeanne Binti Abdullah	Keterjaminan Makanan Peneraju Ekonomi Negara Dengan Jayanya	29 November 2023	Legasi Tun Abdullah & Galeri Tun Abdullah
	Strategic Team Alignment Programme 2023 (STEP23)	2-4 December 2023	TRC Synergy Berhad
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	42nd IFAWPCA Midterm Executive Board Meeting Agenda	10-18 June 2023	International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA)
	Advocacy Session for Directors and CEOs of Main Market Listed Issuers	12 September 2023	Bursa Malaysia
Dato' Abdul Aziz Bin Mohamad	42nd IFAWPCA Midterm Executive Board Meeting Agenda	10-18 June 2023	International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA)
	Advocacy Session for Directors and CEOs of Main Market Listed Issuers	17 August 2023	Bursa Malaysia
	Strategic Team Alignment Programme 2023 (STEP23)	2-4 December 2023	TRC Synergy Berhad
Dato' Richard Khoo Teng San	42nd IFAWPCA Midterm Executive Board Meeting Agenda	10-18 June 2023	International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA)
	Strategic Team Alignment Programme 2023 (STEP23)	2-4 December 2023	TRC Synergy Berhad
Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	Corporate Liability on Section 17A of Malaysian Anti-Corruption Commission Act 2009	7th April 2023	Integrity and Governance Unit, Group Compliance Affin Bank Berhad
	Affin Conference Series 2023 Malaysia 2023 : A New Investment Chapter	30th May 2023	Affin Group
	Advocacy Session for Directors and CEOs of Main Market Listed Issuers	22nd August 2023	Bursa Malaysia
	Strategic Board Offsite 2023	19-21 November 2023	Affin Group
	Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
	Net Zero, TCFD Analysis, Climate Change Scenario Analysis - Directors Training	5th December 2023	AGV Sustainability

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

10. Directors' Training (cont'd)

Directors	Training Programme	Date	Organiser
Dato' Ir. Abdullah Bin Abd Rahman	Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
Dato' Sr. Abdull Manaf Bin Hj Hashim	Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad
Fadzilah Binti Mohd Salleh	ESG Reporting and Disclosure	04 April 2023	Association of Chartered Certified Accountants (ACCA)
	Audit Committee Conference 2023	14 Sept 2023	Malaysian Institute of Accountants (MIA)
	Strategic Team Alignment Programme (STEP23)	2-4 December 2023	TRC Synergy Berhad

Apart from the aforementioned, active participations in the relevant associations have equipped the Managing Director with the latest information and technologies in the construction industry.

The Company Secretary also played his role to educate the Board whereby he will highlight and update the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors will also brief the Board on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

All Directors of the Company have successfully attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia.

11. Time commitment

The Board is satisfied with the level of time commitment and focus given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company as none of them except Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin holds directorship(s) in other public companies.

The Board agreed to meet at least four (4) times a year and additional meetings are convened as and when necessary. During FY2023, the Board met five (5) times and the attendance record for each Director is as follows:-

Name	No. of Meeting Attended	% of Attendance
Tun Jeanne binti Abdullah	5/5	100
Tan Sri Dato' Sri Sufri bin Hj Mohd Zin	4/5	80
Dato' Abdul Aziz bin Mohamad	5/5	100
Dato' Richard Khoo Teng San	4/5	80
Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	5/5	100
Dato' Ir. Abdullah Bin Abd Rahman	5/5	100
Dato' Sr. Abdull Manaf Bin Hj Hashim	5/5	100
Fadzilah Binti Mohd Salleh	5/5	100

All the Directors have complied with the minimum requirement of at least 50% attendance of the Board meetings during the financial year as stipulated in the MMLR.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

11. Time commitment (cont'd)

In the appointment of new directors, the Board has agreed that time commitment will be one of the determining factors for selection. An informal discussion between the representatives of the Board and the identified candidates will be held prior to their appointment so as to ascertain the suitability as well as their level of time commitment in fulfilling their roles and responsibilities as Directors of the Company.

12. Sustainability Strategies

The Board is fully aware of the importance of the Group's sustainable business strategy that will create long term benefits for the organisation and its employees while being mindful of conserving and protecting resources. The strategy that incorporates economic, environment and social factors into the Group's policies, practices and processes is well embedded into the Company's Sustainability Policy. Besides, the Company's Sustainability Policy is also aimed to:-

- Endeavour to integrate the principles of sustainability into the Group's strategies, policies and procedures;
- Promote sustainable practices;
- Ensure that the Board and Senior Management are involved in the implementation of this policy and in the review of the Group's sustainability performance; and
- Create a culture of sustainability within the Group and the community with an emphasis on integrating the environmental, social and governance economic considerations into decision-making and the delivery of outcomes.

The details of sustainability practices adopted by the Group is spelled out in the Sustainability Statement of this Annual Report. The Sustainability Statement helps the Company to communicate both positive and negative impacts of its actions on the environment, society as well as economy, and accordingly set priorities.

13. Nominating and Remuneration Committee ("NRC")

The NRC was established by the Board. All members of the NRC are Independent and Non-Executive Directors. The establishment of the Committee is to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring the Board and Senior Managements of the Group are comprised of individuals with an optimal mix of qualifications, skills and experience as well as to assist the Board in their responsibilities in assessing the remuneration packages of the members to the Board and Senior Managements of the Group.

Details of the members of the NRC with their respective attendance to the meeting during FY2023 are as follows:-

NRC Members	Meeting Attendance
Dato' Ir. Abdullah Bin Abd Rahman (Chairman)	1/1
Dato' Sr. Abdull Manaf Bin Hj Hashim	1/1
Cik Fadzilah Binti Mohd Salleh	1/1

During FY2023, the NRC met once and has made the necessary assessments, reviews and recommendations to the Board as follows:-

i. Assessed and reviewed the performance and effectiveness of the Board, Committee and its Directors;
ii. evaluated the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the decision making process of the Board;
iii. recommended to the Board concerning the re-election/re-appointment of Director to the Board pursuant to the provisions in the Company's Article of Association; and
iv. assessed the remuneration packages of the Board to reflect their responsibilities, skills requirements, expertise and complexity of the Company's activities and to ensure that they are in line with the Company's Remuneration Policy.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

14. Remuneration policies and procedures

14.1 Policies and Procedure

The Board acknowledges that the measure of remuneration of the Directors and Senior Management should reflect the extent of their responsibility and contribution towards the successful and efficient running of the Group's activities.

To assist in discharging its duties, NRC is guided by the Remuneration Policy and Procedures adopted by the Company since 29th November 2022. Guided by the Policy, NRC will review and recommend the remuneration package of each individual member of the Board of Directors of the Company and the Senior Management of the Group in order to attract and retain competent executives who can add value to the Company. The determination of remuneration packages of the Board Member, particularly those of Non-Executive Directors, and Senior Management are a matter of the Board. The individuals concerned shall abstain from partaking in discussions of their own remunerations.

14.2 Remuneration Packages

The Board believes that the level of remuneration offered by the Company is sufficient to attract and retain Executive and Non-Executive Directors as well as the Senior Management who are needed to run the Group. The aggregate remuneration of the Directors as well as the Senior Management received and receivable from the Company and its subsidiaries during FY2023 are detailed out in CG Report 2023 which is to be read together with this Statement. The CG Report 2023 is available on the Company's website at www.trc.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee ("ARMC")

The establishment of ARMC is pivotal in assisting the Board in fulfilling its fiduciary responsibilities particularly in relation to business, ethics, policies and practices and financial management and control. The primary objectives of ARMC are:-

i) to provide assistance to the Board in relation to fulfilment of the Board's statutory as well as fiduciary responsibilities and to ensure that the internal and external audit functions of the Group are being carried out adequately and effectively;
ii) to assist the Board in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessment processes to manage such risks for the Group.

Currently, ARMC comprises three (3) Non-Executive Directors and all of them are Independent Directors. The ARMC is chaired by Dato' Sr. Abdull Manaf Bin Hj Hashim who is an experienced Quantity Surveyor. He is assisted by Dato' Ir. Abdullah Bin Abd Rahman who has vast experience in construction and Fadzilah binti Mohd Salleh who is a Chartered Accountant of the Malaysian Institute of Accountants.

During FY2023, ARMC met five (5) times and the details of the activities undertaken by them are set out in the Audit and Risk Management Committee Report.

ARMC is guided by the terms of reference which can be viewed at the Company's website www.trc.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2. Risk Management and Internal Control Framework

The Board recognises that proper risk management and internal control are important aspects of a company's governance, management and operation. The Board takes overall responsibility for maintaining the effectiveness and adequacy of the Group's system of risk management and internal control including the establishment of an appropriate risk management and control as an ongoing process for reviewing and monitoring the integrity of these systems. The whole control process will cover not only financial aspects but also control relating to operations, risk management, compliance with statutory rules and regulatory guidelines to sustain ethical values and to promote effective governance structure.

The Board is of the view that the system of risk management and internal control in place in FY2023 is sound and sufficient to safeguard the Group's assets as well as the shareholders' investments and the interests of the customers, regulators, employees and other stakeholders. A detailed analysis of the system is set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Communication with Stakeholders

The Board is fully aware that the key element of good CG is the effective communication and proper dissemination of all important issues and major developments concerning the Company to all shareholders and investors. Effective communication channels with the Company's shareholders, investors and the public are maintained through timely announcements and disclosures made to Bursa Malaysia and when necessary, the distribution of press releases.

During FY2023, the Company organised several face-to-face, online meetings and briefings with financial analysts and investors to establish a better understanding of the Company's business and performance as well as to convey other information that may affect shareholders interest.

The Company also has a cordial relationship with reporters who have been playing a very effective role in conveying the Group's information to the public, shareholders and investors. Press releases are also occasionally organised to clarify certain matters related to the Company and its operating units.

The Company has been consistently leveraged on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the stakeholders. For that reason, the Company has in place a corporate website (www.trc.com.my) which provides an avenue for providing information about the Company and the Group. The stakeholders can also give their feedback on the Company's sustainability practices through the Company's Stakeholders Engagement Survey which is available in the Company's website. Besides the website, the Company has also in place its Facebook page and Instagram account for wider communication channels.

2. Conduct of General Meetings

The Company's General Meetings remain the primary channel of communication with the Company's shareholders in particular private investors. At each General Meeting, shareholders are encouraged and given sufficient time and opportunity to participate in the proceedings, to raise questions and partake in discussions pertaining to the operation and financial aspects of the Group. They may seek clarification on the Group's performance, major developments as well as on the resolutions being proposed. All Board Members, the Senior Management team as well as the Company's external auditors are available to respond to shareholders' relevant questions raised at the Meeting.

Furthermore, in line with good CG practice, the notice of the 27th Annual General Meeting ("AGM") of the Company was issued more than 28 days before the AGM date.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

2. Conduct of General Meetings (cont'd)

The Company has been implementing an electronic voting process since 2017 and will continue to explore the leveraging of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at Company AGMs. For its 27th AGM, the Company will conduct it virtually to give shareholders and proxies the opportunity to follow and participate in the meeting effectively despite being in various locations.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the MMLR, the following information is provided:

Utilization of proceeds

For FY2023, there were no proceeds raised from any exercise.

Share buybacks

As at 31st December 2023, the Company held a total of 9,208,400 treasury shares.

During FY2023, the Company has not purchased its own shares under the Share Buybacks scheme.

Sanctions and / or penalties

There were no sanction and/or penalty imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during FY2023.

Non-Audit Fees

The non-audit fees paid to external auditors amounted to RM5,000.00 for FY2023. The details of the fees paid or payable to the external auditors are reported under the Financial Statements of this Annual Report.

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interest of any Directors or major shareholders during FY2023.

Recurrent Related Party Transaction

The Company did not enter into any recurrent related party transaction which require shareholders' mandate during the financial year ended 31st December 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Board is responsible for ensuring that the Financial Statements are prepared in accordance with the provisions of the Companies Act 2016 and any applicable approved accounting standards in Malaysia so as to ensure a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year as well as that of their results and cash flows for that financial year then ended. The Board is also responsible for maintaining accounting records that disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the Financial Statements comply with the Companies Act 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS (CONT'D)

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group as well as to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the Financial Statements of the Group for FY2023, the Group has adopted appropriate accounting policies and applied them prudently and consistently. They are also satisfied that reasonable and prudent judgments and estimates were made and all applicable approved accounting standards in Malaysia have been adhered to accordingly.

This CG Overview Statement was approved by the Board of Directors of the Company on 23rd April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of TRC Synergy Berhad ("the Board") is pleased to present the Statement on Risk Management and Internal Control which outlines the state of risk management and internal control framework of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2023 ("FY2023"). This statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and guided by the latest Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD'S RESPONSIBILITY

The Board recognizes the importance of maintaining a sound system of risk management and internal control within the Group and affirms its overall responsibility for it so as to safeguard shareholders' interest and Group's assets as required by the Malaysia Code on Corporate Governance issued by Securities Commission of Malaysia. The whole process of control is not limited to financial aspects but also include other controls relating to operations, risk management and compliance with statutory rules and regulatory guidelines in order to sustain ethical values and promote effective governance structures.

The internal control system covers the core business of the Group with the aim of achieving the business objectives by managing the emerging risks that may arise. The system of Internal Control also aims to:-

i) Ensure that the existing control over all significant operation meets the Group's objective economically.
ii) ensure that proper documentation and accounting records are maintained; and
iii) ensure that the documentation and financial information generated by the system are reliable.

The Board is fully aware that this system, by its nature, can only provide reasonable but not absolute assurance against the risk of material misstatement of financial information and records or against financial losses due to fraud and error. The system is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve business objectives of the Group. The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

The Board's responsibility for internal control does not cover those of the associated companies which are separately managed.

MANAGEMENT'S RESPONSIBILITY

The management is responsible for implementing the Group's policies and procedures on risk management and internal control. The management will identify, evaluate and report any risk as well as the effectiveness of the internal control system besides taking appropriate and timely remedial actions as required.

In undertaking its responsibilities the management will identify and evaluate the risks relevant to the achievement of the business objectives and strategies of the Group; it will also formulate relevant policies and procedures to manage these risks, design, implement and monitor the effective implementation and report to the Audit and Risk Management Committee ("ARMC") in a timely manner.

RISK MANAGEMENT

The Board views risk management as an important process in the pursuit of the Group's corporate governance agenda. It is an ongoing process which involves the management from various business units to identify, evaluate, monitor, manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The Group adopts a decentralized approach to risk management by encouraging all business units to participate and take ownership of their respective identified risks. The process of risk management and policy implementation is overseen by the Risk Working Committee ("RWC") as well as the senior management of the Group ("the Senior Management") and reported to the Board through ARMC. The risk management framework is also embodied in the Quality Policy in accordance with ISO 9001: 2015 practiced by a wholly-owned subsidiary of the Company, Trans Resources Corporation Sdn Bhd ("TRC") which is the major revenue contributor to the Group. For certain sizeable projects, the project teams together with Project Delivery Partners will have to comply with risk management procedures regulated by the clients.

RISK MANAGEMENT (CONT'D)

To equip business units with adequate knowledge and awareness of risk management control, annual risk training was conducted to all available key staffs. This annual session was aimed to refresh, foster and renew their knowledge in Risk Management which will facilitate the respective business units in dealing with any emerging risks and address the consequential issues that may arise. The Group has also assigned the Risk Coordinator to attend various risk related seminars or workshops pertaining to construction industry and/or Enterprise Risk Management practices. This will enrich the RWC with the new knowledges on the current Risk Management practices and governance from around the world. In 2023, RWC has conducted four (4) series of brainstorming workshops to comprehensively review associated risk for departments and projects. These quarterly sessions were aimed at fostering a culture of risk-based thinking at all business units within the Group, which is crucial for effective risk management. Subsequently, outcomes of the workshop and brainstorming sessions were compiled and prepared quarterly for review by ARMC.

Risk Management Framework

The Group's Risk Management activities are guided by COSO internal control framework. The risk universe covers a wide span of activities that determine the risk profile inherent in the nature of business which would compromise the business objectives if not properly addressed. Risk factors are classified into two main categories namely external and internal risk.

Risk Identification, Evaluation and Ranking

The management of each business unit as well as projects undertaken by the Group are required to identify and document all possible risks that can affect their achievements. It is the responsibility of the operational managers and heads of department to identify risk that could affect the achievement of the business objectives of their units respectively.

The risk identification process shall take into consideration specific risks in achieving business objectives and risks that have a potential impact on the success and continuity of the business. The identified risks are fundamentally evaluated as below:

- Probability or likelihood of occurrence
- Significance or magnitude of the risk impact

Qualitative risk analyses are performed against the enterprise's established risk matrices to assess the risk significance and determine the priority and magnitude of the subsequent risk response deemed required. An appropriate quantitative risk analysis may be employed to assess a particular shortlisted high-profile risk in order to gain more understanding on the impending risk exposure.

This methodology will assist and improve the organization in making an informed decision at all levels while keeping risks as low as reasonably practicable.

RISK MANAGEMENT (CONT'D)

Risk Mitigation Measure

Risk mitigation measures are formulated to manage risks and among these measures are:

- Sustaining good client relationship
- Responsive to public relation units
- Adequate insurance coverage
- Competent and experienced personnel
- Monitoring projects within budgeted cost, profit margin and timeline
- Stringent quality and safety standard
- Efficient procurement management system
- Close monitoring of construction work progress
- Compliance with statutory requirements

Recognizing the seriousness of cyber threats, the Group has paid special attention to these aspects by formulating and implementing the necessary measures to ensure that all matters related to the procurement and provision of services related to Information and Communications Technology (ICT) run continuously without any disruption that could affect security to the Group's activities.

The Group has in place its Computer Usage Policy which aims to provide guidance to all staffs on matters related to usage of computers, software and the internet. Awareness trainings on data privacy and cybersecurity, covering a broad range of security topics were also provided to employees. These measures were implemented to mitigate the risk of cyber threats and ensure the responsible use of technology in the workplace. The Computer Usage Policy alongside with the awareness on cybersecurity has been imbedded into the module for the staffs' recruitment induction exercise of the Group.

Risk Reporting and Monitoring

Significant risks identified from each business unit or project are tabulated in the risk assessment report and presented to RWC, the Senior Management and ARMC which are then recommended to the Board for deliberation or approval while matters and decisions made within the purviews of ARMC and the Senior Management are escalated to the Board for its notation. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group. Monitoring of inherent risk is a continuous process and the top ten risks are presented to the ARMC for consideration.

INTERNAL CONTROL

The key elements of the Group's internal control system are described below:-

Internal Audit Function

The Board establishes, approves and support the authority, role and responsibility of the internal audit function undertaken by the Internal Audit Department ("IAD"). The main task is to provide objective assurances, internal control and governances to ARMC in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the organization, management, accounting records pertaining to accounting policies to ARMC and the Board. As required by the Listing Requirements, the internal auditors report directly to ARMC and is independent of the activities audited by them. They provide periodic reports to ARMC on the outcome of the audit works they have conducted which are reviewed and evaluated by ARMC.

Internal audit works are carried out pursuant to the annual audit plan approved by ARMC as well as the Board. The internal audit process provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control system and also recommends improvements to be made in relation to control. The results of the audit reviews are reported periodically to ARMC. Additionally, the internal auditors also carry out follow-up visits to ensure recommendations for improving control systems are implemented. The presence of the internal audit function has provided the necessary level of assurance as to the effectiveness and credibility of the Group's system of internal control.

INTERNAL CONTROL (CONT'D)

Internal Audit Function (cont'd)

Throughout FY2023, the IAD has undertaken several independent audit assignments pursuant to the approved audit plan. The details of the internal audit activities are reported under Internal Audit Function of Audit and Risk Management Committee Report of this Annual Report. In addition to that, sustainability data on ESG that to be disclosed in the Annual Report 2023 be reviewed by IAD are accurate, relevant, complete and timely.

None of the weaknesses or issues identified during the review for FY2023 has resulted in non-compliance with any relevant policies or procedures, the Listing Requirements or any other recommended industry practices that require disclosure in the Group's Annual Report.

Lines of Reporting

Clear definitions for the terms of reference including functions, authorities and responsibilities of the committees set up by the Board for all aspects of the business have been established within the Group. This also includes detailed job descriptions and specifications provided to each employee of the Group and which is further reiterated through a well-defined organizational structure.

Dissemination of Information within the Group

Regular operational meetings held on a monthly basis at headquarters will deliberate on all operational risks and issues of the Group. Subsequently, important (high priority) risks and issues will then be presented and discussed by the senior management whom will meet on a quarterly basis. During these meetings, besides the routine operational matters, comprehensive information which covers financial performance and key business indicators, key operating statistic/indicators, key business risks as well as legal, environmental and regulatory matters are also disseminated and deliberated. Key matters affecting the group are brought to the attention of ARMC and are reported to the Board on a regular basis.

Detailed Budgeting Process

A detailed budgeting process has been implemented whereby operating units prepare budgets for their respective project which will be deliberated upon at the Senior Management meetings. The budgets are subject to a quarterly monitoring against actual results with major variances being explained and considered. If necessary, management action and follow up will be initiated to ensure congruence.

ARMC

ARMC, on behalf of the Board, regularly reviews and holds discussions with the Management and External Auditors on matters relating to the internal control and corporate governance highlighted in the course of their statutory audit of the financial statements of the Group.

The Report on ARMC as set out under Audit and Risk Management Committee Report of this Annual Report contains further details on the activities undertaken by ARMC in 2023.

Board

The Board holds regular discussions with ARMC, the Senior Management and External Auditors and reviews their reports on matters relating to internal controls and deliberates on their recommendations for implementation.

The Board has taken the necessary steps, as are reasonably practicable to them, to ensure that adequate systems of internal controls are in place to properly safeguard the assets of the Group through the prevention and detection of fraud, other irregularities and material misstatements in the financial statements.

The Board opines that the system of internal control is operating effectively and considered adequate to safeguard the Group's business operations and that the risks taken are at an acceptable level within the context of the business environment of the Group.

The Board is not aware of significant weaknesses in the internal control system that can substantially affect the business operations of the Group which could result in material losses.

ISO STANDARDS

Quality Policy

TRC, being the main revenue contributor of the Group, has a clear and well documented Quality Policy in accordance with ISO 9001: 2015. This policy and the related procedures are communicated to staff for implementation. The salient features of the Quality Policy are as follows:-

i) Internal Quality audits are conducted at planned intervals to determine whether the Quality Management System is effectively implemented, maintained and conforms to the established system requirements of the Internal Standard, ISO 9001:2015.
ii) On an annual basis, an overall Internal Quality Audit Plan is devised encompassing every department and project, taking into consideration the status and importance of relevant process, areas to be audited as well as results of previous audits.
iii) Certified Internal Quality auditors will be assigned to execute audit works in accordance with the Internal Quality Audit Plan where the reports shall be examined, analyzed and reported to the Management during the Management Review Board Meetings.
iv) As part of the Quality Management System, the Management shall meet on a monthly basis to discuss and deliberate all issues relating to the business of the Group.
v) An annual Management Review Board Meeting is held to report and discuss on the overall performance of the Quality Management System and the projects undertaken. The Review Board members will also discuss and endorse any identified action plans that need to be carried out for further improvements.
vi) The ARMC is accessible to the relevant reports produced in relation to the Quality Management and if the need arise, the matter shall be further discussed in the Board Meeting.

Amongst the initiatives to ensure the success of projects undertaken is to embark upon and implement risk management strategies by identifying project's strengths, weaknesses, opportunities and threats, be it from internal or external factors. This exercise is carried out at the early stage of a project and if such risks are identified or have occurred, methods of dealing with them are established.

Monitoring of these risks is done on monthly basis by the respective project team members, and red flags will be raised if any risks pose a threat to the health of the project so that the immediate and necessary actions can be taken.

This ISO 9001 Standard was accredited to TRC in 2002. In order to equip the Group with internationally recognized working standards, TRC was also accredited with ISO 45001 (Safety and Health Standard) and ISO 14001 (Environmental Standard) in April 2019.

MANAGING DIRECTOR AND GROUP'S ACCOUNTANT ASSURANCE

In line with the Guideline, the Managing Director and the Accountant of the Group have provided assurance to the Board that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. The Board is of the view that the risk management and internal control system in place during the financial year 2023 are sound and sufficient to safeguard shareholders' interest and the Group's assets.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this statement for its inclusion in the 2023 Annual Report and reported to the Board that nothing had come to their attention that causes them to believe that the Statement intended to be included in the 2023 Annual Report is not prepared, in all material aspects factually inaccurate.

CONCLUSION

This statement is made in accordance with the Malaysian Code on Corporate Governance, Paragraph 15.26(b) of the Listing Requirements and Practice Note 9 as issued by Bursa Malaysia Securities Berhad. It is also made in accordance with the resolution given by the Board of Directors on 23rd April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of TRC Synergy Berhad ("the Board") is pleased to present the Audit and Risk Management Committee Report ("the Report") for the financial year ended 31st December 2023.

1. INTRODUCTION

The Board established the Audit Committee pursuant to Chapter 15 of the Bursa Malaysia Main Market Listing Requirement on 22nd May 2002. The Committee's primary objective was to assist the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies, and practices as well as those relating to financial management and control. Besides undertaking its primary objective, the Audit Committee was also tasked to oversee the risk assessment of the company and its subsidiaries ("the Group").

Further to the recommendation from the Malaysian Code on Corporate Governance ("MCCG") for listed issuers to establish a risk management committee, the Board had on 19th May 2021 decided to officially establish a risk management committee by integrating the risk management function into the Audit Committee and rename it as Audit and Risk Management Committee ("ARMC").

2. MEMBERS OF ARMC

During the financial year 2023, ARMC comprised the following 3 Independent, Non-Executive Directors:-

Chairman: **Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin**
(Independent Non-Executive Director)

Members:
i) **Dato' Ir. Abdullah Bin Abd Rahman**
(Independent Non-Executive Director)

ii) **Fadzilah Binti Mohd Salleh**
(Independent Non-Executive Director)
(Member of the Malaysian Institute of Accountants)

Secretary: **Abdul Aziz Bin Mohamed**
(Company Secretary)

Effective 1st March 2024, Tan Sri Dr Ahmad Kamarulzaman has been replaced by Dato' Sr. Abdull Manaf as Chairman of ARMC.

The detailed profiles of the ARMC Members is disclosed in the Profile of Directors of this Annual Report.

3. TERMS OF REFERENCE

Following the decision to integrate the risk management function into the existing Audit Committee and rename it as ARMC, the Board has revised the terms of reference of the Audit Committee to include risk management function. The terms of reference of ARMC is available on the Company's website, www.trc.com.my.

4. SUMMARY OF ACTIVITIES OF ARMC

4.1 Meetings

During the financial year ended 31st December 2023, ARMC met five (5) times. The details of ARMC members' attendance are as follows:

No.	ARMC Members	Attendance	
1	Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin (Chairman)	5/5	100%
2	Dato' Ir. Abdullah Bin Abd Rahman	5/5	100%
3	Fadzilah Binti Mohd Salleh	5/5	100%

4. SUMMARY OF ACTIVITIES OF ARMC (CONT'D)

4.1 Meetings (cont'd)

The Group's Accountant, the Company Secretary who is the secretary of ARMC, the Group's Internal Auditors and the representative of the risk working committee ("RWC") will attend ARMC meetings on regular basis. Other senior managements and the Group's External Auditors will attend the meeting upon invitation.

Additionally, ARMC also meets with the External and Internal Auditors without the presence of Executive Board Members and senior management as and when necessary.

4.2 Summary of Activities

ARMC carried out the following activities in discharging its functions and duties for the financial year 2023, which are in line with its responsibilities as set out in its terms of reference:-

a) Financial Statements

- Reviewed the quarterly unaudited financial results of the Group and the consolidated annual audited financial statements of the Company and the Group for which ARMC made recommendations to the Board for approval. The review was to ensure compliance with statutory reporting requirements and appropriate resolution of all accounting and audit matters requiring significant judgment.

- In its review of the quarterly unaudited financial reports and the consolidated annual audited financial statements, ARMC discussed with the management and the External Auditors on the financial reporting standards applied, including the judgments exercised in the application of those standards. They also discussed on the critical accounting estimates and assumptions used in arriving at the reported amounts of items.

b) Matters relating to External Audit

- Reviewed together with the External Auditors their audit planning memorandum which covers the audit scope, engagement team, materiality, audit methodology and timing of audit, audit focus areas, significant audit policies and disclosures, External Auditors' independence, directors' responsibilities and auditors' responsibilities.

- Reviewed the External Auditors' report and significant audit findings highlighted in their report.

- Reviewed and evaluated the External Auditors' suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group and recommended their appointment to the Board. ARMC also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group. For the selection and appointment of External Auditors, ARMC is guided by the Policies and Procedures for the selection and appointment of External Auditors adopted by the Company.

c) Matters relating to Internal Audit

- Reviewed and approved the annual internal audit plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas. Also considered the adequacy of the manpower resources of the internal audit team to carry out the activities identified in the internal audit plan.

- Reviewed the internal audit reports issued by the Internal Auditors and thereafter discuss the management's actions taken to improve the system of internal control and any outstanding matters. ARMC also reviewed the Internal Auditors follow up reports on outstanding audit issues to monitor the effectiveness of corrective actions taken by the management.

4. SUMMARY OF ACTIVITIES OF ARMC (CONT'D)

4.2 Summary of Activities (cont'd)

d) Matters relating to Risk Management and Internal Control

- Reviewed the quarterly Risk Management Report issued by the Internal Auditors and the Risk Working Committee and thereafter discuss the management's actions with regard to risk management and internal control.

- Reviewed adequacy and completeness of internal control and procedures. Since May 2019, the Internal Control Integrated Framework released by the Committee of Sponsoring Organizations of the Treadway Commission known as COSO Framework had been applied across the organization as it provides flexibility and allows for judgement in designing, implementing and conducting internal control.

- COSO Framework consists of five (5) integrated components with 17 principles to address issues on governance, risk assessment and internal control. The five (5) components are:

  i. Control environment consists of a set of standards, processes and structure which provides the basis for internal control whereby Board and Senior Management establish "tone from the top" to ensure governance oversight responsibilities, assignment of authority and responsibility are performed.
  ii. Risk assessment which involves a dynamic and interactive process for identifying and assessing risk to achievement of objectives with possible consideration of impact.
  iii. Control activities are actions performed under directive of management which encompass policies, practices and procedures to mitigate any risk for achieving the set objectives.
  iv. Identification and communication of the pertinent information in order to support the function of other internal control components.
  v. Monitoring activities shall be continuous and ongoing processes with evaluations or combination of both to ascertain each of the five components of internal control is present and functioning.

- The findings from the Risk Management Report are used to prompt the risk owners the significant areas of concern and codified them into risk register with likelihood/impact matrices to create two dimensional views of how inherent risk might impact delivery.

- The high impact risks are immediately communicated with best options to deal with either to accept, control, modify or eliminate them. Subsequently, the risk register and action plans are reviewed continuously to minimize or eliminate the identified risks.

- Internal Audit Department ("IAD") actively pursuing control activities to ensure assertion on the completion, existence, accuracy and valuation to the financial statements.

e) Other Matters

- Reviewed the Corporate Governance Overview Statement and the Statement on Risk Management and Internal Control which are prepared in accordance with the provisions set out under the Malaysian Code on Corporate Governance ("the Code"), the extent of compliance with the said Code and then ARMC's recommendations to the Board for inclusion of the aforementioned Statements in the Annual Report.

- ARMC also produced and presented its reports and recommendations to the Board for inclusion in the Annual Report.

- Reviewed and considered the procedures in relation to related party transactions ("RPT") and conflict of interest situations that may arise within the Company and the Group. ARMC also monitored, tracked and verified RPTs.

5. INTERNAL AUDIT FUNCTION

The Group Internal audit function is performed in-house and is independent form the Group's main activities and operations. Its works are carried out in accordance with the approved annual audit plan by ARMC and the Board. IAD reports directly to ARMC and its principal role is to assist the Group in evaluating and improving the effectiveness of risk management, control and governance processes. It also ensures that adequate internal control is maintained to safeguard the Group's assets and the shareholders' interest.

Throughout the financial year ended 31st December 2023, IAD has undertaken several independent audit assignments pursuant to the approved annual audit plan. The details of the activities performed during the financial year are as follows:

- Prepared annual audit plan for deliberation and obtained approval from ARMC and the Board.
- Examined and reviewed the existing control over all significant Group operations and systems to ascertain reasonable assurance that the Group's objective and goals are met efficiently and economically.
- Conducted operational audit and recommended appropriate control measures for improvement on weaknesses or deficiencies identified.
- Reviewed the adequacy of the scope, functions, aptitudes and resources of IAD which have been deemed necessary to carry out the audit.
- Reviewed the effectiveness of control for procurement and handling of material at all project sites including custodian and utilization of fixed assets within the Group.
- Reviewed adequacy, relevancy and effectiveness of risk management for projects and departments.
- Collaborated and constant communication with Quality Management Team to strengthen the internal audit process and procedures.
- Continuous follow up of reviews on recommendations and outstanding issues to ensure both are implemented and resolved accordingly.
- Constant engagement with Company stakeholder to improve communication to mitigate potential risk and conflict on dissatisfaction, misalignment and uncertainty that arises.
- Reviewing ESG data being reported is accurate, relevant, complete and timely by relevant business unit.
- Identified, evaluated and recorded all associated risks into Quarterly Audit and risk Management report with the corresponding remedial actions.

Upon completion of the assignments, IAD will prepare an independent audit reports for ARMC highlighting the key risk areas and weaknesses identified; and then propose relevant recommendations for their consideration. All recommendations on rectifying any identified weaknesses shall be reviewed, discussed, and communicated accordingly to the Management. IAD has also established follow–up reviews to monitor and ensure that the recommendations as agreed upon by ARMC have been effectively implemented.

IAD is headed by Mr Lee Deck Heng (age 56) who has extensive professional experience in relation to internal audit and risk management. He is a member of Chartered Institute Management Accountant (CIMA) and Institute Internal Audit Auditors Malaysia (IIAM). He is assisted by three (3) staff in the Group. The internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence. The total cost incurred for the internal audit and risk management functions for the financial year ended 31st December 2023 amounted to RM251,500.00.

Going forward, IAD will strengthen its capacity and enhance its efficiency to improve its contribution to the Group pursuant to the Audit Charter and the Internal Audit Plan as approved by the ARMC and the Board.

FINANCIAL STATEMENTS

DIRECTORS'REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, general contractors and provision of corporate, administrative and financial support services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in note 8 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year attributable to:		
Equity holders of the Company	25,268	5,724
Non-controlling interests	335	-
Net profit for the year	25,603	5,724

DIVIDENDS

The amount of dividend paid by the Company during the year in respect of the year ended 31 December 2022, was as follows:

	RM'000
First and final single tier dividend of 1.20 sen per ordinary share, on 471,288,703 ordinary shares, paid on 14 July 2023	5,655

At the forthcoming Annual General Meeting, a provisional single tier dividend in respect of the year ended 31 December 2023 of 1.20 sen per ordinary share on 471,288,703 ordinary shares (net of treasury shares at the date of this report) amounting to a dividend payable of RM5,655,464 will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2024.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the year.

SHARE OPTIONS

No option was granted to any person to take up unissued shares of the Company during the year.

RESERVES AND PROVISIONS

All material transfers, if any, to or from reserves and provisions during the year are disclosed in the financial statements.

SUBSIDIARIES

Details of the subsidiaries are set out in note 8 to the financial statements.

There is no qualified auditors' report on the financial statements of any subsidiary for the year in which this report is made.

As at the end of the year, none of the subsidiaries hold any shares in the holding company or in other related corporations.

DIRECTORS

The directors in office during the period commencing from the beginning of the year to the date of this report are:

Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin
Tun Jeanne Binti Abdullah
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin
Dato' Abdul Aziz Bin Mohamad
Dato' Richard Khoo Teng San
Dato' Ir. Abdullah Bin Abd Rahman
Dato' Sr. Abdull Manaf Bin Hj Hashim
Fadzilah Binti Mohd Salleh
Siti Sarlina Binti Abdul Rahman
(alternate director to Dato' Abdul Aziz Bin Mohamad)

DIRECTORS OF SUBSIDIARIES

The directors of the Company's subsidiaries (excluding directors who are also directors of the Company) during the period commencing from the beginning of the year to the date of this report are:

Dato' Rosli Bin Mohamed Nor
Abdul Aziz Bin Mohamed
Pehin Orang Kaya Seri Dewa Major General (B) Dato Seri Pahlawan Haji Mohammad Bin Haji Daud
Loh Leh Wong
Azizul Qahar Bin Abdullah
Nasaruddin Bin Mahmud
Lu Yew Hee
Tan Khoon Kian
Ren Bin Qing
Philip Ting Siew Ming
Samaon @ Samson Anak Entebang
Dato' Leong Kam Heng
Zachariah Leong Weisheng
Mohmad Nazari Bin Rahman (Appointed on 2 January 2024)
Yeoh Sook Keng (Resigned on 2 January 2024)

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the year in shares in the Company during the year were as follows :

	Number of ordinary shares			
The Company	**At 1.1.2023**	**Bought**	**Sold**	**At 31.12.2023**
Direct interest				
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	50,480,217	-	-	50,480,217
Dato' Abdul Aziz Bin Mohamad	8,011,497	-	-	8,011,497
Dato' Richard Khoo Teng San	10,904,997	1,306,900	-	12,211,897
Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	600,000	-	-	600,000
Siti Sarlina Binti Abdul Rahman (alternate director to Dato' Abdul Aziz Bin Mohamad)	7,000	-	-	7,000
Dato' Sr. Abdull Manaf Bin Hj Hashim	2,000	48,000	-	50,000
Deemed interest				
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin*	124,795,200	-	-	124,795,200
Dato' Abdul Aziz Bin Mohamad*	124,795,200	-	-	124,795,200

* Deemed interest by virtue of their substantial shareholdings in TRC Capital Sdn. Bhd. and Kolektif Aman Sdn. Bhd.

Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin and Dato' Abdul Aziz Bin Mohamad, by virtue of their interest in shares in the Company are also deemed to have interests in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other directors in office at the end of the year did not hold any interest in shares of the Company or its related corporations during the year.

TREASURY SHARES

At the Company's Annual General Meeting ("AGM") held on 20 June 2023, the Company obtained shareholders' approval on the renewal authority for the Company to purchase up to 10% of the share capital of the Company. During the year, the Company did not purchase any of its own shares and none of the treasury shares held was cancelled, sold or used for other purposes permitted under the Companies Act 2016.

As at 31 December 2023, the Company held 9,208,400 shares as treasury shares out of its total issued and paid up share capital.

DIRECTORS' BENEFITS

Neither during nor at the end of the year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' BENEFITS (CONT'D)

Remuneration of the directors of the Company during the year:

	Group RM'000	Company RM'000
Fees	300	300
Salaries, allowances and bonus	5,743	528
Other emoluments	557	105
	6,600	933

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for officers of the Group are RM500,000 and RM9,000 respectively.

There was no indemnity given to or insurance effected for the directors of the Group and of the Company.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render it necessary to write off any debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

OTHER INFORMATION (CONT'D)

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the year in which this report is made.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current year.

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current year are amounted to RM486,049 and RM83,400 respectively.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI DATO' SRI SUFRI BIN HJ MOHD ZIN
Director

DATO' ABDUL AZIZ BIN MOHAMAD
Director

Kuala Lumpur

23 April 2024

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRC SYNERGY BERHAD
Registration No.: 199601040839 (413192-D)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TRC Synergy Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 81 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards issued by International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's revenues and profits are mainly generated from construction and property development activities.

(a) Revenue recognition for construction contracts

The risk:

For the year ended 31 December 2023, the revenue recognised on construction contracts amounted to RM478 million, accounting for approximately 70% of the Group's revenue.

The revenue recognised over the period of the contracts requires significant management judgements in determining the performance obligations as stated in the contracts with customers, percentage of completion, extent of actual costs incurred, estimated total revenue and total costs and the recoverability of the contract cost incurred.

We have identified revenue recognition for the construction contracts as one of the areas requiring audit focus since significant management judgement and estimates are involved.

The Group's accounting policies and revenue arising from construction contracts are disclosed in notes 3(m)(ii) and 26 respectively, to the financial statements.

Key Audit Matters (cont'd)

(a) Revenue recognition for construction contracts (cont'd)

Our response:

(i) We assessed the reasonableness of management's key assumptions used in deriving at the estimates for total construction costs for each of these projects, where possible, examining documentary evidence such as letters of award issued, variation orders and etc;

(ii) We assessed the contract revenue against the signed letter of awards for construction contracts;

(iii) We recomputed the revenue recognised during the year using the input method by comparing total cost incurred against total budgeted costs:

(iv) We tested on sample basis, actual costs incurred to relevant documents such as contractors' claim certificates or suppliers' invoices. Where costs have not been billed or certified, we assessed the adequacy of accruals of such costs by checking subsequent contractors' claim certificates or suppliers' invoices; and

(v) We evaluated whether the Group is liable for liquidated ascertained damages by comparing contractual hand over dates in the signed agreements against the Group's estimated hand over dates and progress reports.

(b) Revenue recognition for property development activities

The risk:

For the year ended 31 December 2023, the revenue recognised on property development activities amounted to RM8.2 million, accounting for approximately 1.2% of the Group's revenue.

This revenue recognised over the period of the development requires significant management judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

We have identified revenue recognition for the property development activities as one of the areas requiring audit focus since significant management judgement and estimates are involved.

The Group's accounting policies and revenue arising from property development activities are disclosed in notes 3(m)(ii) and 26 respectively, to the financial statements.

Our response:

(i) We assessed the reasonableness of management's key assumptions used in deriving at the estimates for total development costs for the project, where possible, examining documentary evidence such as letters of award issued, variation orders and etc;

(ii) We read the sales and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions;

(iii) We assessed the contract revenue against the signed sales and purchase agreements of the sold units, rebates offered and etc;

(iv) We tested on sample basis, actual costs incurred to relevant documents such as contractors' claim certificates or suppliers' invoices. Where costs have not been billed or certified, we assessed the adequacy of accruals of such costs by checking subsequent contractors' claim certificates or suppliers' invoice;

Key Audit Matters (cont'd)

(b) Revenue recognition for property development activities (cont'd)

Our response (cont'd):

(v) We recomputed the revenue recognised during the year using the input method by comparing total cost incurred against total budgeted costs; and

(vi) We evaluated whether the Group is liable for liquidated ascertained damages by comparing contractual hand over dates in the signed agreements against the Group's estimated hand over dates and progress report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 8 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

CHONG FAH YOW
03004/07/2024 J
Chartered Accountant

Kuala Lumpur

23 April 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	217,495	180,761
Investment properties	6	11,958	9,813
Inventories	7	23,283	12,207
Investments in associates	9	1,481	488
Investment in joint venture	10	38,348	42,348
Other investments	11	66	66
Deferred tax assets	12	560	10,197
Right-of-use assets	13	8,619	8,136
		301,810	264,016
CURRENT ASSETS			
Inventories	7	31,220	53,069
Trade and other receivables	14	198,743	435,534
Contract assets	15	37,884	10,265
Contract cost assets	16	30	84,895
Current tax assets		1,315	1,005
Deposits, cash and bank balances	17	414,156	277,695
		683,348	862,463
TOTAL ASSETS		985,158	1,126,479

	Note	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	240,457	240,457
Treasury shares	19	(2,460)	(2,460)
Other reserves	20	37,489	8,800
Retained earnings	21	268,820	249,207
Equity attributable to the equity holders of the Company		544,306	496,004
Non-controlling interests		8,837	8,452
TOTAL EQUITY		553,143	504,456
NON-CURRENT LIABILITIES			
Borrowings	22	95,577	96,807
Deferred tax liabilities	12	5,037	2,341
Provisions	23	30,236	36,561
		130,850	135,709
CURRENT LIABILITIES			
Borrowings	22	6,533	62,698
Provisions	23	25,159	7,216
Trade and other payables	24	148,731	195,146
Contract liabilities	15	117,000	214,007
Current tax liabilities		3,742	7,247
		301,165	486,314
TOTAL LIABILITIES		432,015	622,023
TOTAL EQUITY AND LIABILITIES		985,158	1,126,479

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	-
Investments in subsidiaries	8	91,748	91,748
		91,748	91,748
CURRENT ASSETS			
Other receivables and deposits	14	158,251	151,560
Deposits, cash and bank balances	17	2,969	2,944
		161,220	154,504
TOTAL ASSETS		252,968	246,252
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	240,457	240,457
Treasury shares	19	(2,460)	(2,460)
Retained earnings	21	7,349	7,280
TOTAL EQUITY		245,346	245,277
CURRENT LIABILITIES			
Other payables and accruals	24	7,590	708
Current tax liability		32	267
TOTAL LIABILITIES		7,622	975
TOTAL EQUITY AND LIABILITIES		252,968	246,252

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue	26	679,457	678,392	7,077	7,641
Cost of sales	27	(633,381)	(618,810)	-	-
Gross profit		46,076	59,582	7,077	7,641
Other income	28	14,931	12,940	-	1
Administrative expenses		(33,643)	(37,355)	(1,347)	(1,379)
Distribution expenses		(7)	(163)	-	-
Reversal of allowance for expected credit loss on trade and other receivables		78	16,423	-	-
Allowance for expected credit loss on trade and other receivables		(1,527)	(7,770)	-	-
Operating profit		25,908	43,657	5,730	6,263
Finance income	29	10,607	20,029	75	62
Finance costs	30	(4,848)	(4,668)	(2)	(2)
Share of profits of associates		993	318	-	-
Share of loss of joint venture		(113)	(834)	-	-
Profit before tax	31	32,547	58,502	5,803	6,323
Income tax expenses	34	(6,944)	(1,410)	(79)	(482)
Net profit for the year		25,603	57,092	5,724	5,841

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Other comprehensive income/ (loss), net of tax					
Item that are or will be reclassified subsequently to profit or loss:					
Revaluation gain on property, plant and equipment		27,453	-	-	-
Foreign currency translation differences for foreign operations		1,342	(2,024)	-	-
Other comprehensive income/ (loss) for the year, net of tax		28,795	(2,024)	-	-
Total comprehensive income for the year		54,398	55,068	5,724	5,841
Net profit for the year attributable to:					
Equity holders of the Company		25,268	53,291	5,724	5,841
Non-controlling interests		335	3,801	-	-
Net profit for the year		25,603	57,092	5,724	5,841
Total comprehensive income for the year attributable to:					
Equity holders of the Company		53,957	51,377	5,724	5,841
Non-controlling interests		441	3,691	-	-
Total comprehensive income for the year		54,398	55,068	5,724	5,841
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	35	5.36	11.31		
- Diluted	35	5.36	11.31		

The accompanying notes form an integral part of the financial statements

		Attributable to equity holders of the Company						
		Non-distributable			Distributable			
	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022		240,457	(2,460)	10,714	201,571	450,282	4,761	455,043
Dividends	36	-	-	-	(5,655)	(5,655)	-	(5,655)
Net profit for the year		-	-	-	53,291	53,291	3,801	57,092
Foreign currency translation difference for foreign operations		-	-	(1,914)	-	(1,914)	(110)	(2,024)
Other comprehensive loss for the year		-	-	(1,914)	-	(1,914)	(110)	(2,024)
Total comprehensive (loss)/income for the year		-	-	(1,914)	53,291	51,377	3,691	55,068
At 31 December 2022		240,457	(2,460)	8,800	249,207	496,004	8,452	504,456

		Attributable to equity holders of the Company						
		Non-distributable			Distributable			
	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023		240,457	(2,460)	8,800	249,207	496,004	8,452	504,456
Dividends	36	-	-	-	(5,655)	(5,655)	-	(5,655)
Transaction with owner:								
- Dividend of a subsidiary		-	-	-	-	-	(56)	(56)
Net profit for the year		-	-	-	25,268	25,268	335	25,603
Revaluation gain on property, plant and equipment		-	-	27,453	-	27,453	-	27,453
Foreign currency translation difference for foreign operations		-	-	1,236	-	1,236	106	1,342
Other comprehensive income for the year		-	-	28,689	-	28,689	106	28,795
Total comprehensive income for the year		-	-	28,689	25,268	53,957	441	54,398
At 31 December 2023		240,457	(2,460)	37,489	268,820	544,306	8,837	553,143

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022		240,457	(2,460)	7,094	245,091
Total comprehensive income for the year		-	-	5,841	5,841
Dividends	36	-	-	(5,655)	(5,655)
At 31 December 2022		240,457	(2,460)	7,280	245,277
Total comprehensive income for the year		-	-	5,724	5,724
Dividends	36	-	-	(5,655)	(5,655)
At 31 December 2023		240,457	(2,460)	7,349	245,346

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	32,547	58,502	5,803	6,323
Adjustments for:				
Allowance for expected credit loss on trade and other receivables	1,527	7,770	-	-
Amortisation of right-of-use assets	1,731	1,931	-	-
Amortisation of partnership interest	915	67	-	-
Depreciation of property, plant and equipment	9,855	12,685	-	-
Interest expense	7,643	7,541	2	2
Loss on disposal of investment property	56	162	-	-
Property, plant and equipment written off	5	62	-	-
Net unrealised gain on foreign exchange	(8,138)	(3,291)	-	-
Dividend income	-	-	(5,680)	(5,666)
Gain on disposal of property, plant and equipment and right-of-use assets	(3,383)	(1,017)	-	-
Fair value gain on investment properties	(2,360)	-	-	-
Fair value gain on money market fund	(2,550)	(390)	(9)	(8)
Dividend income from money market fund	(436)	-	-	-
Interest income	(7,621)	(19,639)	(66)	(54)
Impairment loss on investment in associate	-	1,395	-	-
Reversal of allowance for expected credit loss on trade and receivables	(78)	(16,423)	-	-
Share of profits of associates	(993)	(318)	-	-
Share of loss of joint venture	113	834	-	-
Operating profit before working capital changes	28,833	49,871	50	597
Changes in inventories	10,773	79,025	-	-
Changes in contract assets/liabilities	(49,997)	(33,847)	-	-
Changes in contract cost	435,504	(69,051)	-	-
Changes in receivables	(181,446)	(17,944)	4	2
Changes in payables	(41,766)	(27,877)	(31)	32
Cash generated from/(used in) operations	201,901	(19,823)	23	631
Tax paid	(9,776)	(7,337)	(314)	(152)
Interest paid	(60)	(47)	(2)	(2)
Interest received	7,621	4,505	66	54
Net cash generated from/(used in) operating activities	199,686	(22,702)	(227)	531

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in money market fund placed with fund managers	2,550	390	9	8
Additional of investment properties	(5)	-	-	-
Advances to subsidiaries	-	-	(6,695)	(329)
Purchase of property, plant and equipment and right-of-use assets (note 37)	(1,589)	(1,932)	-	-
Proceeds from disposal of property, plant and equipment and right-of-use assets	3,488	1,130	-	-
Proceeds from disposal of investment property	164	318	-	-
Distribution of profit received from joint venture	4,684	3,971	-	-
Dividend received	-	-	5,680	5,666
Dividend income from money market fund	436	-	-	-
Net cash generated from/(used in) investing activities	9,728	3,877	(1,006)	5,345
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from/(Repayment to) subsidiaries	-	-	6,913	(1,774)
Withdrawal of/(Placement in) pledged fixed deposits and designated bank accounts	1,788	46,428	(45)	(33)
Repayment of short-term borrowings	(61,745)	(2,604)	-	-
Payment of lease liability	-	(76)	-	-
Dividend paid	(5,655)	(5,655)	(5,655)	(5,655)
Dividend of a subsidiary paid to non-controlling interests	(56)	-	-	-
Interest paid	(7,269)	(7,488)	-	-
Net cash (used in)/generated from financing activities	(72,937)	30,605	1,213	(7,462)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	136,477	11,780	(20)	(1,586)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	2,831	(20)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	147,563	135,803	1,080	2,666
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 17)	286,871	147,563	1,060	1,080

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

TRC Synergy Berhad (the "Company") is a public company limited by shares incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company is disclosed on page 41.

The principal activities of the Company are investment holding, general contractors and provision of corporate, administrative and financial support services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in note 8.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the year.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards issued by International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies set out in note 3.

(a) Application of new and amended standards

In the current year, the Group and the Company have applied a number of new standard and amendments that become effective mandatorily for the financial periods beginning on or after 1 January 2023.

The adoption of the new standard and amendments does not have significant impact on the financial statements of the Group and of the Company.

(b) Standards issued that are not yet effective

The Group and the Company have not applied the following amendments that have been issued by the MASB but are not yet effective.

		Effective date
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company when they are effective.

3. MATERIAL ACCOUNTING POLICIES

(a) Investments in subsidiaries (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company made up to the end of the year.

The Company controls an investee if and only if the Company has all the followings:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power to affect its returns.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of interests in subsidiaries

The changes of interest in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest. Any difference arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of subsidiaries:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiaries.
(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiaries at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiaries at the date when control is lost.
(iii) It recognises any investment retained in the former subsidiaries at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during 12 months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.
- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

(d) Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement contractually, which exists only when decisions about the relevant activities require unanimous consent of the parties.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Investments in associates and joint ventures (cont'd)

Investments in associates or joint ventures are accounted for in the financial statements using the equity method. The results and net assets of associates or joint ventures are accounted for using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

On acquisition of an investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (includes long-term interests that form part of the Group's net investment in the associate or joint venture, in substance), equity accounting is discontinued; unless the Group has legal or constructive obligations for such losses.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate or a joint venture is impaired. If there is such indication, management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate or joint venture and its carrying value.

When changes in the Group's interest in an associate or a joint venture do not affect the use of equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group discontinues the use of equity accounting from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value and the fair value is regarded as its fair value on initial recognition. Any gain or loss is recognised in profit or loss. In addition, if a gain or loss previously recognised in other comprehensive income by the associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed.

(e) Inventories

All inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

(i) Land held for property development

Land held for property development is land on which development is not expected to be completed within the normal operating cycle. No significant development work would have been undertaken on the land. Accordingly, land held for property development is classified as a non-current asset. Land held for property development is measured at the lower of cost and net realisable value. Costs include incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs (current asset).

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Inventories (cont'd)

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are measured at the lower of cost and net realisable value.

Property development costs are subsequently recognised as an expense in profit or loss when or as the entity's performance obligation is satisfied over time or at a point in time.

(iii) Unsold completed properties

Unsold completed properties are stated at the lower of cost and net realisable value. The cost of unsold completed properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

(iv) Raw materials and finished goods

Represents the construction materials and foods, beverages and others hotel supplies. Costs are determined after deducting rebates and discounts valued using weighted average method and first-in first-out basis.

(f) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as profit or loss when incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers and assessment by board of directors. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair value at the reporting date.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal, the difference between the net disposal proceeds and the net carrying amount is recognised in the profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment (cont'd)

(ii) Depreciation

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives, at the following annual rates:

Buildings	2% - 2.5%
Plant, machinery and equipment	2.5% - 50%
Motor vehicles	20%
Office equipment	10% - 50%
Furniture and fittings	10% - 20%
Renovation	10% - 35%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(g) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of reporting period. Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories; its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Leases

The Group as Lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Leases (cont'd)

The Group as Lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

After initial recognition, right-of-use assets except for leasehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities. Leasehold land and buildings are stated at revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The leasehold land is amortised over the maximum period of 99 years. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

The Group as Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

(i) Contract assets and contract liabilities

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Contract cost assets

(i) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(ii) Costs to fulfill a contract

The Group recognises contract cost assets that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, which will be used in satisfying performance obligations in the future and costs are expected to be recovered.

These contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred.

Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(k) Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint venture

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint venture are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the profit or loss, except for assets that are previously revalued where the revaluation was recognised in other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Financial assets (with the exception of trade receivables that do not contain a significant financing component) and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. A trade receivable without a significant financing component is initially measured at its transaction price.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Treasury shares

When the Company repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently it shall not be revalued for subsequent changes in the fair value or market price of the shares.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Treasury shares (cont'd)

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act 2016 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

(m) Revenue from contracts with customers

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

(i) Sale of goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

(ii) Construction contracts and property development

Revenue is recognised over time, if (i) the entity creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to-date; or (ii) a customer controls the asset as it is created or enhanced by the entity.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

(iii) Sale of completed properties

Proceeds from sale of completed properties are recognised when the Company satisfies a performance obligation by transferring a promised asset to a customer. Proceeds are normally the contracted price in the sale agreement. An asset is transferred when the customer obtains control of that asset.

(iv) Management fees

Management fees are recognised when services are rendered.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Revenue from contracts with customers (cont'd)

(v) Rendering of services

Revenue from rendering of services is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue from rendering of services is recognised using an input method to measure progress towards complete satisfaction of the services.

(vi) Hotel operations

Hotel room and ancillary services

Hotel room and ancillary services are recognised when service is rendered to the customers over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits (i.e. contract liability) until services are provided to the customers.

Sales of foods and beverages

Revenue from the sales of foods and beverages is recognised when the food and beverage is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage.

Other income is recognised as follows:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the right to receive payment is established.

(n) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed off as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group is limited to the amount that they agree to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when the employees have rendered service entitling them to the contribution.

(iii) Termination benefits

Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy or after individual employees have been advised of the specific terms.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

(p) Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

(q) Foreign currencies

(i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Foreign currencies (cont'd)

(ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations are translated at the prevailing exchange rate on the reporting date. Income and expense are translated at average exchange rate for the financial period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and are not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

(r) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of those estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdrafts and other short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, designated bank accounts and pledged fixed deposits.

(t) Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

(u) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(v) Government grant

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that: (i) the Group will comply with the conditions attaching to them; and (ii) the grants will be received.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(v) Government grant (cont'd)

Government grants (recognised as deferred income) are released to profit or loss on a systematic basis over the financial periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the financial period in which it becomes receivable.

(w) Earnings per share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting date, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible preference shares and share options granted to employees.

(x) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors (including expectations for future events that are believed to be reasonable under the circumstances), actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future financial periods affected.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and have developed certain criteria based on MFRS 140 Investment Property in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the properties, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Revenue recognition of construction contracts

The Group recognises revenue from construction contracts based on the percentage of completion method. The percentage of completion of the construction contracts is measured in accordance with the accounting policies set out in note 3(m)(ii).

Significant judgement is required in determining the percentage of completion, the extent of the contract costs incurred, the estimated total revenue and total costs and the recoverability of the contract. In making these judgements, management relies on past experience and the work of specialists.

Revenue recognition of property development activities

The Group recognises revenue from property development activities based on the percentage of completion method. The percentage of completion of the property development activities is measured in accordance with the accounting policies set out in note 3(m)(ii).

Significant judgement is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making these judgements, management relies on past experience and the work of specialists.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are discussed below:

Useful lives of property, plant and equipment and right-of-use assets

The estimate of the useful lives of property, plant and equipment and right-of-use assets are based on physical wear and tear, expected usage, technical and commercial obsolescence are reviewed annually and are updated if expectations differ from previous estimates.

Any change to the estimate of the useful lives will affect future depreciation charges. The directors have relied upon past experience and industry practices in exercising their judgement. The carrying amounts of the Group's property, plant and equipment and right-of-use assets at the reporting date is disclosed in notes 5 and 13.

Fair value of land and buildings

The Group measures its land and buildings at revaluation and fair value model with any change in fair value recognised in the revaluation reserve and profit or loss, respectively. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages an independent professional valuer and the board of directors perform fair value assessment to determine the fair value on an open market value basis using comparison and income methods.

Information regarding the valuation techniques and inputs used in determining the fair value is disclosed in notes 5, 6 and 13.

Allowance for stock obsolescence and inventories write down

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an allowance for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, changes in product preference and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's inventories, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required. The carrying amount of the inventories is disclosed in note 7.

Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Uncertainties also exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amounts and timing of future taxable income. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expenses are disclosed in note 34.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) Key sources of estimation uncertainty (cont'd)

Deferred tax assets

Deferred tax assets are recognised for unabsorbed capital allowances, unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the capital allowances, unused tax losses and other deductible temporary differences can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in note 12.

Determining the loss allowance for trade receivables and contract assets

Management assesses the ECL for trade receivables and contract assets at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables and contract assets.

In determining the ECL, management uses historical credit loss experience for trade receivables and contract assets to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables and contract assets are impaired in relation to incurred losses, but management is also considering, where applicable, reasonable and supportable information that may include current and forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables and contract assets.

The carrying amount of trade receivables and contract assets is disclosed in notes 14 and 15.

Determining the loss allowance for non-trade receivables

Management assesses the ECL of receivables (other than trade receivables and contract assets) at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to 12-month ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

The carrying amount of other receivables is disclosed in note 14.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) Key sources of estimation uncertainty (cont'd)

Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The issued financial guarantee contracts of the Company is disclosed in note 41(iii).

Impairment of property, plant and equipment, investments in subsidiaries, associates and joint venture and right-of-use assets

Property, plant and equipment, investments in subsidiaries, associates and joint venture and right-of-use assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of the property, plant and equipment, investments in subsidiaries, associates and joint venture and right-of-use assets's recoverable amount is required. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from property, plant and equipment, investments in subsidiaries, associates and joint venture and right-of-use assets and also choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts of property, plant and equipment, investments in subsidiaries, associates and joint venture and right-of-use assets are disclosed in notes 5, 8, 9, 10 and 13.

Provision for development cost

The Group recognises a provision for development cost in respect of development projects undertaken by its subsidiaries. In determining the provision, the Group has made assumptions in relation to the development cost incurred on the development projects. The carrying amount of provision for development cost at the reporting date is disclosed in note 23.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Valuation		Cost					
2023	Freehold land RM'000	Freehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Total RM'000
At 1 January 2023	25,920	162,798	72,300	29,136	4,844	2,716	3,371	301,085
Additions	-	47	973	-	217	3	-	1,240
Disposals	-	-	(6,432)	(4,546)	(16)	(8)	(157)	(11,159)
Exchange difference	1,230	5,690	15	9	27	-	4	6,975
Written off	-	-	(22)	-	(161)	-	(253)	(436)
Transfer from right-of-use assets (note 13)	-	-	503	910	-	-	-	1,413
Offset accumulated depreciation	-	(20,421)	-	-	-	-	-	(20,421)
Revaluation gain	17,401	20,765	-	-	-	-	-	38,166
At 31 December 2023	44,551	168,879	67,337	25,509	4,911	2,711	2,965	316,863
Accumulated Depreciation								
At 1 January 2023	-	17,565	64,730	28,528	3,946	2,544	3,011	120,324
Charge for the year	-	4,532	4,143	619	392	59	110	9,855
Disposals	-	-	(6,424)	(4,542)	(16)	(8)	(157)	(11,147)
Exchange difference	-	167	15	(1)	23	-	4	208
Written off	-	-	(18)	-	(160)	-	(253)	(431)
Transfer from right-of-use assets (note 13)	-	-	434	546	-	-	-	980
Offset accumluated depreciation	-	(20,421)	-	-	-	-	-	(20,421)
At 31 December 2023	-	1,843	62,880	25,150	4,185	2,595	2,715	99,368
Net Carrying Amount								
At 31 December 2023	44,551	167,036	4,457	359	726	116	250	217,495

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Valuation		Cost					
2022	Freehold land RM'000	Freehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Total RM'000
At 1 January 2022	25,284	164,136	71,455	31,127	5,081	2,660	4,306	304,049
Additions	840	-	373	-	209	56	-	1,478
Disposals	-	-	(1,915)	(3,311)	-	-	-	(5,226)
Exchange difference	(204)	(1,338)	46	29	14	-	9	(1,444)
Written off	-	-	(691)	(69)	(460)	-	(944)	(2,164)
Transfer from right-of-use assets (note 13)	-	-	3,032	1,360	-	-	-	4,392
At 31 December 2022	25,920	162,798	72,300	29,136	4,844	2,716	3,371	301,085
Accumulated Depreciation								
At 1 January 2022	-	13,210	59,811	29,111	3,906	2,479	3,696	112,213
Charge for the year	-	4,520	5,461	1,937	452	65	250	12,685
Disposals	-	-	(1,816)	(3,311)	-	-	-	(5,127)
Exchange difference	-	(165)	42	29	14	-	9	(71)
Written off	-	-	(663)	(69)	(426)	-	(944)	(2,102)
Transfer from right-of-use assets (note 13)	-	-	1,895	831	-	-	-	2,726
At 31 December 2022	-	17,565	64,730	28,528	3,946	2,544	3,011	120,324
Net Carrying Amount								
At 31 December 2022	25,920	145,233	7,570	608	898	172	360	180,761

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
2023				
Cost				
At 1 January/31 December	2,055	758	1,937	4,750
Accumulated Depreciation				
At 1 January/31 December	2,055	758	1,937	4,750
Net Carrying Amount				
At 31 December 2023	-	-	-	-
2022				
Cost				
At 1 January/31 December	2,055	758	1,937	4,750
Accumulated Depreciation				
At 1 January/31 December	2,055	758	1,937	4,750
Net Carrying Amount				
At 31 December 2022	-	-	-	-

(a) Revaluation

Freehold land and buildings of the subsidiaries were revalued using the open market valuation basis carried out on 19 July 2023, 5 November 2023, 8 November 2023 and 9 November 2023 by independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The valuers adopted comparison approach and income approach to arrive at their opinion of the present market value.

Under comparison approach, the value of the property is determined by comparing it with recent sales then and/or listings of similar properties in the vicinity, or if not available, within similar localities.

Certain freehold land and buildings were valued by adopting income approach by independent professional valuers who have appropriate professional qualifications and recent experience in the relevant industry in which the asset being used. Under income approach, the value of property converts future amounts to a single discounted amount taking into account, inter alia, risk and uncertainty.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Income approach which capitalises the actual or estimated income stream, net of projected operating costs, using a discount rate derived from capitalisation rate	Discount rate of 7.50%	The higher the discount rate, the lower the fair value
	Growth rate of 3%	The higher the growth rate, the higher the fair value
	Occupancy rate of 74%	The higher the occupancy rate, the higher the fair value

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation (cont'd)

The carrying amount of land and building were adjusted to reflect the revaluations and the revaluation surpluses were credited to revaluation reserve. The revaluation reserve cannot be distributed to the shareholders due to legal restriction.

Had the Group's land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	2023 RM'000	2022 RM'000
Freehold land	20,321	19,594
Freehold building	143,962	142,943
	164,283	162,537

The carrying amounts of the land and buildings (at valuation) of the Group are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Freehold land	-	4,801	39,750	44,551
Freehold buildings	-	18,151	148,885	167,036
	-	22,952	188,635	211,587
2022				
Freehold land	-	4,190	21,730	25,920
Freehold buildings	-	17,885	127,348	145,233
	-	22,075	149,078	171,153

The following table shows a reconciliation of Level 3 fair values:

Group	2023 RM'000	2022 RM'000
As at 1 January	149,078	154,463
Depreciation	(4,016)	(4,009)
Revaluation gain	36,819	-
Exchange differences	6,754	(1,376)
As at 31 December	188,635	149,078

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1, 2 and 3 fair value

There is no transfer between Level 1, 2 and 3 fair values during the year.

(b) Security

Freehold land and buildings belong to a foreign subsidiary incorporated in Australia with a carrying amount of RM188,635,000 (2022: RM149,276,000) have been pledged to a financial institution as security for credit facilities obtained by the subsidiary.

6. INVESTMENT PROPERTIES

Group	2023 RM'000	2022 RM'000
At 1 January	9,813	10,293
Addition	5	-
Disposals	(220)	(480)
Fair value gain on investment properties	2,360	-
At 31 December	11,958	9,813

Investment properties comprise a number of commercial properties that are leased to third parties. The subsequent renewal of the leases are negotiated with the lessees and on average renewal period of one year. No contingent rents are charged.

Valuation of investment properties

Investment properties are stated at fair value which is based on valuation carried out on 1 July 2023 and 9 November 2023 by independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using the comparison approach whereby the value of the property is determined by comparing it with recent sales then and/or listings of similar properties in the vicinity, or if not available, within similar localities.

Group	2023 RM'000	2022 RM'000
At fair value:		
Freehold land	10,000	7,500
Freehold land and buildings	1,958	2,093
Leasehold land and building with unexpired lease period of more than 50 years	-	220
	11,958	9,813

The following are recognised in profit or loss in respect of investment properties:

Group	2023 RM'000	2022 RM'000
Rental income – (reversal)/charge	(9)	232
Direct operating expenses:		
- revenue generating properties	10	18
- non-revenue generating expenses	17	-

6. INVESTMENT PROPERTIES (CONT'D)

Fair Value Information

Fair value of investment properties are categorised as follows :

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Freehold land	-	10,000	-	10,000
Freehold land and buildings	-	1,958	-	1,958
	-	11,958	-	11,958
2022				
Freehold land	-	7,500	-	7,500
Freehold land and buildings	-	2,093	-	2,093
Leasehold land and building	-	220	-	220
	-	9,813	-	9,813

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1, 2 and 3 fair value

There is no transfer between Level 1, 2 and 3 fair value during the year.

7. INVENTORIES

Non-Current Assets

(a) Land Held for Property Development

Freehold land	Group 2023 RM'000	2022 RM'000
Cost		
At 1 January	12,207	12,134
Addition	11,076	73
At 31 December	23,283	12,207

The subsidiary of the Company, TRC Land Sdn Bhd ("TRCL") entered into Development Agreement with Perbadanan Putrajaya ("PJC") for the development of Perumahan Penjawat Awam Malaysia ("PPAM") Project. In accordance with the Development Agreement, PJC will transfer portion of the project land to TRCL for the development of Non-PPAM units after satisfied the construction works of PPAM has reached 50%. PJC has transferred the land title to TRCL during the year. The fair value of the land received amounted to RM11,000,000.

In previous year, the land held for property development amounting to RM12,207,000 have been pledged to a financial institution as security for bank facilities granted to the Group as disclosed in note 22. The land held for property development has been fully discharged from the financial institution during the year as security for bank facilities granted to the Group.

7. INVENTORIES (CONT'D)

Current Assets

(a) Property Development Costs

	Group 2023 RM'000	Group 2022 RM'000
- Land, at cost	2,010	10,178
- Development costs	38,921	109,476
At 1 January	40,931	119,654
Costs incurred during the year		
- Development costs	22,283	62,878
Transfer to contract cost assets (note 16)	(44,529)	(141,601)
Transfer to inventories	(3,313)	-
At 31 December	15,372	40,931

Represents development costs attributable to development units that are unsold at reporting date. These costs are expected to be recovered and will be transferred to contract cost assets when the control of the development units is transferred to customers.

Development costs incurred during the year included capitalised employee benefits expense of RM314,000 (2022: RM185,000) as further disclosed in note 32.

(b) Inventories

Cost	Group 2023 RM'000	Group 2022 RM'000
Raw materials	267	119
Finished goods	55	64
Completed properties	15,526	11,955
	15,848	12,138
Total (a) and (b)	31,220	53,069

8. INVESTMENTS IN SUBSIDIARIES

	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost	91,748	91,748

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest 2023 %	2022 %	Principal activities
Held by the Company:				
Trans Resources Corporation Sdn. Bhd.	Malaysia	100	100	Construction
TRC Land Sdn. Bhd.	Malaysia	100	100	Property development
TRC Energy Sdn. Bhd.	Malaysia	100	100	Oil and gas
ADS Sentral Sdn. Bhd.	Malaysia	100	100	Dormant
TRC (Aust) Pty Ltd**	Australia	100	100	Investment in land development
ADS Projek Sdn. Bhd.	Malaysia	100	100	Property development
Held through subsidiaries:				
TRC (Aust) Hotel Pty Ltd**	Australia	100	100	Hotel operations activities
The Swan Synergy Unit Trust**	Australia	100	100	Investment in commercial property
TRC Development Sdn. Bhd.	Malaysia	100	100	Property development and project management
TRC Land (Cambodia) Limited*	Kingdom of Cambodia	100	100	Commercial and trading operations, property investment and construction
TRC Niaga Sdn. Bhd. Malaysia	Malaysia	100	100	Manufacture and trading in concrete piles, sand and ready mixed concrete
TRC (B) Sdn. Bhd.**	Brunei Darussalam	90	90	Construction and property development
ETPJV Sdn. Bhd.**	Malaysia	51	51	Construction
Trans Handan Bridge Sdn. Bhd.	Malaysia	70	70	Construction bridges, including those for elevated highways

* The financial statements of TRC Land (Cambodia) Limited have not been audited due to exemptions given by the country of incorporation.
** Not audited by Mazars PLT.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Subsidiaries that have material non-controlling interests

The Group's subsidiaries that have material non-controlling interests ("NCI") is as follows:

Name of subsidiaries	ETPJV Sdn. Bhd.	TRC (B) Sdn. Bhd.	Others*	Total
2023				
NCI percentage of ownership and voting interest	49%	10%		
Carrying amount of NCI (RM'000)	6,533	1,952	352	8,837
2022				
NCI percentage of ownership and voting interest	49%	10%		
Carrying amount of NCI (RM'000)	6,305	1,791	356	8,452

* Amounts are negligible.

The summarised financial information (before intra-group elimination) for subsidiaries that has non-controlling interests that are material to the Group is as follows:

(i) Summarised statement of comprehensive income

ETPJV Sdn. Bhd.

	2023 RM'000	2022 RM'000
Revenue	148,950	197,247
Profit before tax	612	516
Income tax expense	(147)	(127)
Profit for the year	465	389
Total comprehensive income	465	389
Total comprehensive income allocated to NCI	228	191

TRC (B) Sdn. Bhd.

	2023 RM'000	2022 RM'000
Revenue	-	797
Profit before tax	994	38,529
Tax income/(expense)	111	(1,248)
Profit for the year	1,105	37,281
Total comprehensive income	2,159	37,468
Total comprehensive income allocated to NCI	215	3,747
Dividend paid to NCI	56	-

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(ii) Summarised statement of financial position

ETPJV Sdn. Bhd.

	2023 RM'000	2022 RM'000
Current		
Assets	40,829	71,914
Liabilities	(27,497)	(59,047)
Total net current assets	13,332	12,867
Non-current		
Assets	-	-
Liabilities	-	-
Total net non-current assets	-	-
Net assets	13,332	12,867

TRC (B) Sdn. Bhd.

	2023 RM'000	2022 RM'000
Current		
Assets	19,535	78,444
Liabilities	(19)	(60,547)
Total net current assets	19,516	17,897
Non-current		
Assets	-	12
Liabilities	-	-
Total net non-current assets	-	12
Net assets	19,516	17,909

(iii) Summarised statement of cash flows

ETPJV Sdn. Bhd.

	2023 RM'000	2022 RM'000
Net cash generated from/(used in) operating activities	2,973	(5,084)
Net cash used in financing activity	(383)	(263)
Net increase/(decrease) in cash and cash equivalents	2,590	(5,347)
Cash and cash equivalents at beginning of the year	7,771	13,118
Cash and cash equivalents at end of the year	10,361	7,771

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(iii) Summarised statement of cash flows (cont'd)

TRC (B) Sdn. Bhd.

	2023 RM'000	2022 RM'000
Net cash generated from/(used in) operating activities	16,329	(709)
Net cash generated from investing activity	17	67
Net cash used in financing activities	(18,994)	-
Net decrease in cash and cash equivalents	(2,648)	(642)
Cash and cash equivalents at beginning of the year	2,816	3,247
Effect of exchange rate changes	40	211
Cash and cash equivalents at end of the year	208	2,816

The Group has assessed the remaining non-controlling interests in the subsidiaries of the Group and has determined that the remaining non-controlling interests are not individually material to the Group's financial position, performance and cash flows.

9. INVESTMENTS IN ASSOCIATES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	10,526	10,118
Less: Accumulated impairment losses	(7,827)	(7,419)
	2,699	2,699
Share of post - acquisition loss:		
Share of loss of associates	(305)	(1,298)
Share of exchange reserve	(913)	(913)
	1,481	488

Details of associates are as follow:

Name of associates	Country of incorporation/ Principal place of business	Equity interest 2023 %	Equity interest 2022 %	Principal activities
Delta Garden Limited*	Kingdom of Cambodia	34	34	Property development
Hexide Engineering Services Sdn. Bhd.**	Malaysia	30	30	Provision of mechanical and electrical services

* The financial statements of Delta Garden Limited have not been audited due to exemptions given by the country of incorporation.
** Not audited by Mazars PLT.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

The summarised financial information of the material associates, not adjusted for the proportion of ownership interest held by the Group, are as follows:

Delta Garden Limited	2023 RM'000	2022 RM'000
Assets and liabilities:		
Total assets	17,510	16,829
Total liabilities	(27,502)	(26,433)
Results:		
Revenue	-	-
Profit for the year	-	-
Total comprehensive income for the year	-	-

Hexide Engineering Services Sdn. Bhd.	2023 RM'000	2022 RM'000
Assets and liabilities:		
Total assets	8,526	2,666
Total liabilities	(3,589)	(1,037)
Results:		
Revenue	11,585	5,366
Profit for the year	3,308	1,063
Total comprehensive income for the year	3,308	1,063

Reconciliation of summarised financial information of material associates to the carrying amount of interest in associates is as follows:

	2023 RM'000	2022 RM'000
Delta Garden Limited		
Net liabilities	(9,992)	(9,604)
Group share of net liabilities	(3,397)	(3,265)
Goodwill	11,224	10,684
Impairment loss	(7,827)	(7,419)
Carrying amount of the Group's interest in associate	-	-
Hexide Engineering Services Sdn. Bhd.		
Net assets	4,937	1,629
Group share of net assets	1,481	488
Carrying amount of the Group's interest in associate	1,481	488
Total carrying amount of the Group's interests associates	1,481	488

The Group does not have any capital commitment or contingent liabilities in relation to its interest in the associates as at 31 December 2023 (2022: Nil).

10. INVESTMENT IN JOINT VENTURE

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares, at cost	26,427	25,382
Share of post - acquisition profits, net of distribution	11,921	16,966
	38,348	42,348

The percentage of ownership interest held is equivalent to the percentage voting rights for all the joint parties, with details as follow:

Joint arrangement	Type of joint arrangement	Principal place of business/Country of incorporation	Equity interest 2023 %	Equity interest 2022 %
Springridge Partnership*	Partnership	Australia	33	33

* Not audited by Mazars PLT

The following information is provided for joint venture that are material to the Group and is the amount per the Joint Venture's financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies:

	2023 RM'000	2022 RM'000
BB Ngiam and KH Leong Family Trust and TRC (Aust) Pty Ltd		
Summarised statement of financial position		
Cash and cash equivalents	11	101
Other current assets	75,863	53,379
Non-current assets	11,857	36,730
Current liabilities	(43,041)	(38,950)
Non-current liabilities	(6,501)	(2,106)
Net assets	38,189	49,154
Summarised statement of comprehensive income		
Gross profit	3,706	471
Other income	32	17
Administrative expenses	(3,950)	(2,971)
Other expenses	(100)	(20)
Loss from continuing operations	(312)	(2,503)
Total comprehensive loss	(312)	(2,503)
Group's share of comprehensive loss	(113)	(834)
Distribution received from the joint venture	4,684	3,971

10. INVESTMENT IN JOINT VENTURE (CONT'D)

Reconciliation of summarised financial information for joint ventures accounted for using the equity method to the carrying amount of interest in joint venture is as follows:

	Group	
	2023 RM'000	2022 RM'000
Net assets of the joint venture	38,189	49,154
Fair value adjustment on the net assets of the joint venture acquired	76,864	77,902
	115,053	127,056
Proportion of ownership held by the Group	33%	33%
The Group's share of net assets of the joint venture	38,348	42,348

The Group does not have any capital commitment or contingent liabilities in relation to its interest in the joint venture as at 31 December 2023 (2022: Nil).

11. OTHER INVESTMENTS

	Group	
	2023 RM'000	2022 RM'000
Corporate membership, at FVTPL	66	66

Fair value of corporate membership of the Group is categorised as level 2 in the fair value hierarchy. There is no transfer between levels of hierarchy during the year.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
At 1 January	7,856	(1,950)
Recognised in profit or loss	(1,063)	9,958
Recognised in other comprehensive income	(11,464)	-
Exchange differences	194	(152)
At 31 December	(4,477)	7,856
Represented by:		
Deferred tax assets	560	10,197
Deferred tax liabilities	(5,037)	(2,341)
	(4,477)	7,856

The Group has recognised the deferred tax assets as it is probable that its existing businesses would generate sufficient taxable profit in the future against which the deferred tax assets can be utilised.

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) on temporary differences recognised in the financial statements are as follows:

	Group	
	2023 RM'000	2022 RM'000
Deductible/(Taxable) temporary differences:		
- Unabsorbed tax losses	10,586	9,807
- Unabsorbed capital allowance	56	60
- Excess of capital allowance claimed over accumulated depreciation on property, plant and equipment and right-of-use assets	(1,551)	(1,031)
- Revaluation surplus on properties	(15,631)	(3,889)
- Changes on fair value of investment properties	(256)	(25)
- Future deductible development cost	99	27
- Accruals	1,199	1,112
- Development profit	-	446
- Deferred revenue	1,021	1,349
	(4,477)	7,856

13. RIGHT-OF-USE ASSETS

The Group as a lessee:

2023	Valuation Leasehold land RM'000	Valuation Leasehold buildings RM'000	Cost Plant, machinery and equipment RM'000	Cost Motor vehicles RM'000	Cost Office equipment RM'000	Cost Furniture and fittings RM'000	Total RM'000
At 1 January 2023	781	2,825	4,894	2,420	1,010	890	12,820
Additions	-	-	1,090	845	6	-	1,941
Disposals	-	-	(180)	-	-	-	(180)
Exchange difference	-	-	113	-	41	37	191
Transfer to property, plant and equipment (note 5)	-	-	(503)	(910)	-	-	(1,413)
Offset accumulated depreciation	(42)	(224)	-	-	-	-	(266)
Revaluation gain	112	639	-	-	-	-	751
At 31 December 2023	851	3,240	5,414	2,355	1,057	927	13,844
Accumulated Amortisation							
At 1 January 2023	33	179	2,662	554	795	461	4,684
Charge for the year	11	57	838	539	162	124	1,731
Disposals	-	-	(87)	-	-	-	(87)
Exchange difference	-	-	-	82	38	23	143
Transfer to property, plant and equipment (note 5)	-	-	(434)	(546)	-	-	(980)
Offset accumulated depreciation	(42)	(224)	-	-	-	-	(266)
At 31 December 2023	2	12	2,979	629	995	608	5,225
Net Carrying Amount							
At 31 December 2023	849	3,228	2,435	1,726	62	319	8,619

13. RIGHT-OF-USE ASSETS (CONT'D)

The Group as a lessee (cont'd):

	Valuation		Cost					
2022	Leasehold land RM'000	Leasehold buildings RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Premise RM'000	Total RM'000
At 1 January 2022	781	2,825	7,424	2,270	1,058	898	577	15,833
Additions	-	-	528	1,510	7	-	-	2,045
Disposals	-	-	-	-	(46)	-	-	(46)
Exchange difference	-	-	(26)	-	(9)	(8)	-	(43)
Transfer to property, plant and equipment (note 5)	-	-	(3,032)	(1,360)	-	-	-	(4,392)
Derecognition upon expiry of lease contract	-	-	-	-	-	-	(577)	(577)
At 31 December 2022	781	2,825	4,894	2,420	1,010	890	-	12,820
Accumulated Amortisation								
At 1 January 2022	23	124	3,540	979	602	341	514	6,123
Charge for the year	10	55	1,037	406	235	125	63	1,931
Disposals	-	-	-	-	(32)	-	-	(32)
Exchange difference	-	-	(20)	-	(10)	(5)	-	(35)
Transfer to property, plant and equipment (note 5)	-	-	(1,895)	(831)	-	-	-	(2,726)
Derecognition upon expiry of lease contract	-	-	-	-	-	-	(577)	(577)
At 31 December 2022	33	179	2,662	554	795	461	-	4,684
Net Carrying Amount								
At 31 December 2022	748	2,646	2,232	1,866	215	429	-	8,136

13. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases leasehold land and buildings, plant, machinery and equipment, motor vehicles, office equipment and furniture and fittings.

(a) Leasehold land and building

(i) Revaluation

Leasehold land and buildings of the subsidiaries were revalued using the open market valuation basis carried out on 5 November 2023 and 9 November 2023 by a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The valuers adopted comparison approach to arrive at their opinion of the present market value.

Under comparison approach, the value of the property is determined by comparing it with recent sales then and/or listings of similar properties in the vicinity, or if not available, within similar localities.

The carrying amount of land and building were adjusted to reflect the revaluations and the revaluation surpluses were credited to revaluation reserve. The revaluation reserve cannot be distributed to the shareholders due to legal restriction.

Had the Group's leasehold land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	2023 RM'000	2022 RM'000
Leasehold land	495	505
Leasehold building	1,438	1,468
	1,933	1,973

The carrying amounts of the leasehold land and buildings (at valuation) of the Group are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Leasehold land	-	849	-	849
Leasehold building	-	3,228	-	3,228
	-	4,077	-	4,077
2022				
Leasehold land	-	748	-	748
Leasehold building	-	2,646	-	2,646
	-	3,394	-	3,394

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

13. RIGHT-OF-USE ASSETS (CONT'D)

(a) Leasehold land and building (cont'd)

(i) Revaluation (cont'd)

Transfer between Level 1, 2 and 3 fair value

There is no transfer between Level 1, 2 and 3 fair values during the year.

(ii) Security

A leasehold building of a subsidiary incorporated in Malaysia with a net carrying amount of RM1,692,000 (2022: RM1,377,000) have been charged to a financial institution as security for various credit facilities obtained by the subsidiary.

(b) Plant, machinery and equipment, motor vehicles, office equipment and furniture and fittings

The Group has leased certain assets under hire purchase arrangements with lease terms range from 3 to 5 (2022: 3 to 5) years.

Certain assets belong to a foreign subsidiary incorporated in Australia with a carrying amount of RM1,086,000 (2022: RM1,640,000) have been pledged to a financial institution as collateral for credit facilities obtained by the subsidiary.

(c) Short-term leases and leases of low-value of assets

The lease payments (of the Group and of the Company) associated to short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases.

Total cash flows for leases during the current year (including short-term and low-value assets lease payments) of the Group and of the Company amounted to RM6,363,000 and Nil (2022: RM3,817,000 and Nil) respectively.

14. TRADE AND OTHER RECEIVABLES

		Group 2023 RM'000	Group 2022 RM'000
Current			
Receivables from contracts with customers			
Third parties		90,135	274,649
Related parties		-	1,436
Construction contracts:			
Retention sums		94,202	108,989
		184,337	385,074
Allowance for expected credit losses		(4,464)	(3,696)
	(a)	179,873	381,378
Other receivables			
Amount due from an associate	(b)	10,049	9,659
Allowance for expected credit losses		(7,530)	(6,450)
		2,519	3,209
Deposits		7,199	5,702
Prepayments		3,838	3,774
Other receivables		5,314	41,471
		18,870	54,156
Total		198,743	435,534

The movements in allowance for expected credit losses for trade and other receivables (current and non-current):

	Group 2023 RM'000	Group 2022 RM'000
At 1 January	10,146	17,746
Net remeasurement of loss allowance	1,449	(8,653)
Exchange difference	399	1,053
At 31 December	11,994	10,146

		Company 2023 RM'000	Company 2022 RM'000
Current			
Other receivables			
Amounts due from subsidiaries	(c)	159,090	152,395
Allowance for expected credit losses		(988)	(988)
		158,102	151,407
Deposits		2	2
Other receivables		147	151
Total		158,251	151,560

14. TRADE AND OTHER RECEIVABLES (CONT'D)

The movements in allowance for expected credit losses for amounts due from subsidiaries:

	Company	
	2023 RM'000	2022 RM'000
At 1 January/31 December	988	988

(a) Receivables from contracts with customers

Receivables from contracts with customers are non-interest bearing and are receivable generally on 30 to 90 (2022: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Retention sums are receivable upon the expiry of the defect liability periods stipulated in the respective construction contracts and sale and purchase agreements. The defect liability periods stated in the construction contracts and sale and purchase agreements are between 12 and 24 months (2022: 12 and 24 months).

	Group	
	2023 RM'000	2022 RM'000
Ageing analysis of trade receivables		
Not past due nor impaired	142,930	316,143
1 to 30 days past due not impaired	18,104	14,720
31 to 60 days past due not impaired	2,897	24,575
61 to 90 days past due not impaired	1,192	4,892
Over 90 days past due not impaired	19,214	24,744
	184,337	385,074
Impaired	(4,464)	(3,696)
	179,873	381,378

Receivables from contracts with customers that are past due at the end of the year, for which the Group has not recognised any allowance for doubtful debts, have no significant changes in their credit quality and the directors consider the amounts as recoverable.

(b) Amount due from an associate

Amount due from an associate is unsecured, non-interest bearing advances, receivable on demand and expected to be settled in cash.

(c) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing advances, receivables on demand and expected to be settled in cash.

15. CONTRACT ASSETS/LIABILITIES

		Group	
		2023	2022
		RM'000	RM'000
Contract assets			
- Construction contracts	(a)	38,041	10,416
Less: Expected credit loss allowance		(157)	(151)
		37,884	10,265
Contract liabilities			
- Property development contracts	(b)	112	8,247
- Construction contracts	(a)	116,150	196,211
- Advances received from customers	(c)	738	9,549
		117,000	214,007

(a) Construction contracts

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	(185,946)	(252,060)
Revenue recognised during the year	281,791	258,081
Revenue recognised that was included in the contract liabilities at the beginning of the year	196,211	270,195
Progress billings issued during the year	(370,320)	(462,164)
Exchange differences	(2)	2
At 31 December	(78,266)	(185,946)
Represented by:		
Contract assets	38,041	10,416
Contract liabilities	(116,150)	(196,211)
Expected credit loss allowance	(157)	(151)
	(78,266)	(185,946)

The movements in loss allowance for contract assets:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	151	143
Exchange difference	6	8
At 31 December	157	151

15. CONTRACT ASSETS/LIABILITIES (CONT'D)

(a) Construction contracts (cont'd)

Revenue relating to construction contracts is recognised over time, while the customers pay according to contractual milestones.

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for construction contract, which revenue is recognised over time during the construction activities.

(b) Property development contracts

	Group	
	2023 RM'000	2022 RM'000
At 1 January	(8,247)	15,365
Advance received from customers in prior year	(9,212)	-
Consideration payables to customers	-	62
Non-cash consideration received	(11,000)	-
Revenue recognised during the year	140,367	83,500
Progress billings issued during the year	(112,020)	(107,174)
At 31 December	(112)	(8,247)

Revenue relating to property development contracts is recognised over time, while the customers pay according to contractual milestones.

A contract asset is recognised in respect of the right to consideration for work performed which has not been billed at the reporting date.

(c) Advances received from customers

Represent advances received from customers for the construction works yet to be performed at the reporting date and advance deposits received on hotel rooms and sold developing units for property development project.

16. CONTRACT COST ASSETS

	Group	
	2023 RM'000	2022 RM'000
Contract cost assets		
Costs to fulfil contracts with customers	30	84,629
Costs to obtain contracts with customers	-	266
	30	84,895

16. CONTRACT COST ASSETS (CONT'D)

(a) Costs to fulfil contracts with customers

	Group	
	2023 RM'000	2022 RM'000
At 1 January	84,629	14,517
Transfer from property development costs (note 7)	44,529	141,601
Cost recognised in profit or loss	(129,158)	(71,489)
Cost incurred for construction contract	30	-
At 31 December	30	84,629

(b) Costs to obtain contracts with customers

	Group	
	2023 RM'000	2022 RM'000
At 1 January	266	1,327
Costs incurred during the year	147	743
Cost recognised in profit or loss	(413)	(1,804)
At 31 December	-	266

Costs to obtain contracts relate to incremental commission paid to agents as a result of obtaining contracts. Management expects such costs are recoverable. These costs are amortised over the financial periods when the corresponding revenue is recognised.

Incremental costs of obtaining a contract are recognised as an expense when incurred if the amortisation period is expected to be one year or less.

17. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash on hand and at banks	126,819	35,997	55	52
Deposits:				
- Money market funds placed with fund managers	119,216	3,893	1,005	28
- Short term deposits with licensed banks	23,000	18,000	-	-
- Fixed deposits with licensed banks	145,121	219,805	1,909	2,864
Total	414,156	277,695	2,969	2,944

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Money market funds placed with fund managers are subject to insignificant change in value. There is no varying period for money market funds as these monies are collectable on demand.

17. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Investment in money market funds are valued with reference to the latest unit price as at the reporting date as advised by the fund manager. The fair value of the funds is classified under Level 2 of the fair value hierarchy. There is no transfer between levels of hierarchy during the year.

Short term deposits are placed for varying periods of between one and thirty (2022: one and thirty) days, and earn interests at the respective deposit rates. The interest rate for the Group range from 1.90% - 2.30% (2022: 1.20% - 2.10%) per annum.

Fixed deposits are placed for varying periods of between one and twelve (2022: one and twelve) months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective fixed deposit rates. The interest rate for the Group and the Company range from 1.00% - 3.75% (2022: 0.80% - 3.15%) and 2.15% - 2.90% (2022: 1.65% - 2.45%) per annum respectively.

Included in cash at banks of the Group are amounts of RM3,964,000 (2022: RM1,137,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1991 and are restricted from use in other operations.

In previous year, cash at banks of the Group are included the amount of RM2,268,000 maintained in Designated Bank Accounts which utilisation are restricted for the payments of principal and profit in respect of the term loan and pledged as securities for borrowing facilities as disclosed in note 22.

Deposits with other financial institutions of the Group and the Company amounting to RM127,212,000 (2022: RM126,732,000) and RM1,909,000 (2022: RM1,864,000) respectively are pledged as securities for borrowing facilities as disclosed in note 22.

For the purpose of statements of cash flow, cash and cash equivalents comprise the following as at reporting date:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	126,819	33,729	55	52
Money market funds placed with fund managers	119,216	3,893	1,005	28
Short term deposits with licensed banks	23,000	18,000	-	-
Fixed deposits with licensed banks	17,909	93,073	-	1,000
Bank overdrafts (note 22)	(73)	(1,132)	-	-
Total cash and cash equivalents	286,871	147,563	1,060	1,080

18. SHARE CAPITAL

	Group/Company	
	Share capital Units	Share Capital RM'000
Issued and fully paid-up ordinary shares		
2023		
At 1 January/31 December	480,497,103	240,457
2022		
At 1 January/31 December	480,497,103	240,457

19. TREASURY SHARES

	Group/Company			
	Number of shares		At cost	
	2023	2022	2023	2022
	'000	'000	RM'000	RM'000
At 1 January/31 December	9,208	9,208	2,460	2,460

The treasury shares have no rights to voting, dividends or participation in other distribution.

At the Company's Annual General Meeting ("AGM") held on 20 June 2023, the Company obtained shareholders' approval on the renewal authority for the Company to purchase up to 10% of the share capital of the Company. During the year, the Company did not purchase any of its own shares and none of the treasury shares held was cancelled, sold or used for other purposes permitted under the Companies Act 2016.

As at 31 December 2023, the Company held 9,208,400 shares as treasury shares out of its total issued and paid up share capital.

20. OTHER RESERVES

	Foreign currency translation reserve RM'000	Asset revaluation reserve RM'000	Total RM'000
At 1 January 2023	(3,046)	11,846	8,800
Foreign currency translation difference in foreign operations	1,236	-	1,236
Revaluation gain on property, plant and equipment and right-of-use assets	-	27,453	27,453
At 31 December 2023	(1,810)	39,299	37,489
At 1 January 2022	(1,132)	11,846	10,714
Foreign currency translation difference in foreign operations	(1,914)	-	(1,914)
At 31 December 2022	(3,046)	11,846	8,800

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations.

(b) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of the asset and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

21. RETAINED EARNINGS

The Company is able to distribute dividends out of its entire retained earnings under the single-tier system.

22. BORROWINGS

		Group	
		2023 RM'000	2022 RM'000
Non-current			
Secured:			
Market rate loan	(v)	94,467	90,733
Term loan	(iii)	-	3,900
Finance lease liabilities (note 25)	(iv)	1,110	2,174
		95,577	96,807
Current			
Secured:			
Bankers' acceptance	(ii)(a)	213	1,706
Bank overdrafts (note 17)	(i)	73	1,132
Revolving credit and loan	(ii)(c)	3,800	37,941
Invoice financing	(ii)(b)	-	13,994
Term loan	(iii)	-	5,200
Finance lease liabilities (note 25)	(iv)	2,447	2,725
		6,533	62,698
Total borrowings		102,110	159,505

Changes in liabilities arising from financing activities (excluding bank overdraft):

	Group	
	2023 RM'000	2022 RM'000
At 1 January	158,373	160,238
Cash flows:		
Net repayment of loan	(61,745)	(2,604)
Interest paid	(7,269)	(7,488)
Non-cash:		
Finance cost	7,269	7,488
Exchange differences	3,817	(852)
Purchase of right-of-use assets via finance lease	1,592	1,591
At 31 December	102,037	158,373

(i) Bank overdrafts

The bank overdrafts of the subsidiaries are subject to interest at rates range from 0% to 1.5% (2022: 0% to 1.5%) per annum above the banks' base lending rates. The interest rates charged by the banks range from 6.70% to 8.39% (2022: 6.45% to 8.10%) per annum.

22. BORROWINGS (CONT'D)

(ii) Multi trade line

a. Bankers' acceptance

The bankers' acceptance is subject to commissions at rates 1% (2022: 0.70% to 1%) per annum above the banks' discount rate. The interest rates charged by the banks range from 3.83% to 4.09% (2022: 1.94% to 4.06%) per annum.

b. Invoice financing

The invoice financing is subject to interest rate at 0.85% (2022: 0.75% to 1.10%) per annum above the bank's cost of funds. The interest rates charged by the banks range from 4.10% to 4.76% (2022: 2.80% to 4.77%) per annum.

c. Revolving credit and loan

The revolving credit and loan are subject to commissions at rate range from 0.75% to 2% (2022: 0.55% to 2%) per annum above the banks' cost of funds. The interest rates charged by the banks range from 4.68% to 5.35% (2022: 3.22% to 5.15%) per annum.

d. Other short term trade facilities - factoring

The Group has not utilised the factoring facility during the year.

All the above facilities are secured by the following:

(a) Corporate guarantee from the Company;
(b) Master/Legal deed of assignment of contract proceeds;
(c) Letter of set-off;
(d) Memorandum of deposit; and
(e) Third party first legal charge over property owned by the Group under right-of-use assets as disclosed in note 13.

(iii) Term loan

The term loan was subjected to interest rate at 2.50% (2022: 2.50%) per annum above the bank's cost of funds. The interest rates charged by the bank range from 5.71% to 5.82% (2022: 4.69% to 5.89%) per annum.

The above facility was secured by the following:

(a) Corporate guarantee from the Company;
(b) Memorandum of deposit; and
(c) Third party first legal charge over land owned by the Group under land held for property development as disclosed in note 7.

The term loan has been fully settled and the security has been fully discharged during the year.

(iv) Obligations under finance leases

These obligations are secured by a corporate guarantee from the Company and a charge over the leased assets (note 13). The average interest rate implicit in the leases ranges from 1.68% to 3.74% (2022: 0.36% to 3.17%) per annum.

22. BORROWINGS (CONT'D)

(v) Market rate loan

The Corporate Market Loan is set for expiry in September 2025. It is a pure interest servicing loan and subject to change in interest rate every 3 months at interest rate of 1.25% above bank bill swap bid rate. The interest rate charged by the bank is 5.66% (2022: 4.49%) per annum.

The above facility is secured by:

(a) All present and future properties of a subsidiary incorporated in Australia under property, plant and equipment as disclosed in note 5;
(b) Term deposit of the Company;
(c) Standby Letter of Credit of AUD3,000,000 (approximately RM9,369,000) given by the Company in favour of a foreign subsidiary; and
(d) Corporate guarantee of AUD33,228,037 (approximately RM103,768,000) given by the Company to a foreign subsidiary.

The covenants imposed by the bank require the loan to value ratio to not exceed 50% to 52% and the interest cover ratio is not less than 1.25 to 2.5 times. The Group had met the required covenants as at reporting date.

23. PROVISIONS

Provisions of the Group is analysed as follow:

		Group	
		2023 RM'000	2022 RM'000
Non-current			
Provision for land cost	(a)	30,236	36,561
Current			
Provision for land cost	(a)	-	2,282
Provision for onerous contract	(b)	16,218	4,934
Provision for property development cost		8,011	-
Provision for legal case		930	-
		25,159	7,216
Total		55,395	43,777

23. PROVISIONS (CONT'D)

(a) The provision for land cost represents the present obligation for consideration incurred for project development contract.

	Group 2023 RM'000	Group 2022 RM'000
Movement of provision for land cost:		
At 1 January	38,843	43,554
Cash flows:		
Payment during the year	(8,921)	(4,100)
Non-cash:		
Unwinding of discount	314	-
Effect of discount	-	(611)
At 31 December	30,236	38,843

(b) The provision for onerous contract represents the unavoidable costs of meeting the obligations under the construction contract exceed the economic benefits expected to be received under it.

24. TRADE AND OTHER PAYABLES

	Group 2023 RM'000	Group 2022 RM'000
Trade payables		
Third parties	107,018	128,634
Related party	7	5
Amount due to associate	-	797
Accruals	21,964	33,279
	128,989	162,715
Other payables		
Other payables	11,167	19,010
Accruals	8,575	13,421
	19,742	32,431
Total	148,731	195,146

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claim on contract works performed and retention sums payable. The normal credit periods granted by trade suppliers and sub-contractors range from 30 to 90 (2022: 30 to 90) days whereas retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts between 12 and 24 months.

The amount due to related party represents the amount owing to a company in which certain director's close family member has financial interests, which are trade in nature and expected to be settled within normal credit term granted.

24. TRADE AND OTHER PAYABLES (CONT'D)

The amount due to an associate is trade in nature and expected to be settled within normal credit term granted.

Accruals - trade mainly consist of construction costs yet to be billed by sub-contractors.

	Company	
	2023 RM'000	2022 RM'000
Other payables		
Amounts due to subsidiaries	7,022	109
Other payables	422	483
Accruals	146	116
Total	7,590	708

Changes in liabilities arising from amounts due to subsidiaries under financing activities:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	109	1,883
Cash flows:		
Net advances from/(repayment to) subsidiaries	6,913	(1,774)
At 31 December	7,022	109

25. FINANCE LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Future minimum lease payments:		
Not later than one year	2,546	2,856
Later than one year but not later than two years	1,133	2,225
Total future minimum lease payments	3,679	5,081
Less: Future finance charges	(122)	(182)
Present value of finance lease liabilities	3,557	4,899
Analysis of present value of finance lease liabilities:		
Not later than one year (note 22)	2,447	2,725
Later than one year but not later than two years (note 22)	1,110	2,174
	3,557	4,899

26. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- Construction contracts	478,002	528,276	-	-
- Property development	8,247	83,500	-	-
- Hotel room and ancillary services	17,143	15,637	-	-
- Servicing of motor vehicles	57	45	-	-
- Management fees from subsidiaries	-	-	1,397	1,975
(ii) Recognised at a point in time				
- Sales of construction materials and others	34,683	44,142	-	-
- Sales of completed properties	132,500	426	-	-
- Sales of foods and beverages	5,697	4,156	-	-
	676,329	676,182	1,397	1,975
Other revenue				
Rental of motor vehicles and heavy machineries	3,128	2,210	-	-
Dividend income	-	-	5,680	5,666
	679,457	678,392	7,077	7,641

As of 31 December 2023, the aggregate amount of the transaction price allocated to remaining performance obligations is RM424,176,000 (2022: RM928,308,000). The Group will recognise this amount of revenue as performance obligations are satisfied, which is expected to occur over the next 4 years.

27. COST OF SALES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Construction contracts	446,788	479,129	-	-
Purchase of construction materials and others	30,581	42,991	-	-
Property development and cost of completed properties	129,849	73,574	-	-
Rental of motor vehicles and heavy machineries	478	526	-	-
Servicing of motor vehicles	47	45	-	-
Hotel operations	25,250	22,141	-	-
Cost of services rendered	388	404	-	-
	633,381	618,810	-	-

Construction contracts cost incurred during the year included finance costs of RM2,794,979 (2022: RM2,872,747).

28. OTHER INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Gain on disposal of property, plant and equipment and right-of-use assets	3,383	1,017	-	-
Fair value gain on investment properties	2,360	-	-	-
Rental of premises	387	552	-	-
Miscellaneous	203	323	-	1
Legal and other costs recovered	-	7,629	-	-
Net unrealised gain on foreign exchange	8,138	3,291		
Net realised gain on foreign exchange	449	106	-	-
Wages subsidy	11	22	-	-
	14,931	12,940	-	1

29. FINANCE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fair value gain on money market fund	2,550	390	9	8
Dividend income from money market fund	436	-	-	-
Fixed deposit interest	4,403	3,881	66	53
Short-term deposit interest	528	226	-	-
Interest income - others	2,763	149	-	1
Interest income from receivable	-	14,523	-	-
Effect of discount on provision	-	611	-	-
Late payment interest charges	(73)	249	-	-
	10,607	20,029	75	62

30. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank overdraft interest	60	47	-	-
Finance lease interest	107	138	-	-
Interest on borrowings	2,128	5,655	-	-
Lease liability interest	-	6	-	-
Commitment fee and others	5,034	1,695	2	2
Unwinding of discount on provision	314	-	-	-
	7,643	7,541	2	2
Less: Expensed off in cost of sales	(2,795)	(2,873)	-	-
	4,848	4,668	2	2

31. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration				
- statutory audit	486	491	83	80
Other non-audit services	5	5	5	5
Depreciation of property, plant and equipment	9,855	12,685	-	-
Property, plant and equipment written off	5	62	-	-
Short-term lease expenses for premises, vehicle, heavy machinery and equipment	6,363	3,741	-	-
Amortisation of partnership interest	915	67	-	-
Loss on disposal of investment property	56	162	-	-
Amortisation of right-of-use assets	1,731	1,931	-	-
Impairment loss on investment in associate	-	1,395	-	-

32. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages, salaries, allowance and other emolument	71,813	66,561	1,016	983
Social security contributions	677	499	1	1
Defined contribution plan	5,416	5,326	31	40
	77,906	72,386	1,048	1,024
Less: Capitalised in property development cost	(314)	(185)	-	-
	77,592	72,201	1,048	1,024

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM6,058,000 (2022: RM6,600,000) and RM391,000 (2022: RM390,000) respectively as further disclosed in note 33.

33. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive directors' remuneration				
- Salaries, allowances and bonus	5,575	6,045	360	360
- Other emoluments	483	555	31	30
	6,058	6,600	391	390
Non-executive directors' remuneration				
- Fees	300	300	300	300
- Allowances and other emoluments	242	173	242	173
	542	473	542	473

34. INCOME TAX EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysian taxation				
Current tax				
Current year	8,376	11,499	78	174
(Over)/Under provision in prior years	(2,495)	(131)	1	262
	5,881	11,368	79	436
Deferred tax (income)/expense				
Current year	(782)	(3,740)	-	46
Under provision in prior years	4,008	139	-	-
	3,226	(3,601)	-	46
Foreign taxation				
Deferred tax income				
Current year	(2,163)	(6,357)	-	-
Total income tax expenses	6,944	1,410	79	482

Current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. During the current year, the income tax rate applicable to subsidiaries in Australia is at 30% (2022: 30%) and subsidiaries in Cambodia and Brunei are at 20% and 18.5% (2022: 20% and 18.5%) respectively.

34. INCOME TAX EXPENSES (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax excluding share of results of associates and joint venture at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax (excluding share of results of associates and joint venture)	31,667	59,018	5,803	6,323
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	7,600	14,164	1,393	1,518
Effect of different tax rates in other countries	(341)	(2,727)	-	-
Under provision in prior years	1,513	8	1	262
Tax effects of:				
- non-taxable income	(2,418)	(8,016)	(1,365)	(1,362)
- non-deductible expenses	1,066	576	55	64
- special deduction	(477)	(487)	(5)	-
Deferred tax assets not recognised	1	1	-	-
Utilisation of deferred tax assets not recognised previously	-	(2,109)	-	-
Income tax expenses for the year	6,944	1,410	79	482

The Finance (No.2) Bill 2023 passed by the Parliament of Malaysia on 28 November 2023, introduces domestic top-up tax and multinational top-up tax (the "Pillar Two income tax") effective from 1 January 2025.

The Group is within the scope of the Pillar Two income tax. Pillar Two legislation was enacted in Malaysia, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate. All entities within the Group have an effective tax rate that exceeds 15%.

35. EARNINGS PER SHARE

Basic and diluted earnings per share of the Group is calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

35. EARNINGS PER SHARE (CONT'D)

	2023	2022
Net profit attributable to equity holders of the Company (RM'000)	25,268	53,291
Weighted average number of ordinary shares in issue ('000)	471,289	471,289
Basic and diluted earnings per share (sen)	5.36	11.31

36. DIVIDENDS

	Group/Company	
	2023 RM'000	2022 RM'000
First and final single tier dividend of 1.20 sen per ordinary share in respect of the year ended 31 December 2022	5,655	-
First and final single tier dividend of 1.20 sen per ordinary share in respect of the year ended 31 December 2021	-	5,655
	5,655	5,655

37. CASH PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Addition of property, plant and equipment	1,240	1,478	-	-
Addition of right-of-use assets	1,941	2,045	-	-
Less: Financed by finance lease arrangement	(1,592)	(1,591)	-	-
Cash paid during the year	1,589	1,932	-	-

38. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries and associates, directors and key management personnel.

38. RELATED PARTY TRANSACTIONS (CONT'D)

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions between the Group and related parties took place during the year:

(a)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Transactions with subsidiaries				
Dividend income	-	-	5,680	5,666
Management fees received/ receivables	-	-	1,397	1,975
Transaction with an associate				
Maintenance services incurred for electrical and mechanical engineering	4,323	4,744	-	-
Transaction with a director of subsidiary				
Progress billing issued for sales of development properties	-	205	-	-
Transaction with related party in which a director's close family member has financial interests				
Supply of construction materials	32	48	-	-
Transaction with related parties who are the close family members of a director				
Progress billing issued for sales of development properties	-	450	-	-

Outstanding balances in respect of the above transactions are disclosed in notes 14 and 24.

(b) Compensation of key management personnel:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(i) Executive Directors				
Salaries, allowances and bonus	5,575	6,045	360	360
Other emoluments	483	555	31	30
(ii)Other key management personnel				
Salaries, allowances and bonus	7,608	7,937	60	149
Other emoluments	663	647	-	12

38. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel (cont'd):

The other key management personnel comprise person other than the directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

For salaried key management personnel, the Group also make contributions to the Employee Provident Fund ("EPF") as required by law.

39. CAPITAL COMMITMENT

The Group has the following commitments for the acquisition of the property, plant and equipment:

	2023 RM'000	2022 RM'000
Approved and contracted for:		
Leasehold land	1,000	-
Motor vehicle	674	-
Plant and machinery	135	898
	1,809	898

40. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following tables provide an analysis of financial instruments categorised as follows:

Group	At amortised cost 2023 RM'000	2022 RM'000
Financial assets		
Trade and other receivables	194,905	431,760
Deposits, cash and bank balances	294,940	273,802
	489,845	705,562
Financial liabilities		
Trade and other payables	148,731	195,146
Borrowings	102,110	159,505
	250,841	354,651

Group	At fair value through profit or loss 2023 RM'000	2022 RM'000
Financial assets		
Money market funds placed with fund managers	119,216	3,893
Other investments	66	66
	119,282	3,959

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

The following tables provide an analysis of financial instruments categorised as follows (cont'd):

Company	At amortised cost 2023 RM'000	At amortised cost 2022 RM'000
Financial assets		
Other receivables and deposits	158,251	151,560
Deposits, cash and bank balances	1,964	2,916
	160,215	154,476
Financial liability		
Other payables and accruals	7,590	708

Company	At fair value through profit or loss 2023 RM'000	At fair value through profit or loss 2022 RM'000
Financial assets		
Money market funds placed with fund managers	1,005	28

(b) Fair values of financial instruments

Fair value is defined as the amount for which the financial instruments could be exchanged in a current transaction between knowledgeable and willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The carrying amounts of financial instruments reported in the financial statements approximate their fair values due to the relatively short-term maturity or related interests are at market rate on these financial instruments.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, liquidity and cash flow risks and foreign currency exchange risk.

The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

There is no significant change to the Group's exposure to financial risks or the manner in which these risks are managed and measured.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The following section provides details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and process for the management of these risks.

(i) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group exposes to interest rate risk primarily from its borrowings and bank deposits. The borrowings and bank deposits are subject to fluctuation in the bank's base lending rates.

Management monitors the interest rate risk exposure regularly to align its risk exposure and defined risk appetite, ensuring significant adverse impact on the Group's financial performance due to changes in interest rates is mitigated.

The interest rate profile of the Group's and the Company's interest bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial liabilities	3,557	4,899	-	-
Floating rate instruments				
Financial assets	168,121	237,805	1,909	2,864
Financial liabilities	98,553	154,606	-	-

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all variables held constant, the Group's profit after tax would have been RM253,000 (2022: RM316,000) higher/lower, arising mainly as a result of lower/higher interest expense from floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. The financial impact arising from changes in interest rate is not significant to the Company, accordingly, the sensitivity analysis has not been presented.

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from all the financial assets and contract assets. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position with positive fair values.

Contract assets

None of the contract assets at the reporting date is past due. Management does not expect any credit loss based on their assessment at the reporting date except the expected credit loss provided in note 15.

Financial assets that are past due but not impaired

Information regarding trade and other receivables that are past due but not impaired is disclosed in note 14. Deposits with banks and other financial institutions are placed with reputable financial institutions with high credit ratings and no history of default.

Information about major customers

There is no significant concentration of revenue from any major customers as the Group sells its development properties to individual end purchasers and no single concentrated customers in construction activities.

Financial guarantees

The Company is exposed to credit risk in relation to unsecured financial guarantees given to banks in respect of bank borrowings granted to subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Advances to subsidiaries and associates

Exposure to credit risk arising from unsecured advances to subsidiaries and associates is managed through credit evaluation and ongoing monitoring of credit quality of the subsidiaries and associates.

Management assessed the credit risk in respect of advances to subsidiaries and associates with reference to the financial capability and probability of default.

Impairment for receivables from subsidiaries and associates are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in note 3(l).

(iii) Liquidity and cash flow risks

Liquidity and cash flow risks is the risk that the Group and the Company will encounter difficulty in meeting their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity and cash flow risks arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the bank borrowings and internally generated funds.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Liquidity and cash flow risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	Carrying amount RM'000	Within one year RM'000	One to five years RM'000	Total RM'000
2023				
Trade and other payables	148,731	148,731	-	148,731
Borrowings	102,110	12,944	100,068	113,012
Total	250,841	161,675	100,068	261,743
2022				
Trade and other payables	195,146	195,146	-	195,146
Borrowings	159,505	68,104	105,448	173,552
Total	354,651	263,250	105,448	368,698

Company	Carrying amount RM'000	Within one year RM'000	One to five years RM'000	Total RM'000
2023				
Other payables and accruals	7,590	7,590	-	7,590
2022				
Other payables and accruals	708	708	-	708

The table below summarised issued financial guarantee contracts of the Company, which represent the maximum amounts of the guarantees, and is allocated to the earliest period in which the guarantees could be called. However, based on circumstances at the end of the period, the directors do not foresee the guarantees will be called.

Company	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2023				
Financial guarantee contracts	63,975	147,725	-	211,700
2022				
Financial guarantee contracts	66,629	177,942	-	244,571

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates.

The Group holds bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and European Dollar ("EUR").

The exposure to foreign currency exchange risk is as follow:

Group	Denominated in USD RM'000	 SGD RM'000	 EUR RM'000
2023			
Deposit and bank balances	627	70,380	1
Other payables	-	(35)	-
Net exposure	627	70,345	1
2022			
Deposit and bank balances	4,638	867	2
Other payables	-	(81)	-
Net exposure	4,638	786	2

Sensitivity analysis for foreign currency exchange risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against RM, with all other variables held constant, of the Group's profit after tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit after tax by the amount shown below and a corresponding decrease would have an equal but opposite effect.

	Group 2023 RM'000	 2022 RM'000
USD	48	352
SGD	5,346	60
EUR	*	*
Decrease in profit before tax	5,394	412

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

* The amounts are negligible.

42. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using a gearing ratio. This ratio is calculated as total net debt divided by total capital. Total debt is calculated as the sum of the short term and long term borrowings as shown in the statements of financial position.

The Group and the Company did not maintain specific policy on the capital management. The Group and the Company include within net cash, borrowings less deposits, cash and bank balances. Total capital includes equity attributable to the equity holders of the Company and non-controlling interests.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	102,110	159,505	-	-
Less: Deposits, cash and bank balances	(414,156)	(277,695)	(2,969)	(2,944)
Net cash	(312,046)	(118,190)	(2,969)	(2,944)
Equity attributable to				
- equity holders of the Company	544,306	496,004	245,346	245,277
- non-controlling interests	8,837	8,452	-	-
Total capital	553,143	504,456	245,346	245,277
Gearing ratio	-	-	-	-

43. SEGMENTAL INFORMATION

The Group's reportable segments, as described below, are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's Managing Director reviews internal management reports on at least a quarterly basis. Other business units are reported as "others". The following summary describes the operations in each of the Group's reportable segments.

* Construction activities	The construction contracts, sales of construction related materials, rendering of construction related services and others
* Property development	The development of residential properties
* Hotel operations	The hotel related operations
* Others	Investment holdings

Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment asset is measured based on all assets of a segment and is used to measure the return of assets of each segment.

43. SEGMENTAL INFORMATION (CONT'D)

Operating segment information for the current year is as follows:

2023	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External revenue	515,870	140,747	22,840	-	-	679,457
Inter-segment revenue	96,058	2,093	12,095	7,077	(117,323)	-
	611,928	142,840	34,935	7,077	(117,323)	679,457
Results						
Segment operating profit/(loss)	17,089	4,328	(2,765)	6,843	413	25,908
Share of profits of associates						993
Share of loss of joint venture						(113)
Finance costs						(4,848)
Finance income						10,607
Profit before tax						32,547
Income tax expenses						(6,944)
Net profit for the year						25,603

43. SEGMENTAL INFORMATION (CONT'D)

Operating segment information for the current year is as follows (cont'd):

	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Other information						
Segment assets	684,745	185,068	186,916	376,352	(487,752)	945,329
Investments in associates	1,481	-	-	-	-	1,481
Investment in joint venture	-	-	-	38,348	-	38,348
Consolidated total assets						985,158
Segment liabilities	341,181	127,042	174,053	134,283	(344,544)	432,015
Consolidated total liabilities						432,015
Capital expenditure	3,180	-	-	6	-	3,186
Allowance for expected credit loss	-	2,884	-	1,527	(2,884)	1,527
Depreciation of property, plant and equipment	5,697	32	4,120	-	6	9,855
Amortisation of right-of-use assets	1,106	17	-	608	-	1,731
Amortisation of partnership interest	-	-	-	915	-	915
Reversal of allowance for expected credit loss	-	-	(78)	-	-	(78)
Other material non-cash items	(6,153)	(19)	-	(5,288)	-	(11,460)

43. SEGMENTAL INFORMATION (CONT'D)

Operating segment information for the prior year is as follows (cont'd):

2022	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External revenue	574,673	83,926	19,793	-	-	678,392
Inter-segment revenue	221,194	-	12,210	7,641	(241,045)	-
	795,867	83,926	32,003	7,641	(241,045)	678,392
Results						
Segment operating profit/(loss)	67,057	4,991	(2,510)	(6,973)	(18,908)	43,657
Share of profits of associates						318
Share of loss of joint venture						(834)
Finance costs						(4,668)
Finance income						20,029
Profit before tax						58,502
Income tax expenses						(1,410)
Net profit for the year						57,092

43. SEGMENTAL INFORMATION (CONT'D)

Operating segment information for the prior year is as follows (cont'd):

	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Other information						
Segment assets	890,089	298,708	185,841	364,906	(655,901)	1,083,643
Investments in associates	488	-	-	-	-	488
Investment in joint venture	-	-	-	42,348	-	42,348
Consolidated total assets						1,126,479
Segment liabilities	836,691	245,114	174,053	133,509	(767,344)	622,023
Consolidated total liabilities						622,023
Capital expenditure	3,468	35	20	-	-	3,523
Allowance for expected credit loss	-	-	-	7,770	-	7,770
Impairment loss of investment in an associate	-	-	-	4,063	(2,668)	1,395
Depreciation of property, plant and equipment	8,387	168	4,123	-	7	12,685
Amortisation of right-of-use assets	1,126	81	724	-	-	1,931
Amortisation of partnership interest	-	-	-	67	-	67
Reversal of allowance for expected credit loss	(16,423)	-	-	-	-	(16,423)
Other material non-cash items	(3,705)	(131)	(10)	(229)	(9)	(4,084)

43. SEGMENTAL INFORMATION (CONT'D)

Geographical Segments

	Malaysia RM'000	Australia RM'000	Brunei RM'000	Cambodia RM'000	Total RM'000
2023					
Revenue	656,617	22,840	-	-	679,457
Non-current assets	72,054	228,138	-	992	301,184
2022					
Revenue	658,599	19,793	-	-	678,392
Non-current assets	60,502	193,239	12	-	253,753

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2023 RM'000	2022 RM'000
Property, plant and equipment	217,495	180,761
Inventories	23,283	12,207
Investment properties	11,958	9,813
Investments in associates	1,481	488
Investment in joint venture	38,348	42,348
Right-of-use assets	8,619	8,136
	301,184	253,753

The construction activities, property development, hotel operations and others segments are managed on a worldwide basis. In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, other investments and deferred tax assets.

44. LITIGATION

Arbitration proceedings against The Brunei Economic Development Board

Trans Resources Corporation Sdn Bhd ("TRC") had jointly with Swee Sdn. Bhd. ("Plaintiffs") entered into an agreement with The Brunei Economic Development Board ("BEDB" or the "Defendant") to undertake Modernisation of Brunei International Airport Terminal project. The said project was duly completed and handed over in 2015.

BEDB had made claims for liquidated damages totaling RM53,741,000 (BND16,344,000) from TRC. Subsequently, TRC has submitted a statement of final account of RM66,693,000 (BND20,283,287) including claims for prolongation and delays to BEDB. Both TRC and BEDB are disputing each other's claim.

BEDB had on 23 October 2017 called for the performance bond issued by the Plaintiffs, amounted to RM42,745,000 (BND13,000,000).

On 16 March 2018, TRC served an Originating Summon issued by the High Court of Brunei Darussalam to recover approximately RM42,745,000 (BND13,000,000) together with interest and costs to BEDB.

44. LITIGATION (CONT'D)

The High Court of Brunei had on 25 August 2018 affirmed the Defendant's application for an order to stay all proceedings in the High Court and simultaneously for the Plaintiffs, to follow the contractual provision leading to an arbitration of the dispute.

On 29 January 2020, with the above decision, TRC upon consultation with its legal counsel, had commenced arbitration proceedings (as the 1st Claimant) at Singapore International Arbitration Centre ("Tribunal") to resolve its disputes with BEDB.

The arbitration trial was duly covered in early November 2021 and all parties have submitted their case submission in January 2022.

On 21 January 2023, TRC had received the Final Award dated 16 January 2023 from the Tribunal, where the Tribunal has issued the following orders for TRC as 1st Claimant:

(a) That BEDB is not entitled to levy any liquidated damages under the contract;

(b) That BEDB shall within 14 days of the Final Award pay to the Claimants the following sums:

   (i) RM42,745,000 (BND13,000,000) together with simple interest at the rate of 5.33% per annum from 23 October 2017 until the date of full payment;

   (ii) RM10,983,000 (BND3,344,000) together with simple interest at the rate of 5.33% per annum from 23 May 2018 until the date of full payment;

   (iii) RM7,382,000 (SGD2,248,000) being the legal and other costs awarded to the Claimants. If the sum of RM7,382,000 (SGD2,248,000) is not paid within 14 days of the Final Award, simple interest at the rate of 5.33% per annum shall be payable immediately thereafter until the date of full payment;

   (iv) RM247,000 (SGD75,000) being BEDB's share of the Claimants' costs of arbitration. If the sum of RM247,000 (SGD75,000) is not paid within 14 days of the Final Award, simple interest at the rate of 5.33% per annum shall be payable immediately thereafter until the date of full payment;

(c) The Claimants' claim for Prolongation Cost is dismissed; and

(d) All other requests, reliefs and claims are hereby dismissed.

In March 2023, TRC had received a payment of RM75,790,000 (SGD23,050,000) from BEDB and the Group has treated the transaction as an adjusting event for the financial year ended 31 December 2022.

45. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the board of directors on 23 April 2024.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin and Dato' Abdul Aziz Bin Mohamad, being two of the directors of TRC Synergy Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 81 to 162 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and financial performance and cash flows of the Group and of the Company for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the directors in accordance with a directors' resolution.

TAN SRI DATO' SRI SUFRI BIN HJ MOHD ZIN
Director

DATO' ABDUL AZIZ BIN MOHAMAD
Director

Kuala Lumpur

23 April 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lee Gaik Siew, being the officer primarily responsible for the financial management of TRC Synergy Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 81 to 162 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed
Lee Gaik Siew
at Kuala Lumpur
in the Federal Territory
on this 23 April 2024

LEE GAIK SIEW
Chartered Accountant
MIA No.: 13839

Before me:

LIST OF PROPERTIES
AS AT 31 DECEMBER 2023

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/Build Up Area	Net Book Value 31/12/2023 RM	Date of Valuation
1.	Lot No.3626, Block 16, Kuching Central Land District, Taman Timberland, Lorong Rock 2, 93200 Kuching, Sarawak.	60-year leasehold expiring 18/4/2059	A corner 4-storey shop/office	27 years	2,214 sq ft/ 8,857 sq ft	1,692,130	05-11-2023
2.	Lot No. 31281, Off Jalan Bahagia, 70400 Seremban, Negeri Sembilan.	99-year leasehold expiring 18/9/2095	An Agricultural Land	-	392,990 sq ft	598,601	05-11-2023
3.	Unit No. 218-A and 218-B, Jalan Negara 2, Taman Melawati Metro 1, 53100 Kuala Lumpur.	Freehold	A stratified office unit within a 4-storey shop/office	35 years	1,550 sq ft each	1,000,321	09-11-2023
4.	Lot No.121254, PN 56268, Mukim of Plentong, District of Johor Bahru, Johor Darul Ta'zim.	Leasehold expiring 21/1/2097	Tapak Perkhemahan	-	18,665 sq ft	249,431	09-11-2023
5.	A part of HS(D) 310780 PTD 158256, Mukim of Plentong, District of Johor Bahru, State of Johor.	Freehold	A Residential Land	-	27.636 acres	12,281,163	-
6.	Lot 2265, Jalan Batu 26, Kg Jenderam Hilir, 43800 Dengkil, Selangor Darul Ehsan.	Freehold	A Residential Land	-	280,421 sq ft	4,800,000	05-11-2023
7.	TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor Darul Ehsan.	Freehold	An 8-storey office block adjoins with 4 units of 4-storey shop/office together with car park building	15 years	Varying from 23,250 sq ft, 16,759.41 sq ft, 1,141, sq ft,1,238 sq ft, 1,324 sq ft, 1,335 sq ft, 1,378 sq ft, 1,464 sq ft, 1,475 sq ft & 1,722 sq ft	19,109,768	09-11-2023
8.	Lot 73971, Jalan 1A, Pekan Baru Subang, Section U3, 40150 Shah Alam, Selangor Darul Ehsan.	Freehold	-	-	74,767 sq ft	10,000,000	01-07-2023
9.	588, Swan Street Richmond, Melbourne, Australia.	Freehold	5 Storey hotel with an additional two levels of basement car park	4 1/2 years	3,074 sq meters	188,633,882	19-07-2023
10.	Unit no. 01-09, 01-10, 01-11& 01-12, Block 11, Residensi Impian Senibong, Persiaran Senibong, 81750 Johor Bahru, Johor Darul Ta'zim.	99-year leasehold expiring 21/1/2097	1 1/2-storey Apartment Unit	6 years	1,158 sq ft each	1,536,496	08-11-2023

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/Build Up Area	Net Book Value 31/12/2023 RM	Date of Valuation
11.	Lot No. 10013 Presint 18, Bandar Putrajaya, Daerah Putrajaya, 62000 Putrajaya, Wilayah Persekutuan Putrajaya.	Freehold	A Development Land	-	87,274 sq ft	11,002,433	15-09-2023

ANALYSIS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

Fully Paid-Up Capital	:	RM 240,248,551.50
Issued Share Capital	:	480,497,103 shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	3,538

DISTRIBUTION OF SHAREHOLDINGS
(As at 29 March 2024)

Category	No. of Holders	%	No. of Shares	%
Less than 100	147	4.15	5,161	0.00
100 - 1,000	359	10.15	164,089	0.03
1,001 - 10,000	1,524	43.08	9,012,574	1.88
10,001 - 100,000	1,287	36.38	42,348,630	8.81
100,001 and less than 5% of issued shares	217	6.13	218,916,828	45.56
5% and above of the issued shares	4	0.11	210,049,821	43.72
Total	**3,538**	**100.00**	**480,497,103**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS
(As at 29 March 2024)

		Direct		Indirect	
No.	Name	No. of Shares	%	No. of Shares	%
1.	Kolektif Aman Sdn Bhd	65,241,600	13.84	-	-
2.	TRC Capital Sdn Bhd	59,553,600	12.64	-	-
3.	Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	50,480,217	10.71	124,795,200*	26.48
4.	Dato' Leong Kam Heng	46,584,276	9.88	-	-
5.	Khoo Tew Choon	37,584,404	7.97	-	-

Excluding a total of 9,208,400 shares bought-back by the Company and retained as treasury shares
* Deemed interested by virtue of his shareholdings in Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd

DIRECTORS' INTEREST IN SHARES
(As at 29 March 2024)

		Direct		Indirect	
No.	Name	No. of Shares	%	No. of Shares	%
1.	Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	50,480,217	10.71	124,795,200*	26.48
2.	Dato' Abdul Aziz Bin Mohamad	8,011,497	1.70	124,795,200*	26.48
3.	Dato' Richard Khoo Teng San	12,261,397	2.60	-	-
4.	Tan Sri Dr Ahmad Kamarulzaman Ahmad Badaruddin	600,000	0.13	-	-
5.	Dato' Sr. Abdull Manaf Bin Hj Hashim	50,000	0.00	-	-

Excluding a total of 9,208,400 shares bought-back by the Company and retained as treasury shares
* Deemed interested by virtue of his shareholdings in Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd

LIST OF 30 LARGEST SHAREHOLDERS
(As at 29 March 2024)

NO.	NAME OF SHAREHOLDER	SHARES	%
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOLEKTIF AMAN SDN BHD	65,241,600	13.84
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TRC CAPITAL SDN BHD	59,553,600	12.64
3.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUFRI BIN MHD ZIN	48,320,217	10.25
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO TEW CHOON	36,934,404	7.84
5.	HLB NOMINEES (TEMPATAN) SDN BHD LEONG KAM HENG (CUST.SIN 10678)	23,920,356	5.08
6.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG KAM HENG	22,663,920	4.81
7.	NGIAM BUEY BUEY	19,557,787	4.15
8.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	13,054,400	2.77
9.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHING MUN	9,400,000	1.99
10.	RICHARD KHOO TENG SAN	7,496,757	1.59
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	6,691,200	1.42
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	6,639,500	1.41
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP YON TAI	5,658,437	1.20
14.	KCNN VENTURE CAPITAL SDN BHD	5,193,200	1.10
15.	ABDUL AZIZ BIN MOHAMAD	5,142,816	1.09
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RICHARD KHOO TENG SAN (MY3062	4,727,200	1.00
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD	3,135,475	0.67
18.	CHOONG KEAN LEANG	2,858,100	0.61
19.	OOI CHIN SENG	2,735,540	0.58
20.	LEE KOWI ENG	2,355,200	0.50
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOOI	2,319,300	0.49
22.	TAN SRI DATO' SRI SUFRI BIN MHD ZIN	2,160,000	0.46
23.	CHEE SHIH YEE	2,040,000	0.43
24.	ABDUL AZIZ BIN MOHAMAD	1,868,681	0.40
25.	YEM CHIU HISA	1,515,744	0.32
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	1,444,325	0.31
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FO TAN CHIN HOOI (E-BMM)	1,325,100	0.28
28.	YOONG OAI TAI	1,320,400	0.28
29.	KHOO TING HOCK	1,300,000	0.27
30.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LU YIENG LUNG (KUCHING-CL)	1,261,700	0.27
TOTAL		**367,834,959**	**78.05**

Note: Excluding a total of 9,208,400 shares bought-back by the Company and retained as treasury shares

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting of TRC Synergy Berhad (Registration No. 199601040839 (413192-D)) ("**the Company**") will be held **virtually** at the **broadcast** venue **at Board Room, 8th Floor, TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor** on **Wednesday**, the **26th June, 2024** at **10.30 a.m.** for the purpose of transacting the following businesses:-

A G E N D A

AS ORDINARY BUSINESS

1.	To receive and adopt Audited Financial Statements, Report of the Directors and Report of the Auditors thereon for the year ended 31st December 2023.	***(Please refer to Note 2)***
2.	To approve the payment of first and final single tier dividend of 1.20 sen per share for the year ended 31st December 2023. *(Please refer to Note 4)*	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees in respect of the financial year ended 31st December 2023. *(Please refer to Note 5)*	**Ordinary Resolution 2**
4.	To approve the payment of Directors' benefits (other than Directors' fees) to Non-Executive Directors in respect of the financial year ended 31st December 2023. *(Please refer to Note 6)*	**Ordinary Resolution 3**
5.	To re-elect YABhg Tun Jeanne Binti Abdullah who shall retire as Director of the Company pursuant to Articles 84 of the Company's Articles of Association.	**Ordinary Resolution 4**
6.	To re-elect YBhg Dato' Sr. Abdull Manaf Bin Hj. Hashim who shall retire as Director of the Company pursuant to Articles 84 of the Company's Articles of Association.	**Ordinary Resolution 5**
7.	To re-appoint Mazars PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modification:-

8.	**Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016 and Clause 53 of the Company's Articles of Association.** *(Please refer to Note 7)* "THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Section 75 and 76 of the Act, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.	**Ordinary Resolution 7**

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 read together with Clause 53 of the Company's Articles of Association, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company and such new shares when issued, to rank pari passu with existing issued shares in the Company."

9. **Proposed renewal of authority for the company to purchase its own shares** *(Please refer to Note 8)* **Ordinary Resolution 8**

"THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 ("Act"), provisions in the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

(1) the aggregate number of shares purchased does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
(2) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the retained profit account of the Company. As at the financial year ended 31st December 2023, the audited retained profit of the Company stood at RM7,348,850.83;
(3) The renewal of authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:-
    (a) at the conclusion of the next AGM of the Company following the general meeting in which the authorization is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or
    (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
    (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manners:-

(a) to cancel the ordinary shares so purchased; or
(b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancel; or
(c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; and
(d) in any other manner prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to act and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company."

10. To transact any other business of which due notice shall be given in accordance with the Articles of Association of the Company and the Companies Act, 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN,that a first and final dividend of 1.20 sen per share in respect of the financial year ended 31st December 2023 will be paid on 15th July 2024 to shareholders whose names appear on the Company's Register of Depositors on 28th June 2024.

A Depositor shall qualify for entitlement to the dividend only in respect:-

a) Shares transferred into the Depositor's Securities Account before 4.30pm on 28th June 2024 in respect of ordinary transfers; and

b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

ABDUL AZIZ BIN MOHAMED
(LS 007370)
(SSM PC 201908003187)
Secretary

Selangor Darul Ehsan
30th April 2024

Notes:

1. **This is a fully virtual AGM. No shareholders/proxies are allowed to present at the broadcast venue. You have to register online https://vps.megacorp.com.my/ntX5Yq. Please refer to the Administrative Guide for online registration.**

2. **Audited Financial Statements for the Year Ended 31st December 2023**

   This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting by shareholders of the Company.

3. **Appointment of Proxies**

   a. A proxy may but need not be a member of the Company.
   b. To be valid the proxy form duly completed must be deposited at the at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or by email to AGM-support.TRC@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
   c. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the meeting.
   d. A member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the meeting.
   e. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
   f. Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
   g. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
   h. Only members whose names appears in the Record of Depositors as at 19th June 2024 will be entitled to attend and vote at the meeting.

4. **Dividend Payment (Ordinary Resolution No. 1)**

   With reference to Section 131 of the Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 23rd April 2024 the Board of Directors had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

5. Payment of Directors Fees to the Non-Executive Directors (Ordinary Resolution No. 2)

Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the directors payable to the directors of a listed company shall be approved at a general meeting. During the financial year ended 31st December 2023, the Company has paid RM300,000 as Directors' fees to its Non-Executive Directors.

6. Payment of Directors' Benefits (excluding Directors' Fees) to the Non-Executive Directors (Ordinary Resolution No. 3)

The Company is seeking shareholders' approval for the following payments of benefits to its Non-Executive Directors pursuant to Section 230(1) of the Companies Act 2016:-

Chairman to the Board of Directors	RM	62,500
Chairman to the Audit and Risk Management Committee	RM	40,000
Allowance	RM	65,700
Other emoluments	RM	74,342
TOTAL	**RM**	**242,542**

7. Authority for allotment of shares and Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016 and Clause 53 of the Company's Articles of Association (Ordinary Resolution No. 7)

The proposed Ordinary Resolution No. 7 is a renewal of the General Mandate for the Directors to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016 and Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016 and Clause 53 of the Company's Articles of Association.

The proposed Ordinary Resolution No. 7, if passed, will authorize the Directors of the Company, from the date of the above Annual General Meeting, to allot shares up to ten per centum (10%) of the issued and paid-up capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. By voting in favour of Ordinary Resolution No. 7, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act 2016 and read together with Clause 53 of the Company's Articles of Association over all new shares to be allotted and issued by the Directors pursuant to this mandate.

As at the date of this Notice, no new shares in the Company were allotted pursuant to the authority granted to the Directors at the Twenty Sixth Annual General Meeting held on 20th June 2023 and which will lapse at the conclusion of the Twenty Seventh Annual General Meeting to be held on 26th June 2024.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

The rationale for this resolution is to eliminate the need to convene separate general meeting(s) from time to time to seek Shareholder approval as and when the Company issues new shares and thereby reducing administrative time and costs associated with the convening of such meeting(s).

8. Proposed renewal of authority for the Company to purchase its own shares (Ordinary Resolution No. 8)

The proposed adoption of the Ordinary Resolution No. 8 is to renew the authority granted by the shareholders of the Company at the Annual General Meeting held on 20th June 2023 to empower the Directors of the Company to purchase not more than 10% of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company. Further information is set out in the Share Buy-Back Statement dated 30th April 2024 which is dispatched together with the Notice of the Twenty Seventh Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

FURTHER DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION

No Directors will stand for election during the Twenty-Seventh Annual General Meeting.

STATEMENT RELATING TO GENERAL MANDATE FOR ISSUANCE OF SECURITIES

The proposed adoption of Ordinary Resolution No 7 as detailed out in the Notice of Meeting is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to Section 75 and 76 of the Companies Act, 2016, and Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016 and Clause 53 of the Company's Articles of Association from the date of the above Meeting, to allot ordinary shares of not more than ten percent (10%) from the unissued share capital of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. By voting in favour of Ordinary Resolution No. 7, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act 2016 and read together with Clause 53 of the Company's Articles of Association over all new shares to be allotted and issued by the Directors pursuant to this mandate.

This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next Annual General Meeting of the Company. This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Twenty-Sixth Annual General Meeting held on 20th June 2023 and which will lapse at the conclusion of the Twenty Seventh Annual General Meeting to be held on 26th June 2024. Hence, no proceeds were raised therefrom.

PROXY FORM

TRC SYNERGY BERHAD
199601040839 (413192-D)
(Incorporated in Malaysia)

No. of Ordinary Shares held

I/We, ______________________________ of ______________________________

____

being a member/members of the above-named Company, hereby appoint:

Name	Email Address	Mobile No.	NRIC/Passport	% of Shares

*And/or failing him/her (delete as appropriate)

Name	Email Address	Mobile No.	NRIC/Passport	% of Shares

or failing which, the Chairman of the Meeting as *my/our proxy to vote for me/us and on my/our behalf at the **Twenty Seventh Annual General Meeting** of the Company, to be held **virtually** at **Board Room, 8th Floor, TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor** on **Wednesday, 26th June 2024** at **10.30 a.m.** and at every adjournment thereof.

I/We direct my/our proxy to vote for or against the resolutions to be tabled at the Twenty Seventh Annual General Meeting as hereunder indicated.

RESOLUTIONS		FOR	AGAINST
ORDINARY RESOLUTION 1	To approve the payment of first and final single tier dividend of 1.20 sen per share for the year ended 31st December 2023		
ORDINARY RESOLUTION 2	To approve the payment of Directors' Fees in respect of the financial year ended 31st December 2023		
ORDINARY RESOLUTION 3	To approve the payment of Directors' Benefits (other than Directors' Fees) to Non-Executive Directors in respect of the financial year ended 31st December 2023		
ORDINARY RESOLUTION 4	To re-elect YBhg Tun Jeanne binti Abdullah as Director of the Company.		
ORDINARY RESOLUTION 5	To re-elect YBhg Dato' Sr. Abdull Manaf Bin Hj. Hashim as Director of the Company.		
ORDINARY RESOLUTION 6	To re-appoint Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
ORDINARY RESOLUTION 7	To grant authority to the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016, and Waiver of Pre-Emptive Rights pursuant to Section 85 of the Companies Act 2016 and Clause 53 of the Company's Constitution		
ORDINARY RESOLUTION 8	To approve the Proposed Renewal of Authority for Share Buy-Back		

(Please indicate with an X in the space provided how you wish your vote to be cast on the resolution specified in the Notice of the Twenty-Sixth Annual General Meeting. If this form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting at his/her discretion.)

Dated this: ____________________

____
Signature/Common Seal

Notes :
1. A proxy may but need not be a member of the Company.
2. To be valid, the proxy form duly completed must be deposited with the Poll Administrator of the Company at Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia or by email to agm-support.TRC@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
3. A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the meeting.
4. A member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the meeting.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an authorized nominee as defined under the Central Depositories Act, they may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
8. Only members whose names appears in the Record of Depositors as at 19th June 2024 will be entitled to attend and vote at the meeting.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

TRC SYNERGY BERHAD
199601040839 (413192-D)

TRC Business Centre
Jalan Andaman Utama
68000 Ampang, Selangor

1st fold here

TRC SYNERGY BERHAD
199601040839 (413192-D)

TRC Business Centre, Jalan Andaman Utama
68000 Ampang, Selangor Darul Ehsan, Malaysia.
Tel: 603-4103 8000

www.trc.com.my