TRC SYNERGY BERHAD
199601040839 (413192-D)

GEARING TOWARDS A
BETTER FUTURE

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CHAIRMAN'S STATEMENT

DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of the Directors, I am pleased to present the Annual Report and Audited Financial Statements of TRC Synergy Berhad and its subsidiaries ("the Group") for the financial year ended 31st December 2021 ("FY 2021").

I AM CONFIDENT TRC SYNERGY BERHAD WOULD CONTINUE TO FLOURISH GOING FORWARD.

ON THAT NOTE, LET US CONTINUE TO STAY SAFE, STAY STRONG AND STAY POSITIVE FOR A BETTER 2022.

DIVIDEND

The Board, in taking cognizant of the Group's positive financial performance in FY 2021 notwithstanding the difficult year as a result of prolonged COVID-19 pandemic which was exacerbated by escalating business and operational costs as well as scarcity of new sizeable infrastructure projects, has recommended a first and final single tier dividend of 1.20 Sen per share for the FY 2021 amounting to RM5,655,464.00. This represents a net dividend pay-out ratio of 25.4% of the core realised net profit achieved for FY 2021, which is higher than the minimum dividend policy of 25% set by the Board. This proposal is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to acknowledge and thank my fellow Directors, especially to our highly respectable Group Managing Director cum construction industry leader, who has always been the key pillar behind the success of the Group, for his invaluable wisdom and foresight in joining hands with the Board Members in charting strategic courses with credible business propositions to ensure the Group remains resilient in an increasingly dynamic business environment.

My sincere appreciation to you, our valued shareholders, government authorities, clients, associates, financiers, fund managers, analysts, business partners, consultants, members of the media, sub-contractors, suppliers, and other stakeholders for your unwavering trust and confidence in TRC Synergy Berhad during this COVID-19 pandemic induced consolidation period. Our Group looks forward to your continuous support as we forge forward to augment our market positioning.

To Team TRC, your high dedication, perseverance and continued work commitment this past year despite tough business conditions had managed to produce another positive result for the Group and further reinforced our core foundation for sustainable growth over medium-long term. Thank you for solidifying the TRC family during these very trying times. As we continue to work hard, innovate and deliver value to our stakeholders, I am confident TRC Synergy Berhad would continue to flourish going forward.

On that note, let us continue to stay safe, stay strong and stay positive for a better 2022.

Thank you.

TUN JEANNE BINTI ABDULLAH
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS OPERATIONS

After a year long battle with the COVID-19 pandemic in 2020, it was hoped that 2021 would bring better results in terms of economic performance. However it has again produced another economic slowdown due to further lockdowns during the first two quarters of the year as a result of another spike in Covid cases during this period.

Fortunately, towards the end of the second quarter economic activities were allowed to resume as a result of the success of the national vaccination program. The reopening of businesses was however, not without disruptions. During this period, businesses could not operate effectively as there were intermittent disruptions to the supply-chain caused by stringent Standard Operating Procedures ("SOPs"). Industries in general were not able to produce maximum yields. As a result, in 2021 the country's Gross Domestic Products ("GDP") contracted to 3.1% as opposed to 5.6% in the previous year.

Also, throughout 2021, industry players came face to face with two immense problems: severe shortage of construction workers and continual increase of prices of major materials. These arose as a result of supply-chain network disruptions and prolonged closure of the country's borders as well as due to the prevailing global geopolitical situation.

Additionally, the continuous implementation of stringent COVID-19 control measures and SOPs for the construction industry in 2021, such as scheduled compulsory COVID-19 tests at construction sites, physical distancing, quarantine requirements and limitations in workforce capacity had an unfavourable impact on the Group's productivity and financial performance.

While acknowledging the profound and overwhelming impact on the economy this pandemic has brought in, TRC Synergy Berhad ("TRCS") has remained steadfast in its determination to face whatever challenges that come its way. In the 38 years of being in this business, the Group has always coped well in every crisis and in fact, came out stronger. It has also demonstrated sustainability and resilience through strong fundamentals, sound business strategies as well as sensible operational practices in its quest for meeting stakeholders' expectations.

Following a quiet period due to the said operational restrictions, the Group returned to the work scene in the third quarter of the year with the focus on optimising turnover outputs from the construction and development forefronts. The Group worked relentlessly to minimize operational and supply-chain disruptions. It quickly resumed work to increase productivity levels upon the lifting of the Movement Control Order ("MCO"). Nonetheless, the safety and health of its workforce was always a priority.

In terms of governance, more emphasis has been put in this area by establishing and adopting the Anti-Bribery and Corruption ("ABC") Policy. The ABC Policy was communicated to all levels of employees as well down to the Group's supply-chain. This is important so that the public and stakeholders can be assured that the board and management have taken efforts to ensure good governance within the group.

ANALYSIS OF FINANCIAL RESULTS

Year 2021 was another tumultuous year where the COVID-19 pandemic continued to have an impact on economic, business, social, and cultural activities during the greater part of the year. As the result, our country's economy, as measured by GDP grew 3.1% Year-on-Year (YoY) in 2021, which was lower than the expected growth forecasted at the beginning of the year, with the construction industry generally suffered a 5% contraction on value of construction work done. Notwithstanding the above, however the fact that GDP as well as construction output had both edged higher in the fourth quarter of the year, in tandem with the easing of COVID-19 pandemic driven containment measures, was encouraging.

During the trying year, the Group had continued to stay resilient by focusing primarily on timely implementation of on-going projects to deliver positive financial result.

PERFORMANCE FOR FY2021

Against this backdrop, how the Group fared financially for the financial year 2021 ("FY2021") is presented below:

For a meaningful comparison and accurate assessment of the financial performance of the Group, it is of paramount importance that we exclude the impact of:

(i) unrealised gain or loss arising from foreign currency exchange movement as it was related to advances given to our foreign subsidiaries within the Group, and these monetary items denominated in foreign currency were retranslated at foreign exchange rates ruling at the reporting date. Any change in foreign exchange rates between the current and the previous reporting date will result in unrealised gain/loss on foreign exchange;
(ii) allowance for expected credit loss / subsequent recovery; and
(iii) impairment of investment in an associate / subsequent recovery, from the reported financials.

Description	Revenue RM'mil	Gross Profit /Margin RM'mil	Operating Profit /Margin RM'mil	Profit Before Tax /Margin RM'mil	Profit After Tax/Margin RM'mil	Net Profit Attributable to Equity Holders RM'mil	Earnings Per Share (EPS) sen
FY2021 Reported	**762**	**57.0/7.5%**	**20.2/2.7%**	**24.2/3.2%**	**18.1/2.4%**	**20.7**	**4.39**
Adjustments for:							
(i) unrealised loss on foreign exchange			1.56	1.56	1.56	1.56	0.34
(ii) allowance for expected credit loss			0.03	0.03	0.03	0.03	
FY2021 - Core	**762**	**57.0/7.5%**	**21.8/2.9%**	**25.8/3.4%**	**19.7/2.6%**	**22.3**	**4.73**
FY2020 Reported	**754**	**54.6/7.2%**	**29.5/3.9%**	**36.7/4.9%**	**27.6/3.7%**	**27.3**	**5.76**
Adjustments for:							
(i) unrealised gain on foreign exchange			(8.31)	(8.31)	(8.31)	(8.31)	(0.72)
(ii) allowance for expected credit loss & impairment of investment in an associate			4.92	4.92	4.92	4.92	
FY2020 - Core	**754**	**54.6/7.2%**	**26.1/3.5%**	**33.3/4.4%**	**24.2/3.2%**	**23.9**	**5.04**
% of Increase/ (Decrease) in Core Numbers	**1.1%**	**4.4%**	**(16.5%)**	**(22.5%)**	**(18.6%)**	**(6.7%)**	**(0.31)**

Note 1: EPS calculation is based on weighted average number of ordinary shares of 473.3 million units for FY2020 and 471.3 million units for FY2021 respectively.

THE GROUP LANDED ON FIRM FOOTING IN FY2021

Despite the prolonged uncertainties brought about by the COVID-19 pandemic, the Group sustained its resilience with total revenue of RM762 million (FY2020: RM754 million) and a gross profit of RM57.0 million (FY2020: RM54.6 million) respectively.

In terms of "core earnings" (after adjustment for impact of unrealised gain/loss on foreign exchange, allowance for expected credit loss as well as impairment loss of investment in an associate as stated in preceding page), the Group reported a:

RM21.8 MILLION
Core Operating Profit ("Core OP")

RM25.8 MILLION
Core Profit Before Tax ("Core PBT")

RM22.3 MILLION
Core Net Profit Attributable to Equity Holders fo the Company ("Core NP")

4.73 SEN
Core Earnings Per Share ("Core EPS")

The above reflected a stable revenue and earnings stream from both the construction and property development divisions as well as a higher contribution from the Group's investment in Australia.

This positive financial performance was again accomplished with the collective effort, hard work, and dedication of all our human capital under the stewardship and guidance of our highly consistent, capable, and experienced Board Members as well as the Senior Management team.

FINANCIAL REVIEW

For FY2021, the Group registered marginal growth in revenue by RM8.0 million (or +1.1% YoY) to RM762 million [FY2020: RM754 million], attributed to higher property sales, improved contribution from investments in Australia amidst the consolidation of the construction division activities as the result of various COVID-19 containment measures imposed during the second and third quarter of the year.

Gross profit was correspondingly higher by RM2.4 million (or 4.4% YoY) to RM57.0 million [FY2020: RM54.6 million].

Core OP was however dragged down by RM4.3 million (or -16.5% YoY), to RM21.8 million [FY2020: RM26.1 million], mainly due to slightly higher administrative expenses.

Consequently, the Core PBT fell to RM25.8 million [FY2020: RM33.3 million], chiefly impacted by lower interest rate earned for our fixed deposit placed with financial institutions.

Meanwhile, Core PAT and Core NP correspondingly declined to RM19.7 million [FY2020: RM24.2 million] and RM22.3 million [FY2020: RM23.9 million] respectively.

Finally, Core EPS ended at 4.73 sen for FY 2021, which was a reduction from the 5.04 sen recorded in FY 2020.

FINANCIAL PERFORMANCE ANALYSIS FOR FY2021

Description	FY2021 RM'mil	FY2020 RM'mil	Changes RM'mil	Changes %
Group Revenue	762	754	8.0	1.1
Gross Profit ("GP")	57.0	54.6	2.4	4.4
GP Margin	7.5%	7.2%	-	0.3
Core Operating Profit ("Core OP")	21.8	26.1	-4.3	-16.5
Core OP Margin	2.9%	3.5%	-	-0.6
Operating Profit ("OP")	20.2	29.5	-9.3	-31.5
OP Margin	2.7%	3.9%	-	-1.2
Core Profit Before Tax ("Core PBT")	25.8	33.3	-7.5	-22.5
Core PBT Margin	3.4%	4.4%	-	-1.0
Profit Before Tax ("PBT")	24.2	36.7	-12.5	-34.1
PBT Margin	3.2%	4.9%	-	-1.7
Core Profit After Tax ("Core PAT")	19.7	24.2	-4.5	-18.6
Core PAT Margin	2.6%	3.2%	-	-0.6
Profit After Tax ("PAT")	18.1	27.6	-9.5	-34.4
PAT Margin	2.4%	3.7%	-	-1.3
Core Profit Attributable to Equity Holders	22.3	23.9	-1.6	-6.7
Profit Attributable to Equity Holders	20.7	27.3	-6.6	-24.2
Weighted average number of ordinary shares (Mil Units)	471.29	473.29	-	-
Core Earnings Per Shares ("Core EPS") - Basic (In Sen)	4.73	5.04	-0.31	-6.2
Earnings Per Share - Basic (In Sen)	4.39	5.76	-1.37	-23.8
Core Earnings Per Shares ("Core EPS") - Diluted (In Sen)	4.73	5.04	-0.31	-6.2
Earnings Per Share - Diluted (In Sen)	4.39	5.76	-1.37	-23.8

Qualifying Notes:
The above 'core' earnings and profits were derived by excluding the impact of unrealised gain/(loss) on foreign currency exchange as well as impairment loss or recovery with the quantum as detailed below:

Financial Year Ended 31 December	FY2021 RM'mil	FY2020 RM'mil
Adjustments made by:		
(a[1]) adding back unrealised loss on foreign exchange	1.56	
(a[2]) minus-off unrealised gain on foreign exchange		-8.31
(b[1]) adding back allowance for expected credit loss and/or impairment of investment in an associate	0.03	4.92
(from the respective reported financials)		

CONSOLIDATED FINANCIAL POSITION ANALYSIS FOR FY 2021

Total Assets & Total Liabilities

On Year-on-Year ("YoY") basis, the Group's total assets reduced by RM12.2 million (or -1.0%) to RM1,163.1 million [FY2020: RM1,175.3 million] while total liabilities declined by RM25.2 million or (-3.4%) to RM708.0 million [FY2020: RM733.2 million], balanced-off by net increase in owner's equity of RM15.5 million, with slight decline in non-controlling interest by RM2.5 million.

The marginal decrease in total assets were primarily attributed to lower amounts in both PPE (-RM11.0 million), other receivables (-RM25.2 million), inventories (-RM11.7 million) and contract assets (-RM20.2 million), which was partially neutralised by incremental in both trade and other receivables (+RM20.3 million) and deposits, cash and bank balances (+RM41.8million). As for total liabilities, the decremental were largely contributed by reduction in both borrowing (-RM80.7 million), trade and other payables (-RM40.4 million), which was partly set-off by higher contract liabilities (+RM99.5 million).

Owners' Equity and Net Assets Per Share Attributable to Equity Holders of the Company

Owners' equity rose by RM15.5 million to RM450.3 million [FY2020: RM434.8 million] on the back of the current year's retained earnings, with Net Assets Per Share Attributable to Equity Holders of the Company rose to 96 Sen from 92 Sen in FY2020.

Current and Quick Ratio

The Group recorded improvements in current ratio at 1.55 times [FY2020:1.47 times] with quick ratio at 1.32 times [FY2020: 1.23 times], which reflected the Group's strong liquidity position in meeting financial obligations.

Description	FY2021 RM'mil	FY2020 RM'mil	Changes	
			RM'mil	%
Non-Current Assets	277.2	316.0	-38.8	-12.3
Current Assets	885.9	859.3	26.6	3.1
Total Assets	1,163.1	1,175.3	-12.2	-1.0
Non-Current Liabilities	136.9	149.8	-12.9	-8.6
Current Liabilities	571.1	583.4	-12.3	-2.1
Total Liabilities	708.0	733.2	-25.2	-3.4
Equity Attributable to the Equity Holders of the Company	450.3	434.8	15.5	3.6
Non-Controlling Interest	4.7	7.3	-2.6	-35.6
Total Equity	455.0	442.1	12.9	2.9
Current Ratio (Times)	1.55	1.47	0.08	-
Quick Ratio (Times)	1.32	1.23	0.09	-
Net Assets Per Share Attributable to Equity Holders	96 sen	92 sen	4 sen	-

CONSOLIDATED CASH FLOW ANALYSIS

The Group's cash & cash equivalent at the end of FY2021 advanced to RM135.8 million [FY2020:RM101.6 million], representing a net increase of RM34.1 million. The strong cash position was backed by RM129.4 million net cash generated from operating activities, with part of it used to pare down borrowings as shown by RM97.6 million net cash used in financing activities.

The Group's cashflow would augur well for both its current projects as well as future undertakings.

Description	FY2021 RM'mil
Net Cash Generated From Operating Activities	129.4
Net Cash Generated From Investing Activities	2.3
Net Cash Used In Financing Activities	-97.6
Net Increase in Cash & Cash Equivalent for the Year	34.1
Effects of Foreign Exchange Rate Changes	0.1
Total Cash & Cash Equivalent at the Beginning of Year	101.6
Total Cash & Cash Equivalent at the End of Year	135.8

CAPITAL MANAGEMENT

The Group's net cash was significantly enhanced to RM151.0 million in FY2021 from RM28.4 million in FY2020. The strong and healthy balance sheet would place the Group in a position of strength with much flexibility in terms of the utilisation of internal funds and/or bank financing at favourable terms for business operations and expansion.

Description	FY2021 RM'mil	FY2020 RM'mil
Deposits, Cash and Bank Balances	314.0	272.2
Total Borrowings	163.0	243.8
Net Cash	151.0	28.4
Net Gearing Ratio	Not applicable	Not applicable

REVIEW OF GROUP OPERATING ACTIVITIES

The Group maintained its focus on what it knows best – the construction and property development business. These were the Group's mainstays for the last 38 years.

As mentioned earlier, the Malaysian construction industry continued to be burdened by the adverse impact of the unprecedented COVID-19 pandemic, especially in terms of potential risks of infections to the workforce. High compliance costs especially on regular testing and quarantine requirements also posed a challenge to industry players. Additionally, another crucial challenge faced by the Group was the uncertainty to replenish its order book stemming from reduced capital expenditure by the government as well as the private sector.

In FY2021 the construction division continued to place its attention on completing its existing projects as well as those projects which were slowed down by the MCO in the first two quarters. This was not an easy feat as disruptions in the business supply-chain were inevitable. Stringent SOPs also resulted in loss of work momentum and subsequently, delays of project. Nonetheless as this division was well prepared with adequate internal processes that were adopted throughout the organization it was able to comfortably soften the impact of the said disruptions. Additionally, adequate Extension of Times were also granted to alleviate the said delays.

The two major projects which were nearing completion were the MRT2 guideway package V205 in Sungai Besi and the MRT2 Depot project in Serdang. For package V205, all launching works were completed on time. Only minor external works such as carparks, drainage, roadworks and signages were yet to be completed. The Certificate of Completion and Compliance for this project is anticipated to be obtained in the first quarter of 2022. Meanwhile the MRT2 Serdang Depot project was handed over when the Certificate of Practical Completion was obtained in December 2021.

◀ **MRT 2 Guideway & Stations (V205) – Sungai Besi**

Other on-going projects such as LRT3 Depot in Johan Setia, mixed development in Precint 8, Putrajaya and MRSM in Ranau, Pan Borneo Highway - Sarawak and BNM Mint Modernization Mint Modernization in Shah Alam are in progress despite the unprecedented challenges due to labour shortages in the construction industry as a result of the prolonged closure of the country's borders.

LRT3 Depot – Johan Setia ▶

The construction division is also executing the construction of two projects for the property development division i.e. the PERLA Ara Sentral residential units in Ara Damansara and Perumahan Penjawat Awam Malaysia ("PPAM") in Putrajaya. PERLA Ara Sentral is targeted to be completed in the third quarter of 2022 while PPAM is due in the first quarter of 2023.

◀ **PERLA Ara Sentral – Ara Damansara**

A good portion of the division's order book has been translated into turnover for FY2021, at RM 556 million. This achievement contributed to 73% of the overall Group turnover, slightly lower than the previous year's contribution of 79%. As a consequence, the division's order book value is now at RM1.17 billion. Replenishing its order book is imperative at this juncture in order to ensure its financial sustainability in the coming years.

Pan Borneo Highway-Sarawak ▶

REVIEW OF GROUP OPERATING ACTIVITIES (CONT'D)

In FY2021 the tender business was relatively quiet. As a result of reduced capital expenditure, there were only a handful of sizeable tenders which were rolled out either by the government or its agencies. The tender division participated in tenders valued at RM1.5 billion as compared to RM3.17 billion in FY2020. Unfortunately, the division did not manage to secure any projects from these tender exercises. The lack of tender awards was cushioned off by the property development forefront where it contributed significantly to the Group's coffers. Taking a step back from pursuing more projects in FY2021 which the Group did, was a sensible decision after taking into account the current market environment in terms of material prices volatility and severe construction labour shortage. The division is hopeful that FY2022 would be a better year when the material prices stabilizes and the country's borders are reopened.

As regards the property development division, the development of PERLA Ara Sentral residential units in Ara Damansara and PPAM in Putrajaya which commenced three years ago continued to progress well.

92.3% SOLD
SALES PERFORMANCE

The sales performance of the development project in Ara Damansara was encouraging. As regards of the 468 open market units, 432 or 92.3% has been sold. In terms of the 180 affordable units, 104 or 57.8% has similarly been sold. This sales performance was commendable after considering the effect of the pandemic and the MCO. The government's decision to extend the HOC campaign until the end of FY2021 has also helped to achieve the above sales. Looking at these scenarios the division is confident that all units will be sold in FY2022.

Based on the positive outlook in the first phase of PERLA Ara Sentral development the division is now planning to continue the second phase within the next two years.

▲ **PERLA Ara Sentral – Ara Damansara**

Similarly, the PPAM project progress is at 77.4% at the time of reporting, and its completion is targeted in first quarter 2023. Perbadanan Putrajaya continues to gradually provide the Group with the approved list of potential buyers and to date 205 units have been sold from the total of 500 units.

Turnover wise, the division has contributed quite significantly at 16% of the total group turnover and is projected to continue to provide a steady income to the group in subsequent years.

◄ **PPAM – Putrajaya**

In Australia, the Element by Westin Hotel participated in the hotel quarantine program by the Australian government for most of FY2021. With the closure of the program and the relaxation of SOPs by the Victoria State Government the hotel will officially open for commercial business in January 2022. The Element Hotel reported a turnover of RM29.41 million, which was a significant increase from the loss experienced in the preceding year. There were no significant new developments recorded in Springridge since the last report.

As mentioned, throughout FY2021 the growth of both the construction and property development industries in this country continued to be hampered by the after effects of the pandemic. Despite these challenges the Group performed fairly well in relation to the previous year and to the construction industry in general. Details of the Group's financial performance is discussed in the above section under Analysis of Financial Results.

RISK MANAGEMENT AND RISK FACTORS

The Group has further strengthened the implementation of the Risk Management Framework it adopted in the previous year by establishing a dedicated Risk Management Working Committee ("RMWC") that comprises members from relevant department heads and led by a Risk Manager. This team is responsible for delivering training sessions and organising workshops for relevant departments and employees to create awareness down to the working level. The RMWC was also actively engaged with employees in general to assist them in identifying, monitoring and analysing potential risks.

On top of the list for strategic risk management is to manage cash flow and to maintain sufficient liquidity. This is crucial for the Group in order to ensure that it is able to meet its financial obligations. To be able to do so, the Group adopted a strict approach to its credit and payment procedures. At the same time continuous financial and debt assessments were performed to monitor the Group's financial health.

The COVID-19 outbreak still posed a substantial risk to the Group's operations. To mitigate this risk, a comprehensive dynamic SOPs was established, implemented, and improved from time to time in line with the government policy on COVID-19.

Labour shortages continue to be one of the main concerns for the Group. Operational productivity moves in tangent with sufficient workforce. Prolonged border closure results in the inability to bring workers in. Usage of plant and machineries are being optimized accordingly, but there are still tasks that need skilled labour inputs such as carpentry and masonry.

One of the mitigation measures that the Group embarked upon in collaboration with the Malaysian Prison Department was the provision of on-the job training (OJT) to prison inmates who were scheduled to be released or paroled. They were deployed to project sites with a view to be offered employments subject to good performance. To date the construction division has trained 100 inmates and a handful have been offered job placements upon completion of their OJT. Admittedly, this measure is still not able to fully solve the labour shortages issue. Therefore, the Group is hopeful that the government will expedite foreign labour entry into the country.

Meanwhile, prices of major construction materials continued to show an upward trend. As much as practicable, the Group utilizes value-chain management to maximize best price and savings.

GROUP'S FUTURE OUTLOOK AND PROSPECTS

Taking into account the uncertainty in the business environment due to the upward trend of construction material prices, intense competition, prolonged adverse impact of the COVID-19 pandemic and coupled with geopolitical uncertainties, the overall outlook for the Group is heavily dependent upon economic recovery arising from the revival of mega infrastructure projects as announced by the government in the 2022 budget. To address both the short and long term business challenges, the Group will align its business strategy to consolidate its operations and apply leaner resources management.

The Group will continue to explore collaborations and partnerships as well as broaden its clientele base especially in the private sector in order to drive the replenishment of the order book and improve revenues. As the growth of the construction sector is anticipated to slow down, the Group's property development division is expected to deliver more revenues in the following years.

Other than the financial score cards, the Group will also emphasize on aspects such as quality, occupational health and safety, customer satisfaction as well as compliance and adherence to the industry's legislation and regulations.

In summary, with the existing strong organizational fundamentals, the Group is confident that it will be able to continue showcasing stellar performances in the future to meet and exceed stakeholders' expectations, although the changes that it will be facing will be immense.

SUSTAINABILITY STATEMENT

INTRODUCTION

TRC Synergy Berhad ("the Company") and its group of companies ("the Group") are committed to embracing sustainable practices across our organization as part of the Group's unwavering determination to foster a sustainable business and future. Sustainability efforts taken under the environmental, economic and social pillars encapsulate our vision to build a legacy of sustainable growth as the preferred leading construction group in Malaysia.

The objective of this Sustainability Statement is to share the progress and improvements made during the financial year 2021 ("FY2021") with regard to the Group's sustainability initiatives and also to highlight the measures undertaken by the Group in facing the challenges of the COVID -19 pandemic throughout FY2021.

SCOPE OF SUSTAINABILITY REPORTING

This Sustainability Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Sustainability Reporting Guide (2nd Edition) issued in 2018. It covers the reporting period from 1st January 2021 to 31st December 2021.

There were no significant changes in the scope of the Sustainability Statement as compared to the preceding financial year. Geographically, the focus of this statement covers the Group's business activities in Malaysia as well as in Melbourne, Australia. This statement also covers activities which are related to the Group's three main businesses namely construction, property development and investment. Projects and subsidiary companies that are based elsewhere are excluded from this statement since they made no significant impact on the Group's operations and revenue in FY2021.

The scope of this Sustainability Statement covers the following projects/segments:

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Subsidiaries
- Trans Resources Corporation Sdn Bhd ("TRC")
- TRC Land Sdn Bhd ("TRCL")
- ADS Projek Sdn Bhd ("ADS")
- TRC Niaga Sdn Bhd ("TRCN") *(formerly known as TRC Concrete Industries Sdn Bhd)*
- Trans Handan Bridge Sdn Bhd ("THB")
- TRC (Aust) Pty Ltd

Projects
- MRT2 Package V205 ("V205")
- MRT2 Package DPT201 ("DPT201")
- LRT3 Package TD2 ("TD2")
- Pembangunan Perumahan Awam Malaysia ("PPAM")
- MRSM Ranau ("Ranau")
- Mixed Development Tower, Precinct 8, Putrajaya ("8MD3")
- Residential Tower, Ara Damansara, Petaling Jaya ("PERLA Ara Sentral")
- MRT 2 Package S208 ("S208")
- BNM MINT Modernisation Project

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

SUSTAINABILITY GOVERNANCE AND IMPLEMENTATION

In line with the Group's effort to be a responsible corporate entity where the Group is committed to embracing sustainable practices across the Group, it established its Sustainability Policy in 2017 encompassing all aspects of ethical business practices, which includes environmental, social, and economic issues.

The policy's main objective is to promote sustainable practices in the company across all levels, from the Board of Directors of the Company and the Group's Senior Management to all other levels of personnel. This is achieved by integrating principles of sustainability into the Group's strategies, policies, and procedures, creating a culture of sustainability within the Group.

In 2019, the Board of Directors of TRC Synergy Bhd ("the Board") established the formation of a Sustainability Committee whose main objective is to assist the Board in fulfilling its responsibilities and objectives in matters related to implementing sustainability business practices. This Committee is then supported by the relevant departments of the Group namely the Corporate Affairs, Quality Safety Health & Environmental ("QSHE"), and Human Resources ("HR") Departments. Also included are representatives from YTRC. This working group is tasked with ensuring the effective and successful implementation of the Group's Sustainability Policy. The respective personnel of the aforementioned departments/units form the Sustainability Working Committee ("Working Committee") which is headed by the Chief Executive Officer ("CEO") of Trans Resources Corporation Sdn Bhd ("TRC"), the Group's main subsidiary. The Working Committee reports to the Sustainability Committee.

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

BOARD OF DIRECTORS

- Oversees the progress of the Group's sustainability initiatives.
- Reviews and approves sustainability strategies, policies and initiatives.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is currently comprised of 3 Board Members and the CEO of TRC

- Develops sustainability policies and oversees the implementation of sustainability-related strategies and initiatives.
- Reports sustainability plans and progress to the Board.
- Reviews and approves sustainability internal guidelines, framework and targets.
- Assist in the integration of sustainability considerations into business planning and strategy, risk management, processes and culture.
- Annually review the Sustainability Statement and recommend to the Board for approval.

WORKING COMMITTEE

The Working Committee is currently comprised of representatives of Corporate Affairs, QSHE, HR and YTRC and headed by the CEO of TRC

- Collects and monitors data to evaluate the Group's sustainability progress.
- Develops sustainability-related guidelines and documents for internal use.
- Reports to the Sustainability Committee on the progress of the Group's Sustainability efforts.

STAKEHOLDERS ENGAGEMENT

Stakeholders' engagement is fundamentally valuable in ensuring that the Group's sustainability approach remains inclusive. Effective engagement with the stakeholders is critical towards understanding and fulfilling their expectations. These are then translated into the Group's goals which will subsequently form the basis of effective strategy development for the Group.

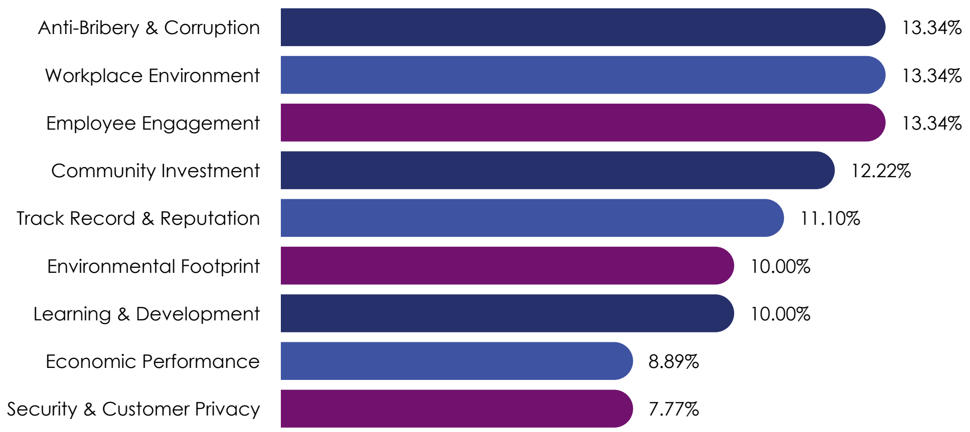
Within the limitations imposed during the COVID-19 crisis, the Group has been periodically engaging with the following stakeholders:-

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

STAKEHOLDERS' ENGAGEMENT SURVEY

In FY2021, official engagement with the stakeholders was conducted via the Engagement Survey Form ("the Survey") which was sent to them via email. It was also made available on the Company's website for easy access. The Survey was aimed at identifying and analysing the stakeholders' priorities.

Materiality Chart



From the above nine (9) sustainability matters, the Company noted the following 5 top sustainability matters prioritized by its stakeholders and explained its implementations and initiatives for the FY2021 as follows:

	Top Sustainability Matters	The Implementations/Initiatives
1	Anti-Bribery & Corruption	Reported under Economic Sustainability - Corporate Governance of this Sustainability Statement
2	Workplace Environment	Reported under Quality, Safety, Health and Environment ("QSHE") of this Sustainability Statement
3	Employee Engagement	Reported under Social Sustainability - Talent Management of this Sustainability Statement
4	Community Investment	Reported under Social Sustainability – Corporate Social Responsibility ("CSR") of this Sustainability Statement
5	Track Record & Reputation	Reported under Economic Sustainability – Track Record and Reputation of this Sustainability Statement

The Group recognizes these issues may change over time, reflecting changes in our business, external operating environment and stakeholder expectations. The results of the materiality assessment help us refine our business strategy, sustainability framework and related targets.

THE GROUP'S SUSTAINABILITY FRAMEWORK

Considering the feedbacks from the Group's stakeholders and the Sustainability Policy established by the Group, the material sustainability matters that are relevant to the Group's long-term success for the FY2021 business remained as identified in the financial year 2020 as follows:

SOCIAL SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY ("CSR")
- Employees' Welfare
- Donations to Community
- Protection of the Environment

TALENT MANAGEMENT
- Caring for Employees
- Training & Development
  - *Industry Knowledge Building*
  - *Opportunities for Learning & Growth*
  - *Industry and Education Training Programs (INTERNSHIP, WBL & PROTÉGÉ)*
- Yellow Ribbon Program – Orang DiSelia (ODS)
- Recruitment/Remuneration Paid to Senior Citizens
- Demographic
  - *Empowering Women in the Workforce*
- Performance Management

QUALITY, SAFETY, HEALTH, AND ENVIRONMENT ("QSHE")

- Quality of Works
- Health and Safety
- Environment
- Sustainable Future
  - Sustainability Initiatives
    - → Creating and Raising Awareness
    - → Our Commitment to the Environment
  - COVID-19 Initiatives
    - Workers Welfare
    - Element Melbourne Richmond Hotel

ECONOMIC SUSTAINABILITY

- Corporate Governance
- Track Record and Reputation
- Business Sustenance and Growth

(A) SOCIAL SUSTAINABILITY

Corporate Social Responsibility – CSR

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

Therefore, the Group is actively pursuing CSR activities which are primarily under the purview of YTRC, a foundation established by the Group to ensure that the people within and outside the Group benefit from the existence of YTRC.

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.

▲ **Contribution to Orang Asli village**

(A) SOCIAL SUSTAINABILITY (CONT'D)

Corporate Social Responsibility – CSR (cont'd)

The initiatives undertaken by the Group via YTRC in FY2021 were as follows:

1. Employees' Welfare

- Financial assistance amounting to RM4,015.00 to employees who pursued their off-campus studies at local universities.
- Financial assistance amounting to RM 7,821.00 to employees' children who pursued their studies at local universities.
- Educational aids amounting to RM3,000.00 to employees' children who sat for the Sijil Pelajaran Malaysia ("SPM")examinations.
- Academic Excellence Award is rewarded to the employees and their children who obtain excellent results in SPM and semester examinations at the Diploma and Degree levels amounting to RM19,600.00.
- Bereavement Contribution for immediate family members of the employees amounting to RM2,000.00.
- Marriage and new born child incentives amounting to RM18,400.00.
- One-off cash donation amounting to RM 10,000.00 to the Group's employee whose family was greatly affected by the COVID-19 pandemic under the "Siri Bantuan Khas COVID-19" scheme.
- Donations amounting to RM6,000.00 in the form of daily essentials to selected employees of the Group who fall under the B40 household income category under the "Program Bakul Kasih YTRC".

▲ **Chinese New Year Contribution**

▲ ***Program Bakul Kasih YTRC***

2. Donations to Community

The Group understands the value of partnering with the communities in which it operates. 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 activities.

The following were undertaken by YTRC to promote a strong sense of community:

"Program TRC Prihatin"

- Donations amounting to RM7,200.00 in the form of cash and daily essentials to Pusat Penjagaan Warga Emas Xiao Xin and Wan Hing in conjunction with the Chinese New Year celebrations.
- One-off donation amounting to RM10,000.00 to a former employee of TRC who suffered from a serious health issue.
- Donations amounting to RM20,000.00 in conjunction with Ramadhan Al-Mubarak in the form of basic food supplies to 200 families living within the vicinity of the Group's headquarters.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Corporate Social Responsibility – CSR (cont'd)

2. Donations to Community (cont'd)

"Program Jalinan Ilmu"

YTRC Scholarship in the amount of RM22,000.00 awarded to two selected students of University Tun Hussein Onn.

▲ **MOU signing ceremony between YTRC & UTHM**

"Siri Bantuan Khas COVID-19"

- Donations of Smart Phones to selected SPM candidates from Sekolah Menengah Taman Melawati and Sekolah Lembah Keramat who are under the B40 household income category. This amounted to RM10,000.00.
- Donations in the form of daily essentials amounting to RM1,500.00 to a resident of the Kampung Orang Asli at Hulu Kemensah, Hulu Kelang who has two disabled children and had lost his job due to the COVID-19 pandemic.
- Donations of vouchers valued at RM4,000.00 to the dispatch and food delivery riders at the Group's headquarters.
- Food donations amounting to RM8,000.00 to the frontliners at Hospital Putrajaya, Hospital Serdang, Hospital Tengku Ampuan Rahimah Klang, Taman Melawati Police Station and Hulu Kelang Police Station.

▲ **Food donations to frontliners**

▲ **Donation of smartphones to SPM candidates**

3. Protection of the Environment

The world has witnessed an unprecedented human impact on the natural environment that threatens the viability of life on Earth. It is the aspiration of the Group to manage its operations in a socially and environmentally responsible manner. Apart from the measures taken by QSHE, YTRC itself has organized an Environmental Program i.e., "EYTRC Earth Hour Dinner in the Dark Challenge" to promote environmental awareness. Vouchers amounting to RM800.00 were awarded to four selected winners.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management

The Group values highly the trust placed in the Group by its employees. During the pandemic, the Company made various significant initiatives to support and ensure its workforce was safe from the COVID-19 virus.

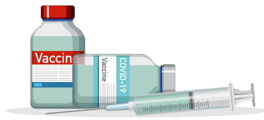
1. Caring For the Employees

To protect its employees' safety and wellbeing, the Group complies with established guidelines, rules, regulations and requirements imposed by the Government and relevant authorities throughout the COVID-19 MCOs. Given the impact of the COVID-19 pandemic on the economy and employment, the Group protected its employees via various measures that encompasses COVID-19 tests, vaccinations, establishment of COVID-19 guidelines, and revision of operational procedures (e.g., working from home). As an added precaution, the Group also managed its COVID-19 quarantine quarters and kept track of COVID-19 cases affecting its employees.

The Group also collaborated with external agencies in order to curb the spread of the COVID-19 virus in the community and at the workplace. It conducted COVID-19 RTK tests on all personnel including foreign workers at various project sites and Head Office. A series of COVID-19 tests also took place on non-employees of the Group. The Group spent RM216,891.00 on COVID-19 related costs during FY2021.

The Group participated in the industry wide COVID-19 vaccination program organized by the Construction Industry Development Board (CIDB) under the CIvac program which helped accelerate the vaccination rate in the construction industry. The Group registered a total of 1578 of its workforce including foreign workers and subcontractors for COVID-19 vaccines. The event took place at the CIDB Convention Centre, Kuala Lumpur at a total cost of RM142,020.00.

▼ *The employees at Construction Industry Vaccination (CIvac) Program organised by CIDB*



By the end of 2021, the Group achieved more than ninety-nine percent (99%) of COVID-19 vaccination rate for its workforce. Nevertheless it continues to impress upon its employees on the importance of adhering to all the standard operating procedures (SOPs) and guidelines that the group has developed.

There have been a lot of uncertainty surrounding the way work is done amidst the COVID-19 pandemic, but one thing is certain, the Group recognizes and appreciates the hard work of its employees. The Group continues to provide free lunches to its employees. In FY2021, the Group spent RM84,060.00 on catered lunches for its employees at the office.

Apart from that, the Company also offers and maintains free covered parking facilities for its employees. This initiative by the Company is considered to be a valuable perk as parking spaces in the city can be very costly.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

2. Training & Development

The Group believes in encouraging every individual employee to reach their highest potential. It also supports and values continuous learning and development that can also increase the capabilities of its workforce. Hence, all employees are encouraged to attend the various training programs that have been made available to them. During FY2021, the Group allocated RM100,000.00 for purposes of developing and upskilling its employees

As such, the Group's employees continuously participated in training programs, courses and conferences. Although the COVID-19 pandemic presented operational challenges for the Group's initiatives, training programs were delivered through digital channels where necessary.

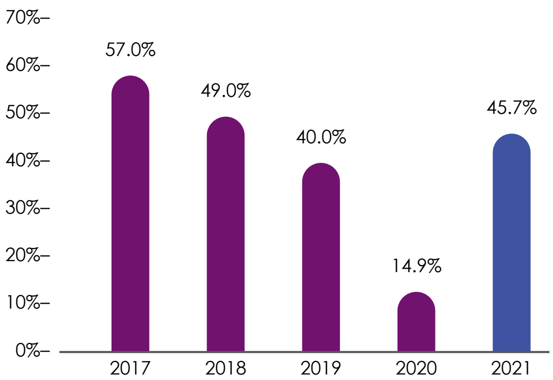
▲ **Graduate training program conducted virtually**

The Company's Centre of Excellence (COE) facility operated alongside its Human Resources Department Training & Development unit for engagement initiatives with its employees. For the most of FY2021, meetings, audit compliance certifications, employees' on-boarding and inductions, job interviews, interns' presentation assessments and PPI Technical Career Talks were held online led by the Company's internal talents with the support of its internal experts from the project sites and Head Office.

The Group invested RM75,084.50 for training programs in FY2021 including soft skills training for its Protégé graduates.

The number of the Group's employees (expressed as a percentage) who attended training programs from 2017 to 2021

Summary of Five (5) Years KPI Training Hours



FY2021 Highlights

RM50,704.50
Total expenditure on training and development

241
Number of employees who participated in training

94.48 hours
Average training hours per employee

Note: the above figures exclude soft skills training for the Company Protégé graduates of RM24,380.00

Apart from the training programs for the employees, the Company believes that it is also crucial to ensure that the Board Members are updated with appropriate skills and knowledge so as to enable them to discharge their duties effectively. Hence, they are encouraged to attend training programs in order to supplement their knowledge in the various fields relevant to them.

The details of the training programs attended by the Directors are set out in the Corporate Governance Overview Statement of this Annual Report.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

2. Training & Development (cont'd)

Industry Knowledge Building

The Group has also participated in the training and development programs that were organised by the Construction Industry Development Board ("CIDB"), National Institute of Occupational Safety and Health, Department of Occupational Safety and Health ("DOSH"), PETRONAS and other subject-matter experts to strengthen the employees' industry knowledge.

The Group continues to encourage and support its employees to participate in recognized professional programs and seminars such as Project Waste Management/PMI-RMP, Site Safety Supervisory, Scaffolding Competency, Lifting Supervisory Course, Financial Auditing for External Auditors, Audit Report Writing Skills for Internal Auditors, and Enforcement of the Latest Amended Act 446 Under the Emergency Ordinance.

The Group also has its own in-house industry knowledge customizable training modules for the development of QSHE internal auditors, internal audit and risk management experts. Information sharing sessions for employees that were conducted in FY2021 included Auditors' Briefing, Purchasing Procedures, Recruitment Process & Procedures, Induction & On-boarding, Fire Alarm- Safety Awareness Briefing, Risk Management, QLASSIC, Anti Bribery and Corruption Policy Briefing and Sustainability Briefing. These are for purposes of the continuous education of its internal talent pools as well as inculcating a learning culture within the Group.


On-site field work learning exposure

Opportunities for Learning & Growth

COVID-19 has been devastating to the economy and the community at large. This was due to the movement restrictions and strict prohibition on crowds. The Group organised a series of 23 knowledge and information sharing sessions in FY2021 by its own talents and the Pensyarah Pelawat Industri (PPI). These sessions which saw a mix of professional speakers from its very own internal talents speaking and sharing about their experiences recorded more than 178 participants.

The PPI Program, introduced in 2018, serves as a platform for the Group's own internal talents the opportunity to showcase their experience, skills and competencies validating them on the Group's talent pool base and at the same time supplementing the business operations by becoming the Group's ambassador and learning partners. This program also gives the participants the opportunity to acquire informative learning insights from the Group's skilled professional team as well as access to the Group's project portfolios.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

2. Training & Development (cont'd)

Industry and Education Training Programs (INTERNSHIP, WBL & PROTÉGÉ)

The Group recognises that 2021 was a difficult time for fresh graduates entering the workforce. The Group is committed to providing its young professionals with a helping hand to start their career. The Group has several internship programs and on-the job training placements as well as graduate training programs such as the 3 to 6 months internship for final year college and university students, the Work-Based Learning (WBL) for students in bachelor's in construction technology (BACT) and Rail Engineering in collaboration with Politeknik Ungku Omar (PUO) and Universiti Tun Hussein Onn Malaysia (UTHM) respectively. Additionally, the Company also participated in the Malaysian Government's Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ) Program for young graduates.

▲ **Word-Based Learning program conducted at our Centre of Excellence facility**

The Group currently has seven (7) WBL Program students and to- date, the Group has trained 35 students since the program began 2016. In addition, a total of 85 graduates were selected to participate in the Protégé program from 2017 to-date.

These programs help to build a skilled national labour pool by allowing the Group's young graduates to acquire valuable industry experience and skills beyond the classroom. The internship and training programs have also helped the Group to source for promising talents for its diversified businesses.

It was not an easy year for the Group's internship and graduate training programs in FY2021. The Group's programs were conducted virtually, and assignments were done remotely for most parts of the year due to the pandemic. These were administered fully by its teams at the project sites and Head Office. It has taught the employees to be independent, adaptable and versatile during difficult times. In all, 84 students and graduates were trained under these programs in FY2021, at a cost of RM144,163.87.

292
Internship applications received

28
Virtual interview sessions conducted

72
Students & graduates' placement at various Group's projects and departments

3
Site walks/field work learning exposure conducted for students

FY2021 HIGHLIGHTS

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

3. Yellow Ribbon Program - Orang DiSelia (ODS)

The Group continues to contribute positively to society by offering ex-offenders/prisoners access to meaningful employment. The Group recognizes that everyone deserves a second chance.

The Group's collaboration with the Malaysia Prisons Department in offering employment opportunities to the ex-offenders/prisoners, also known as 'Orang DiSelia' (ODS) via the Yellow Ribbon Program helped fill vacant positions due to skills and labour shortages. To-date, the Group had successfully employed more than 100 ODS for placement at the TRC TD2 Project: Light Rail Transit Line 3 (LRT3). Six (6) of them were offered employment as general workers in TRC upon their parole in 2021.

The ex-offenders/prisoners (ODS) had some education and experience and were also exposed to learning material in the prisons. Hence, many of them had the skills needed for the TRC TD2 project.

The Group spent RM476,963.73 on salaries, wages, allowances and transportation expenses to make the program a success for FY2021. The Group hopes that this program can be further continued in the future and expanded to other TRC projects. It can be the best example of the Group's efforts to continuously collaborate with the Malaysian Prisons Department.

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

Food donations to police station

4. Recruitment/Remuneration Paid to Senior Citizens (Above age of 60 years with last drawn salary RM4000 and below)

The Group's workforce also comprises of suitable and able workers aged 60 years and above including those who have worked with the Group until they have attained the compulsory retirement age of 60 years. They were hired and/or rehired on a fixed term contractual status at the Group's operation and business requirements. In FY2021, the Group spent RM316,663.17 on the Senior Citizens. The oldest employee was 68 years old.

For this program, LHDN Malaysia allows the Group to enjoy double tax deduction in its yearly income tax submission.

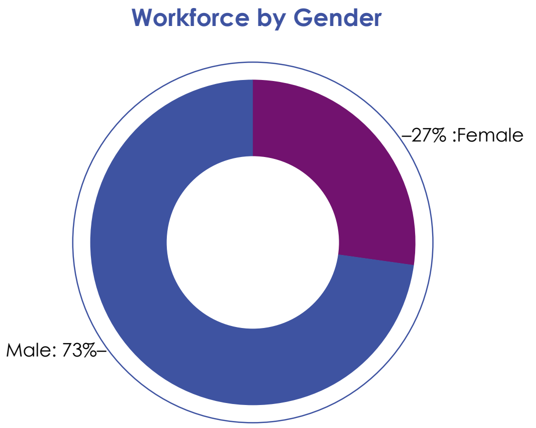
(A) SOCIAL SUSTAINABILITY (CONT'D)

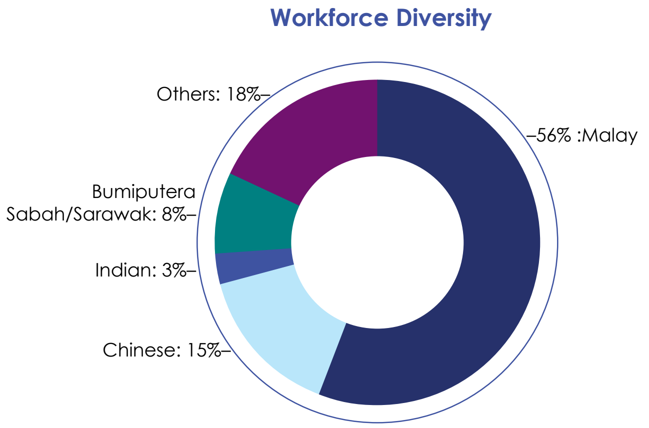
Talent Management (cont'd)

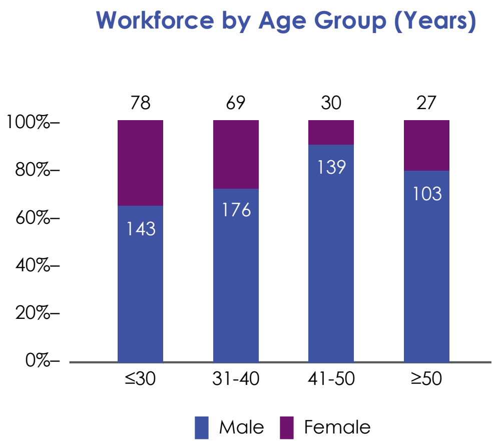
5. Demographics

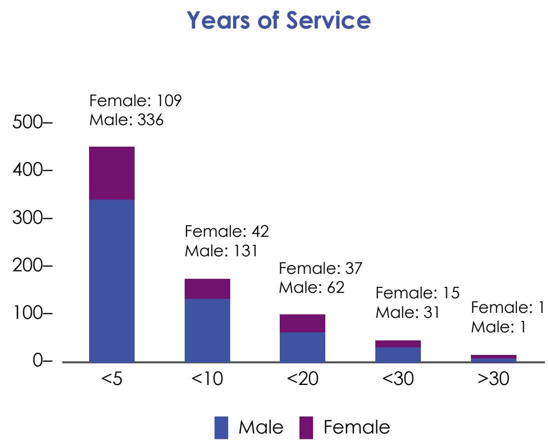
The Group hires a wide range of diverse individuals with varying attributes, personalities and physical characteristics. The Group's strength lies in the diversity of its strong, dedicated and committed workforce working at various locations in Malaysia.

Workforce by gender, age, years of service and ethnic diversity is represented below:









Empowering Women in the Workforce

In addition to the Main Market Listing Requirements ("MMLR") and recommendations by the Malaysian Code on Corporate Governance ("the Code"), a Board policy was established to ensure that candidates of diverse genders, ages, and cultural backgrounds with the appropriate mix of skills, knowledge, experience, and independence are sought as part of the Group's recruitment exercise. It is therefore worthwhile to note that women now make up 27% of the Group's workforce.

The Group has also, since 2018 rigorously tracked on a monthly basis the Group's diversity and gender representation through its Operations Meeting updates.

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

5. Demographics (cont'd)

Empowering Women in the Workforce (cont'd)

Details of the Group's Female Representation in FY2021 are as follows:

Detail	Board of Director	Top & Senior Management	Senior Managers & Manager	Senior Executive & Below	Total
Total women personnel	2	6	21	175	204
Total personnel	5	26	73	661	765
Against total personnel in respective category/ classification	40.00%	23.07%	28.77%	26.48%	27.00%

In response to the ongoing challenges, the Group has provided measures and practices that benefit its workforce, especially female employees. These include:

(a) implementation of new health declaration update;
(b) implementation of guidelines and procedures in addressing the COVID-19 pandemic;
(c) allocation of vehicle parking bays reserved for pregnant employees and those with health issues;
(d) allocation of sick bay;
(e) flexible work arrangements (FWAs);
(f) implementation of new attendance systems via Thermal Face Scanner (In & Out) to automatically capture the attendance and also the body temperature of staff; and
(g) Easy to use leave application procedures via e-portal.

The Group is also cognisant of the need to review its employees' needs and analyse the impact of what the Group does to ensure its efforts reflect the changing requirements of its workforce.

▲ **Donations to old folks home**

▲ ***Program Bakul Kasih YTRC***

(A) SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (cont'd)

6. Performance Management

The Group recognizes the need to manage, monitor and evaluate its employees' performance effectively. Through appraisal exercises, the Line Managers and employees are given an opportunity to have a conversation on the employee's performance and provide feedback for improvement. These on-going performance appraisals have shown encouraging results allowing the Group to identify its talent internally as well as other critical gaps in skills, competencies, strengths and weaknesses.

The results of the Group's employees' appraisals in the past years are shown below:

Year	2019	2020	2021
Employees Eligible for annual appraisal exercise	*521	*527	*464
Employee Appraised (*Based on employees who are eligible to participate in the annual appraisal exercise)	488	476	394
Appointment Confirmation (Employees appraised and assessed of their performance on completion of required probationary period)	Hired - 186 Confirmed - 74	Hired - 89 Confirmed - 60	Hired - 60 Confirmed - 32
Career & Salary Progression • Salary adjustment/revision • Promotion • Redesignation (Employee assessed and recommended for salary adjustment/ revision, promotion and redesignation)	211 178 21 12	159 124 25 10	132 112 15 5

In FY2021, a total of 164 employees received appointment confirmations and recognition of their work performance by way of salary adjustments, promotions and re-designations.

(B) 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 Organisation) 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.

Mission Statement

To be a leading construction company in the region for building and civil engineering works by completing projects on time, within budgets, and **EXCEL IN QUALITY, SAFETY, HEALTH, AND ENVIRONMENT**

TRC 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 certification. Every employee receives a controlled hard copy of the QSHE Manual, which is part of the QSHE Management System Documentation, as well as a soft copy on the Group's general server. 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.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Quality of Work

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

TRANS RESOURCES CORPORATION SDN BHD
198401007746 (120285-P)

QUALITY, SAFETY, HEALTH & ENVIRONMENTAL POLICY

The management and staff of Trans Resources Corporation Sdn Bhd are fully committed in delivering quality construction services to its clients, minimizing adverse impact to the environment and protecting the safety and health of its clients, employees, workers, the general public and other stakeholders in line with organization strategic direction. This is achieved by undertaking the following:

- Meeting stakeholders needs and expectation, including legal and other requirements.
- Developing, implementing, maintaining and continually improving the Quality, Safety & Health and Environmental management system and its performance in accordance to relevant ISO standards.
- Managing projects effectively and efficiently.
- Eliminating hazards and reducing OSH risks and Environmental risks.
- Providing safe and healthy working conditions for the prevention of work-related injury and ill health.
- Consultation and participation with employees, workers and other stakeholders.
- Carrying out sustainable construction, protecting the environment and preventing environmental pollution.
- Continually educating our employees on quality, safety, health and environment.

Siti Sarlina Binti Abdul Rahman
Chief Executive Officer (Acting)

Date: 10 MARCH 2022
Rev No: 10

ISO 14001: 2015
Certificate No: EMS 00863

ISO 9001: 2015
Certificate No: QMS 03588

ISO 45001: 2018
Certificate No: OHS 00780

Health and Safety

Ensuring the health and safety of the Group's employees is of utmost importance to the Group. The Group has always aspired to be a sustainable organization that strives to balance the people, environment and profitability to achieve long term success and viability. The Group believes that a safe and secure working environment is essential. Hence, the Group worked tirelessly to protect the safety, health and welfare of its most vital resources – its workers - amid the COVID-19 pandemic.

To manage health and safety issues that arise from the Group's construction activities and to minimise the risk of injury and illness across its projects, the QSHE Manual serves as a guide to the Group in terms of its work practices towards creating a safer workplace.

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.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Health and Safety (cont'd)

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

V205

Sungai Besi LRT Passengers and Residents of Serdang Raya Adjacent to Jalan Utama
- Noise and road diversion mitigated by the Group's Public Relations team's engagement with the public.

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.

DPT201

MARDI Area, Bukit Serdang, and Sekolah Kebangsaan Serdang
- Diversion of road closed at the Bukit Serdang traffic light junction.
- Close monitoring of the environment during monsoon season in case of a flood.

8MD3

Precinct 8, Putrajaya
- Noise complaint and mitigated by the Safety Department.
- Road closures.
- Dust control via dust control canvas and water bowser.

RANAU

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

PERLA

LRT Station
- Dust control via water bowser.

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 therefore pleased to report that no incidents causing fatality or permanent disability occurred in FY2021.

The Group also engages regularly with 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.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Environment

Caring for the environment is crucial and it is only right that the Group continues to raise the bar in its environmental performance. Operating in the construction sector, the Group acknowledges the need to strengthen its emphasis on limiting environmental impacts. Therefore, the Group undertook several initiatives to promote environmental awareness amongst staff and workers based at the Group's project sites where the impact of their execution of work on the environment is more significant.

The activities which were divided into the following two categories have been well received and adopted by those involved:

1. **General Activities**
   - Safety, Health, and Environment ("SHE") induction training sessions were held at all project sites before work commencement and attended by all project staff and workers
   - SHE briefings which cover environmental issues such as waste management, air pollution, noise pollution, water pollution, and erosion and sediment control were conducted during kick-off meetings prior to sub-contractors starting work. 3R (Reduce, Reuse, Recycle) programmes were also held in compliance with ISO 14001: 2015
   - Weekly SHE inspections at all project sites to comply with the Department of Environment and local authority requirements and DOSH
   - Monthly environmental monitoring of noise, vibration, and ambient air and water quality at all project sites
   - Monthly SHE Committee Meetings at all project sites and quarterly at the Headquarters
   - Internal QSHE Audit at all project sites carried out based on schedule
   - SHE Campaign involving top management
   - Monthly SHE Corporate Meetings
   - Annual Management Review Meeting

2. **Training**

   Several series of training programmes on environmental awareness were organised throughout FY2021. The sessions which covered the following topics were aimed at continuously reminding all site staff and workers of the importance of environmental sustainability:
   - Waste Management
   - Erosion and Sediment Control
   - Pollution on Environment (Air, Noise, Vibration, and Water)
   - Flood Mitigation Control
   - Environmental Aspect and Impact
   - Life Cycle Perspective Table
   - Environmental Regulations and Legislation
   - Environmental Management Plan
   - Scheduled Waste Management
   - Sewage Management
   - Sustainability Awareness

   Environmental personnel are certified as competent to obtain certification as follows:
   - Certified Environmental Professional in Scheduled Waste Management
   - Certified Inspector of Sediment Erosion Control
   - Certified Erosion and Sediment and Storm Water Inspector

   In addition to the above, the QSHE department conducted numerous awareness training sessions for all personnel within the group to ensure that the objectives and policies with regard to environmental sustainability is understood and achieved.

   The Group has also established key areas to be monitored such as air, water, energy and waste. It is through data collection and monitoring that the Group can achieve the set goals and objectives for its sustainability initiatives.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Sustainable Future

The Group has undertaken the following initiatives for purposes of achieving a sustainable future.

i) Sustainability Initiatives

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 signages, 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 24º 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.

In addition, the Group is equipped with internationally recognized working standards, particularly in safety and health, to improve employee safety, reduce workplace risks and create better, safer working conditions. The integrated management system (IMS) complies with the various management system approaches such as ISO 14001, ISO 9001, and ISO 45001 and considers other International Standards such as the International Labour Organization's ("ILO") - Occupational Safety & Health Guidelines, various national standards and the ILO's international labour standards and conventions.

Our commitment to the Environment

a) Waste Management

The Group is proud to play a small but significant part in reducing its office waste and eventually keeping them away from the landfills. Waste is disposed of responsibly, with effective systems for collection, recycling and disposal through appointed licensed scheduled waste collectors/contractors to ensure compliance with government requirements. The company also appointed contractors to dispose old electronic appliances/devices appropriately.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Sustainable Future (cont'd)

i) Sustainability Initiatives (cont'd)

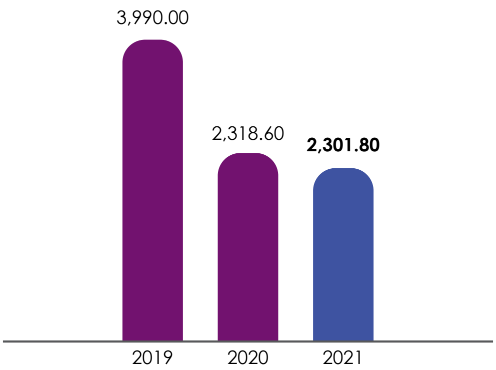
Our commitment to the Environment (cont'd)

b) Electricity Consumption & Water Consumption

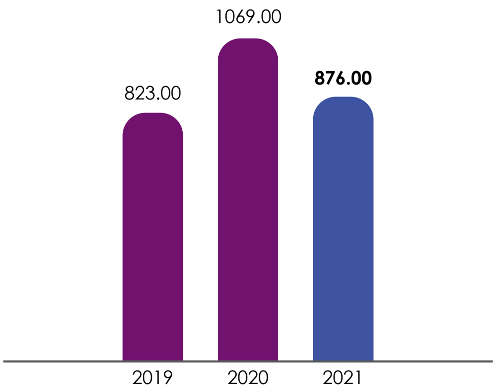
In FY2021, electricity and water consumption at the Group's Head Office and car park building totaled RM138,656.60 and RM12,192.70 respectively. This increase in the electricity and water consumption as compared with the previous year's total of RM85,512.35 and RM8,185.40 respectively can be attributed to the resumption of work with permissible workforce capacity throughout the COVID-19 movement control orders in FY2021.

c) Paper Consumption and Disposal

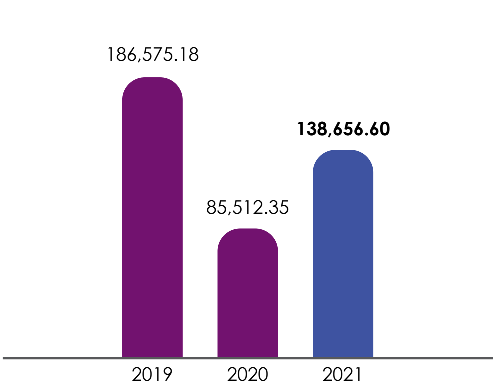
Paper is the single largest material resource consumed by the Group. Thus, it has taken steps to move towards a paperless organisation through the digitalisation of its internal processes across departments and projects that the Group is involved in. All documents and sensitive information are handled appropriately before they are disposed.



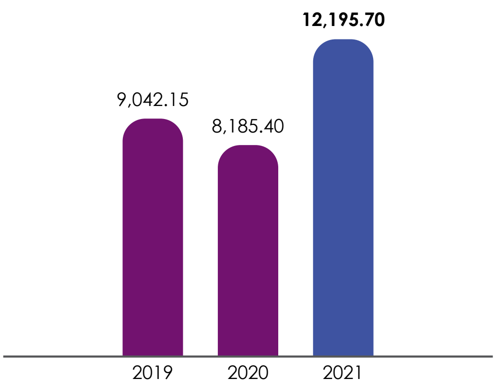
Total Paper Consumption (kg)*



Paper Recycled (kg)*



Electricity Consumption (RM)*



Water Consumption (RM)*

** The above data covers the Group's Head Office operations and activities only*

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Sustainable Future (cont'd)

i) Sustainability Initiatives (cont'd)

Our commitment to the Environment (cont'd)

d) Solar Photovoltaic System

The Group intends to use solar energy in its effort to switch to renewable energy as opposed to the "traditional" sources. The Group has studied the viability of installing Solar PV Systems for its headquarters in 2020. The necessary approval from the Malaysian Investment Development Authority (MIDA) was secured in June 2020 and the construction of a Solar PV System with a capacity of 96.72 kWp has commenced in August 2021. The initial investment cost for the initiative is expected to be in the region of RM310,000 and the Company expects to generate electrical power of approximately 107,000 kWh annually.

The current progress of constructing the Solar PV Systems for the Group is as follows:

GITA (Green Investment Tax Allowance) approval from MIDA (Malaysian Investment Development Authority) – Approved June 2020

→

Construction of PV Solar System commenced in August 2021

→

NEM (Net Energy Metering) application was approved in early February 2022 - The final installation of NEM was completed in February 2022

e) Building Energy Intensity (BEI) Labelling (5 STAR)

The Group is looking into improving its building energy performance and indoor air quality by engaging a consultant to assess the current energy performance and the indoor air quality level at the Group's Headquarters. Participating in the National BEI Labelling Program would be beneficial in evaluating the Group's energy performance while at the same time having an opportunity to receive Energy Labels from the Suruhanjaya Tenaga.

Based on its current energy consumption, the Group's Headquarters is operating with a Building Energy Index of 57.46 kWh/m2/yr. According to the National BEI Labelling program TRC received a 5 Star rating in this respect. The building's energy consumption is low as it is currently being underutilized especially the retail spaces.

(B) QUALITY, SAFETY, HEALTH AND ENVIRONMENT (QSHE) (CONT'D)

Sustainable Future (cont'd)

ii) COVID-19 Initiatives

The COVID-19 pandemic has impacted lives and livelihoods worldwide, with far-reaching health and economic consequences. During these unprecedented and challenging times, the Group has stepped up its efforts in striking a balance between completing a project and ensuring a safe and healthy working environment for the Group's personnel, workers and other relevant parties.

Among the initiatives that the Group have established are the following:

1. Creation and enhancement of SOP
2. Acquisition of new PPE
3. Acquisition of new sanitization equipment
4. COVID-19 SOPs Awareness briefings and trainings
5. Awareness Posters & Banners
6. Provision of Quarantine Quarters
7. Provision of resources specific to handling of COVID-19

(Administrative personnel for contact tracking and reporting)

These challenges provide an opportunity for the Group to be better prepared in managing such pandemics in the future.

a) Workers' Welfare

In ensuring that the Group's workforce is able to perform at optimum levels, the Group provides safe, healthy and secure workers' accommodation as follows:

1. Centralized Labor Quarters, Serdang
2. Centralized Labor Quarters ("CLQ"), TD2 Johan Setia
3. Staff Accommodation within the project vicinity i.e., apartments, terrace houses etc.

In addition, the Group provides PCR tests fortnightly and disinfect 3 times a day as a precaution. There are also dedicated personnel such as the CLQ manager in charge of workers' welfare.

b) Element Melbourne Richmond Hotel ("the Hotel")

In FY2021, the Hotel had this unique privilege to be a part of the Hotel Quarantine Program, run by the Victorian Government and the Hotel was also chosen as the only one in state of Victoria to provide Complex Care Facility. Interesting to note, one of the reasons the Hotel was chosen to provide the Complex Care Facility is due to its approach towards running an environmentally friendly operation.

The Hotel prides itself in maintaining its eco-conscious touch points throughout the property and also in ensuring sustainable elements are available for guests to enjoy. In FY2021, the Hotel has an additional sustainable element whereby the guests can enjoy the option of contactless check in. Moving forward, the Hotel will soon introduce the QR Code Food and Beverage ordering system.

(C) ECONOMIC SUSTAINABILITY

Economic sustainability is vital in order to generate long-term economic value for the Group's stakeholders and contribute to the development of the Malaysian economy.

In light of the above, the Group realises that good corporate governance, sound track record and strong financial performance are crucial for economic sustainability.

Corporate Governance

The Group is committed towards achieving excellence in corporate governance. It endeavours to ensure that the highest standards of corporate governance are practised 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 Code, the MMLR issued by Bursa Malaysia Securities Berhad, and other prevailing rules and regulations to enhance business prosperity and maximize shareholders' value.

The Group understands its duty as a publicly 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, 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.

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 2021 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 and its shareholders.

Track record and Reputation

The Group recognises that the successful implementation of works either with regard to its construction business or its property development activities will have a huge economic impact on its clients, shareholders and other stakeholders. Therefore, 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. Project executions would be subject to the Quality Management System in accordance with ISO 9001: 2015.

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.

The Group's commitment to high quality standard of its works is evidenced by the honour extended to its construction arm in October 2019 by the CIDB. The Group's subsidiary was the recipient of the Malaysian Construction Industry Excellence Award 2019 for the Best Project (Infrastructure) Category for the MRT Depot in Sungai Buloh.

To equip itself with internationally recognised 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.

(C) ECONOMIC SUSTAINABILITY (CONT'D)

Track record and Reputation (cont'd)

In addition, the Group voluntarily participated in the Safety And Health Assessment System in Construction assessment carried out for project 8MD3 (Received a 4 Star rating - Very good Occupational Safety and Health ("OSH") management system planned and implemented with evidence of good commitment from top management to manage OSH at all times) and PPAM (Received a 5 Star rating – Excellent OSH management system planned and implemented with proactive commitment from top management to manage OSH at all times) last year. 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.

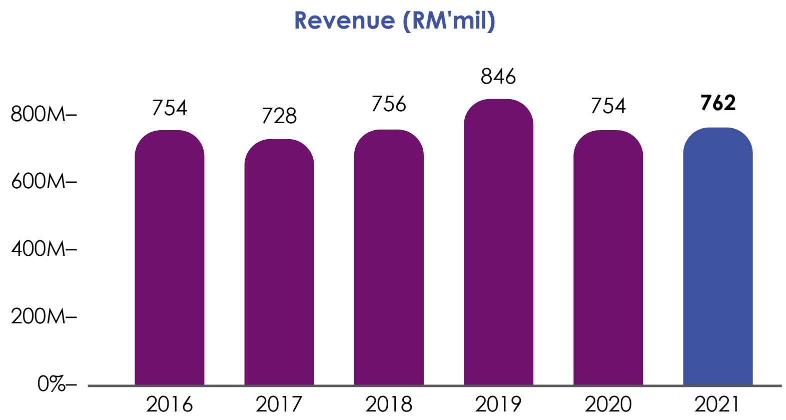
The Group has also participated in the Malaysia Society for OSH assessment and was conferred the GOLD CLASS 2 (Very Good OSH performance) award, highest being Platinum (Ultimate OSH Performance), for FY2021. This was to gauge the Group's performance in comparison with industry practices.

Business Sustenance and Growth

The Group is continuously on the lookout for growth and expansionary opportunities with a view to maximising profits and optimising investment returns for its stakeholders and investors. The Group believes that its business sustenance and growth are crucial in attracting investors to fund the growth of its businesses.

Despite the uncertainty arising from the COVID-19 pandemic, the Group continues to leverage on its strength to advance the industry and has performed commendably during FY2021. The detailed analysis of the Group's financial performance for FY2021 is as provided under the Management Discussion and Analysis Disclosure of this Annual Report.

Over the last six (6) financial years from 2016 to 2021, the Group had fared well financially whereby revenue has been stabilizing in the region of RM728 million to RM846 million per annum.



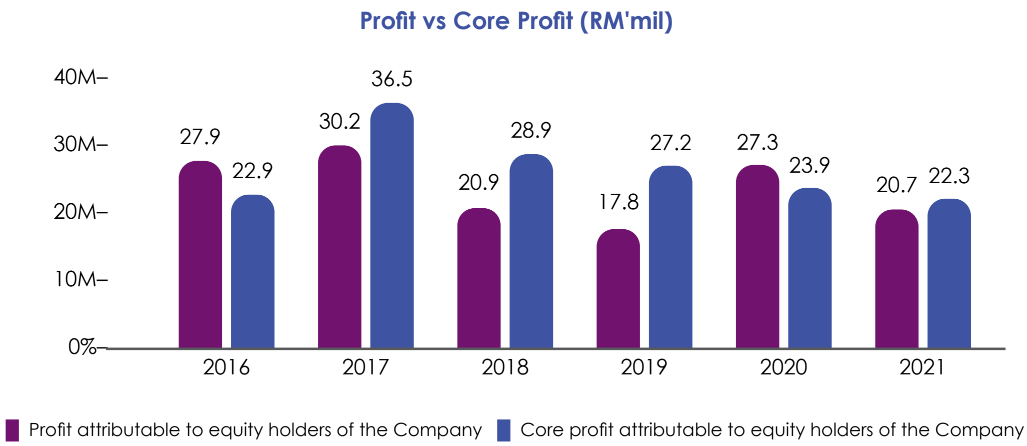
The significant revenue achieved has enabled the Group to contribute towards the sustainability of the construction industry specifically and the country's economic development in general by:

(a) employing more than 1,000 people directly or indirectly, providing them with employment opportunities, training, well-being as well as career advancement prospects, which have helped to support and sustain thousands of families.

(b) supporting local vendors, suppliers, sub-contractors and other relevant stakeholders within the construction and building eco-system in the procurement of construction & building related materials, labour and expertise, which have given these stakeholders opportunities to expand their business operations.

(C) ECONOMIC SUSTAINABILITY (CONT'D)

Business Sustenance and Growth (cont'd)



Dividend Paid in Calendar Year	2016	2017	2018	2019	2020	2021
Quantum of Dividend (in sen)	0.65	1.90	2.80	1.90	1.10	1.00

As the Group consistently generating net profit year-after-year since listing on Bursa Malaysia in 2002, with core net profit attributable to equity holders of the Company of between RM22.3 million to the height of RM36.5 million over last six (6) years, complemented by dividend payment of not less than 25% of the core net profit attributable to equity holders of the Company, it entrusts the Group to:

(a) contributing towards the nation's development and well-being in the form of various taxes.
(b) providing monetary and non-monetary assistance to community development and support.

The Group's has closed to four (4) decades long of experience and expertise in Malaysia's infrastructure and building construction space with over RM10.0 billion worth of works completed. This achievement was made possible with its solid track record in good quality of workmanship as well as timely project execution and implementation. It has carved a good name and reputation of the Group among the customers in public and private sectors.

Moving forward, the Group will address the adverse risk and take appropriate and timely measures to minimize the financial impact on the Group's operation and will continue to manage the business of our Group with vigilance to continue to gain trust and confidence in the Group as one of their preferred contractor.

CONCLUSION

As the Group continues to establish strategies to mitigate and recover from the effects of the pandemic, it will steadfastly hold to its goal of building a sustainable business for the future. The Group will continue to prioritise and focus on proactive measures and practices to ensure economic, environmental and social sustainability.

CORPORATE STRUCTURE

TRC SYNERGY BERHAD
199601040839 (413192-D)

- 100% **TRANS RESOURCES CORPORATION SDN BHD** 198401007746 (120265-P)
  - 100% **TRC NIAGA SDN BHD** (Formerly known as TRC Concrete Industries Sdn Bhd) 198601002256 (151401-V)
  - 90% **TRC (B) SDN BHD** (RC/00008574)
  - 70% **TRANS HANDAN BRIDGE SDN BHD** 201701047775 (1261951-T)
  - 51% **ETPJV SDN BHD** 201601029333 (1200274-H)
  - 30% **HEXIDE ENGINEERING SERVICES SDN BHD** 200301035518 (637939-H)
- 100% **TRC LAND SDN BHD** 199701028663 (444162-W)
  - 100% **TRC DEVELOPMENT SDN BHD** 199401023567 (309248-U)
  - 100% **TRC LAND (CAMBODIA) LIMITED** (6234/09E)
    - 34% **DELTA GARDEN LIMITED** (11524/08P)
- 100% **TRC (AUST) PTY LTD** (ACN137500611)
  - 100% **TRC (AUST) HOTEL PTY LTD** (ACN 629339466)
- 100% **ADS PROJEK SDN BHD** 201201037346 (1021828-M)
- 100% **TRC ENERGY SDN BHD** 200301014028 (616448-K)
- 100% **ADS SENTRAL SDN BHD** 200401006674 (645178-P)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tun Jeanne Binti Abdullah
Chairman
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

Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)
Independent Non-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)

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

TRC Business Centre, Jalan Andaman Utama
68000 Ampang, Selangor
Tel.: 603-41038000 / Fax: 603-41080104
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
OCBC Bank (M) Berhad
Alliance Bank Malaysia Bhd

SOLICITORS

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

STOCK EXCHANGE LISTING

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

WEBSITE

www.trc.com.my

PROFILES OF DIRECTORS

1. **Tun Jeanne Binti Abdullah**
   Chairman, Independent Non-Executive Director
2. **Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin**
   Managing Director
3. **Dato' Abdul Aziz Bin Mohamad**
   Deputy Group Managing Director
4. **Dato' Richard Khoo Teng San**
   Executive Director
5. **Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin** (Retired)
   Independent Non-Executive Director
6. **Dato' Ir. Abdullah Bin Abd Rahman**
   Independent Non-Executive Director
7. **Dato' Sr. Abdull Manaf Bin Hj Hashim**
   Independent Non-Executive Director
8. **Fadzilah Binti Mohd Salleh**
   Independent Non-Executive Director
9. **Siti Sarlina Binti Abdul Rahman**
   Alternate Director to Dato' Abdul Aziz Bin Mohamad

TUN JEANNE BINTI ABDULLAH
Chairman, Independent Non-Executive Director
Malaysian / Female / Age 69

Tun Jeanne Binti Abdullah was appointed as a Director of the Company on 1st December 2017. She was then re-designated as Chairman of the Company on 27th February 2018. 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 2021, Tun Jeanne attended all four (4) Board of Directors Meetings held during the year.

TAN SRI DATO' SRI SUFRI BIN HJ MOHD ZIN
Managing Director
Malaysian / Male / Age 66

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 29th 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 Dato' 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 Universiti Malaya and he has since obtained a Master's Degree in Business Law and Universiti Kebangsaan Malaysia in 2014.

In August 2009, Tan Sri Dato' Sri Sufri was conferred 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.

Presently, he is an Industry Committee Member at Politeknik Ungku Omar, Ipoh for the term of 2021 to 2022. He is also the CEO Faculty of Civil Engineering for Department of Polytechnic Education and Community College Education. He served on the Industry Advisory Council at the Polytechnic Education Department for the years 2017 to 2019. In March 2017, Tan Sri Dato' Sri Sufri was appointed as the Industry Panel Advisor to the Polytechnic Civil Engineering Technology degree programme by the Ministry of Higher Education. He then appointed as a Member of Industry Advisory Council of Department of Politechnic Education and Community College Education and subsequently appointed as Chairman of that particular Department for the term of 2021to 2023. Additionally, he is a Trustee of Yayasan TRC and a member of the Whistleblowing Committee.

In 2021, he was appointed as Trustee of World Islamic Economic Forum Foundation . He was also one of the Board Member at Construction Labour Exchange Centre Berhad and CIDB.

Tan Sri Dato' Sri Sufri has been a Council Member of the Master Builders Association Malaysia (MBAM) since 2004. He was the Deputy President of MBAM for the period of 2018 to 2020 before being elected as the President of MBAM on 29th December 2020. Furthermore, in relation to MBAM, he is the Chairman of the Public Relations Committee, Emergency Response Committee, Disciplinary Board Committee and Government & Institution Committee. He is also a committee member of Education and Special Institution Committee, MBAM Award & Constitution Committee and International Affairs Committee and a Director of MBAM Onebuild Sdn Bhd. In addition to that, he is also a member of the Road Engineering Association of Asia and Australia (REAAA) and the Corporate Advisor to Persatuan Kontraktor-Kontraktor Melayu Malaysia (Cawangan Wilayah Persekutuan).

In December 2021, he was appointed as PEMUDAH Member for Private Sector and The Special Task Force to Facilitate Business. He is also the Co-Chairman for Technical Working Group on Dealing with Construction Permits.

During the financial year ended 31st December 2021, he attended all four (4) Board of Directors Meetings.

DATO' ABDUL AZIZ BIN MOHAMAD
Deputy Group Managing Director
Malaysian / Male / Age 63

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 Ulul Albab and Yayasan TRC.

Dato' Abdul Aziz attended all four (4) Board of Directors Meetings held during the financial year ended 31st December 2021.

DATO' RICHARD KHOO TENG SAN
Executive Director
Malaysian / Male / Age 57

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 four (4) Board of Directors Meetings held during the financial year ended 31st December 2021.

ADMIRAL TAN SRI DATO' SERI PANGLIMA AHMAD KAMARULZAMAN BIN HJ AHMAD BADARUDDIN (RETIRED)
Independent Non-Executive Director
Malaysian / Male / Age 62

Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman was appointed as a Director of the Company on 25th April 2019. Currently he is the chairman of the Audit and Risk Management Committee.

He graduated from the University of Strathclyde Business School, Scotland in 1999 with a Master Business Administration. He then went on to pursue 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 Ahmad Kamarulzaman also completed the Advanced Management Program at Harvard Business School, Harvard University, Boston USA.

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 four (4) Board of Directors Meetings held during the financial year ended 31st December 2021.

DATO' Ir. ABDULLAH BIN ABD RAHMAN
Independent Non-Executive Director
Malaysian / Male / Age 67

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 Nominating and Remuneration Committee and a member of the Audit and Risk Management 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, Deputy Director to 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.

During the financial year ended 31st December 2021, he attended all four (4) Board of Directors Meetings held.

DATO' Sr. ABDULL MANAF BIN HJ HASHIM
Independent Non-Executive Director
Malaysian / Male / Age 67

Dato' Sr. Abdull Manaf Bin Hj Hashim was appointed as a Director of the Company on 1st April 2021. Currently he is the Chairman of the Whistleblowing Committee and a member of the Nominating and Remuneration 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 from 2006 to 2017. He was the President of The Royal Institute Surveyors Malaysia 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 2021, he attended three (3) out of four (4) Board of Directors Meetings held.

FADZILAH BINTI MOHD SALLEH
Independent Non-Executive Director
Malaysian / Female / Age 50

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

She graduated from the International Islamic University, Malaysia in 1996 with a Bachelor of Accounting (Hons) and has since qualified as 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, F M Salleh & Co (Chartered Accountants).

She attended all four (4) Board of Directors Meetings held during the financial year ended 31st December 2021.

SITI SARLINA BINTI ABDUL RAHMAN
Alternate Director to Dato' Abdul Aziz Bin Mohamad
Malaysian / Female / Age 52

Siti Sarlina Binti Abdul Rahman was a Deputy Chief Executive Officer from 1st July 2015 before being redesignated as Acting Chief Executive Officer of Trans Resources Corporation Sdn Bhd, the construction arm of TRC Group in June 2019. She was appointed as the Alternate Director to Dato' Abdul Aziz Bin Mohamad on 28th November 2016. Currently she is 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 Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired) 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.*

PROFILE OF KEY SENIOR MANAGEMENT

SITI SARLINA BINTI ABDUL RAHMAN
Chief Executive Officer (Acting)
Malaysian / Female / Age 52

Siti Sarlina Binti Abdul Rahman was a Deputy Chief Executive Officer from 1st July 2015 before being redesignated as Chief Executive Officer (Acting) 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.

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 Quality Control Engineer. This was when her career in the construction industry started. In 1997, she worked as a Quality Assurance 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.

Ir. TAN KHOON KIAN
Deputy Chief Operating Officer
Malaysian / Male / Age 59

Tan Khoon Kian was appointed as a Construction and Planning Manager on 1st July 1996 and his position was re-designated as Project Coordinator in 2001. He was then appointed as Chief Project Coordinator in 2011 and subsequently promoted to Deputy Chief Operating Officer in 2015, a position he holds to this day.

He graduated from the University of Adelaide, Australia in April 1987 with a Bachelor of Engineering (Civil) (Class II A Honours) and he also holds a Master of Business Administration (MBA) from Herriot-Watt University, Edinburgh, Scotland, graduating in July 1998.

He is currently a Professional Engineer with Practising Certificate (PEPC) of the Board of Engineers, Malaysia and a Corporate Member of the Institution of Engineers, Malaysia.

Upon graduation, he started his career as a Junior Engineer in Gibb Australia Pty Ltd before becoming a Civil Engineer at PS Consultant and later at Building Consultants as a Structural & Civil Design Engineer. He then re-joined PS Consultant to become the Assistant Resident Engineer and was then promoted to Resident Engineer. His last position before joining the Group was as a Planning Monitoring Manager with Hock Seng Lee Berhad.

HOO YEN TONG
General Manager (Construction)
Malaysian / Male / Age 57

Hoo Yen Tong was appointed as a General Manager (Construction) on 1st September 2015. 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 is currently leading the ongoing MRT 2 and LRT3 projects.

Ts. MAHATHIR BIN MOKHTAR
General Manager (Contracts)
Malaysian / Male / Age 46

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 in November 2000 as a Project Quantity Surveyor. In October 2018, he has been promoted to a 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 graduated from Universiti Teknologi MARA 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.

Over the last 21 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 airport development projects for Kuala Terengganu and Kota Bharu Airport Extension of Runway and rail transportation project on viaducts and guideways, stations and depot works in support of LRT and MRT mega development projects.

DATO' LEONG KAM HENG
Director/Chief Operating Officer
TRC (Aust) Pty Ltd
Malaysian / Male / Age 67

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 58

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)
Company Secretary
Malaysian / Male / Age 51

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).

LEE GAIK SIEW
General Manager (Accounts)
Malaysian / Female / Age 53

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 the Corporate Governance Overview Statement ("this Statement") which aims to provide shareholders and investors of the Company with an overview of the corporate governance ("CG") practices of the Company and its subsidiaries ("the Group") during the financial year ended December 2021 ("FY2021"). 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 2021") which can be referred to at the Company's website at www.trc.com.my under Corporate Governance section.

In general, the Group has applied all applicable practices set out in the Code throughout FY2021 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.
iv. Practice 13.6 - Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

The explanations for the above departures and measures taken in relation thereto are provided in the CG Report 2021.

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	38	4	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 has 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 in this Annual Report on pages 39 to 44.

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 duties, the Board has established and delegated certain responsibilities to the following five (5) Board Committees, namely:-

i. Audit and Risk Management Committee
ii. Nominating Committee
iii. Remuneration Committee
iv. Sustainability Committee
v. 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 and the Executive Directors 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 Board established the Anti-Bribery and Corruption Policy in November 2020 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 Board acknowledges and upholds the recommendation from the Code that the tenure of the Independent Director should not exceed a cumulative term of nine (9) years. Presently the Company has five (5) Independent Directors and all of them have served as Board Members for a cumulative term of less than nine (9) years.

4. Boardroom Diversity

The Board strongly supports and concurs with the initiative to have female participation in the Board as well as in its Senior Management team. In 2015, the Company appointed Puan Siti Sarlina Binti Abdul Rahman (f) as Deputy Chief Executive Officer of one the Group's wholly-owned subsidiary companies. Puan Siti Sarlina is now the CEO (Acting) of Trans Resources Corporation Sdn Bhd and also the Alternate Director to Dato' Abdul Aziz bin Mohamad. In December 2017, the Company appointed Tun Jeanne Binti Abdullah (f) as its additional Director who was then redesignated as Chairman of the Board in February 2018. In June 2018, the Company further widened the gender diversity of the Board by appointing Cik Fadzilah binti Mohd Salleh (f) as an additional Independent Non-Executive Director of the 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 Committee ("NC"), 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 effectiveness of the Board and its Committees are evaluated annually by the NC pursuant to its terms of reference. The NC will evaluate and review the effectiveness of the Board as a whole and its mix of skills, experience, size and composition.

During FY2021, the NC met twice and has made the necessary assessments, reviews and recommendations to the Board as follows:-

i. Assessed the effectiveness of the Board as a whole and its mix of skills, experience, size and composition;
ii. Reviewed the performance and effectiveness of the Board;
iii. Reviewed the retirement and re-election of Directors; and
iv. Reviewed the proposed appointment of a new Director;

Based on the evaluation and recommendation from the NC 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.

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 Group 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 the leadership, effectiveness, conduct and governance of the Board. The Executive Directors, supported by the Senior Management team, implement 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 who 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.

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.

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

8. Access to Information and Advice

In performing their duties, all 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 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 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 established the Whistleblowing Policy and Procedures in February 2019. The policy 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 FY2021, 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 in various fields relevant to them.

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

10. Directors' Training (cont'd)

During FY2021, due to the COVID-19 pandemic, not many suitable training programs were organised. Therefore, most Directors were unable to attend training programs during FY2021. The details of the training programs attended by the Directors are as follows:-

Directors	Training Programme	Date	Organiser
Tun Jeanne Binti Abdullah	Nil	Nil	Nil
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	• MBAM Annual Safety & Health Conference	6-7 Apr 2021	Master Builders Association Malaysia
	• Webinar On "Back To Work – Challenges During The National Recovery Plan (NRP)"	24 Aug 2021	Master Builders Association Malaysia (MBAM) Safety & Health Committee
	• MBAM Webinar On ESG In Construction	25 Aug 2021	Master Builders Association Malaysia (MBAM)
	• Webinar The National Recovery Summit 2021	9 Sep 2021	Jointly Organized (KSI Strategic Institute for Asia Pacific and The Economic Club of Kuala Lumpur with the support of the National Recovery Council (NRC))
	• MBAM Lifting Supervisor Training for Sediabena Builders Sdn Bhd	30 Sep 2021	Master Builders Association Malaysia (MBAM)
	• International Construction Transformation Conference (ICTC) In Conjunction with ICW 2021	9 Nov 2021	CIDB Malaysia with the support of Ministry of Works
Dato' Abdul Aziz Bin Mohamad	Nil	Nil	Nil
Dato' Richard Khoo Teng San	Nil	Nil	Nil

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

10. Directors' Training (cont'd)

Directors	Training Programme	Date	Organiser
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)	• SC Updated the Malaysian Code on Corporate Governance to promote board leadership and oversight of sustainability	19 Aug 2021	Smart Focus Business Consulting
	• Board Room Workshop for Directors Inspiring Your Board Performance	6 Sep 2021	Smart Focus Business Consulting
	• Risk Management Approach & Methodology	29 Sep 2021	Maslow Trainers & Consultants
	• Audit Oversight Board Conversation with Audit Committee	6 Dec 2021	Securities Commission Malaysia
Dato' Sr Abdull Manaf Bin Hj Hashim	Nil	Nil	Nil
Dato' Ir. Abdullah Bin Abd Rahman	• Asset and Facility Management Conference (AFMC) 2021	9-10 Nov 2021	Malaysian Asset & Project Management Association (MAPMA)
	• Audit Oversight Board Conversation with Audit Committee	6 Dec 2021	Securities Commission Malaysia
Fadzilah Binti Mohd Salleh	• Confirmation Fraud Case Studies: Leveraging On Technology To Reduce Risk Of Fraud	11 Jun 2021	Malaysian Institute of Accountants (MIA)
	• Audit Oversight Board Conversation with Audit Committee	6 Dec 2021	Securities Commission Malaysia
	• Case Study-Based MFRS Webinar: Case Studies In Accounting For Deferred Taxation	16 Dec 2021	Malaysian Institute of Accountants (MIA)

Apart from the aforementioned, frequent visits to project sites and occasional trips to meet overseas suppliers and consultants as well as active participation in the relevant associations have equipped the Executive Directors with the latest information and technologies in the industry. As for the Non- Executive Directors, due to COVID-19 pandemic and lockdown imposed, no site visits were organised during FY2021.

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.

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

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 Admiral Tan Sri Dato' Seri Ahmad Kamarulzaman bin Ahmad Badaruddin (Retired) 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 FY2021, the Board met four (4) times and the attendance record for each Director is as follows:-

Name	No. of Meeting Attended	% of Attendance
Tun Jeanne binti Abdullah	4/4	100
Tan Sri Dato' Sri Sufri bin Hj Mohd Zin	4/4	100
Dato' Abdul Aziz bin Mohamad	4/4	100
Dato' Richard Khoo Teng San	4/4	100
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)	4/4	100
Dato' Ar. Nur Haizi Binti Abdul Hai (Retired on 29/6/2021)	3/3	100
Dato' Ir. Abdullah Bin Abd Rahman	4/4	100
Dato' Sr. Abdull Manaf Bin Hj Hashim (Appointed on 1/4/2021)	3/3	100
Fadzilah Binti Mohd Salleh	4/4	100

In the selection and 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 capability and time commitment of the candidate.

12. Sustainability Strategies

The Board is fully aware that the sustainability and the growth of the Group's business are dependent on the sustainability of our country's economy, environment and society as an integrated unit. The Company established its Sustainability Policy in 2017 which aims 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.

13. Nominating Committee ("NC")

The Company has established its NC in May 2002 which comprised two (2) Independent Non-executive Directors. During FY 2021 the members of the NC were as follows:-

a) Dato' Ir. Abdullah Bin Abd Rahman (Chairman)
b) Dato' Sr. Abdull Manaf Bin Hj Hashim

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

13. Nominating Committee ("NC") (cont'd)

The NC is primarily empowered by its terms of reference in carrying out its function which include, among others, to annually review the required mixed of skills, experience and other qualities of the Directors and to recommend new appointments, if any, to the Board. The Committee is also established to assess the Board as a whole, the committees of the Board, and the contribution of each existing individual Director in terms of their respective effectiveness; and to continually seek ways to upgrade the effectiveness of the aforementioned.

Activities of the NC for FY2021 are reported in Item 5 of this Statement.

14. Remuneration Policies and Procedures

14.1 Remuneration Committee ("RC")

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, the Board has established a Remuneration Committee in May 2002 which comprised two (2) members, all of whom are Independent Non-Executive Directors. The members of the RC during FY2021 were as follows:-

a) Fadzilah Binti Mohd Salleh (Chairman)
b) Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)

The Committee is primarily responsible for the development, review and recommendation of fair remuneration package for Executive Directors in all its forms, drawing from outside advice as necessary.

The duties of the RC are, among others, to 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 remuneration.

During FY2021, the RC met once and has made the necessary assessments, reviews and recommendations to the Board as follows:-

i) Revision of Chairman's fees for the Board's Committee;
ii) Meeting allowance for all Board Committees' meeting; and
iii) Deferment of the utilization of the travelling allowance.

14.2 Remuneration Packages

The aggregate remuneration of the Directors as well as the Senior Management received and receivable from the Company and its subsidiaries during FY2021 are detailed out in CG Report 2021 which is to be read together with this statement. The CG Report 2021 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 Company established its Audit Committee ("AC") in May 2002 with the primary objective of assisting the Board in fulfilling its fiduciary responsibilities particularly in relation to business, ethics, policies and practices, and financial management and control. Subsequently in May 2021 due to strategic considerations and in compliance with the Code, the Company agreed to integrate the risk management function of the Group with the existing AC and to be known as ARMC.

The primary objectives of the ARMC are:-

i) to provide assistance to the Board in relation to fulfilment of the Board's statutory as well as fiduciary responsibilities and ensure that the internal and external audit functions of the Group are being carried out adequately and effectively; and
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, the ARMC comprises three (3) Non-Executive Directors and all of them are Independent Directors. The ARMC is chaired by Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired) who has vast experience in general management. 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 FY2021, the ARMC met four (4) times and the details of the activities undertaken by them are set out under Audit and Risk Management Committee of this Annual Report.

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

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 framework and control framework 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 2021 is sound and sufficient to safeguard the Group's assets as well as shareholders' investments and the interests of 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 FY2021, 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.

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

1. Communication with Stakeholders (cont'd)

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 an upgraded 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 25th Annual General Meeting ("AGM") of the Company was issued more than 28 days before the AGM date.

The Company implemented an electronic voting process in 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 25th AGM, the Company will conduct it virtually to give shareholders and proxies, opportunity to follow and participate in the meeting effectively. This is in view of the COVID-19 pandemic which has yet to be eradicated for the Company to convene a face-to-face meeting.

ADDITIONAL COMPLIANCE INFORMATION

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

Utilization of proceeds

For FY2021, there were no proceeds raised from any exercise.

Share buybacks

As at 31st December 2021, the Company held a total of 9,208,400 treasury shares.

During FY2021, 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 FY2021.

Non-Audit Fees

The non-audit fees paid to external auditors amounted to RM5,000 for FY2021. The details of the fees paid or payable to the external auditors are reported in Note 32 to the Financial Statements.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interest of any Directors or major shareholders during FY2021.

Recurrent Related Party Transaction

The recurrent related party transactions during the financial year ended 31st December 2021 are as follows:

Related party	Contracting party	Nature of transaction	Transacted value for financial year ended 31st December 2021 (RM)
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	Trans Resources Corporation Sdn Bhd	Purchase of construction materials	4,708,338.96
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	TRC Niaga Sdn Bhd (formerly known as TRC Concrete Industries Sdn Bhd)	Purchase of construction materials	1,597,027.88
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	Trans Handan Bridge Sdn Bhd	Purchase of construction materials	2,240.00

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.

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 FY2021, 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 20th April 2022.

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 2021 ("FY2021"). 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 RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders interest and Group 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 existing control over all significant operation meet 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 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") which was established in 2021 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 ("PDP") will have to comply with risk management procedures regulated by the clients.

RISK MANAGEMENT (CONT'D)

In order to equip business units with adequate knowledge and awareness of risk management control, the Company has assigned them to attend risk related seminars pertaining to construction industry. This will facilitate them in dealing with any emerging risks and address the consequential issues that may arise. In 2021 three series of workshop and brain storming sessions were conducted by RWC to review the impact of departmental and project risks. These in house sessions were also aimed at emphasizing and inculcating a culture of risk-based thinking within the organization.

Risk Management Framework

Risk Management activities are guided by COSO internal control framework effective May 2019. 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 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 ICT run continuously without any disruption that could affect security to the Group's activities.

In 2018, the company issued Computer Usage Policy which aims to provide guidance to all staffs on matters related to usage of computers, software and the internet. Further to that, during the year 2021, the Group had taken initiative to further strengthen its policy on ICT which will cover cyber security. The policy which is planned to be implemented in 2022 will engender the Group's readiness against cyber threats.

RISK MANAGEMENT (CONT'D)

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 is fully aware of the importance of the internal audit function which is undertaken by the internal audit department. The main objective of this department is to review the key business processes and controls, and to assist ARMC in the discharge of its duties and responsibilities. Its role is to provide independent and objective reports on the organization, management, accounting and other records as well as accounting policies and internal controls 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 the 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.

Throughout FY2021, the internal audit department has undertaken several independent audit assignments pursuant to the approved audit plan. The details of the internal audit activities are reported on page 67 of this Annual Report.

None of the weaknesses or issues identified during the review for FY2021 has resulted in non-compliance with any relevant policies or procedures, Bursa Malaysia Main Market Listing Requirements or any other recommended industry practices that require disclosure in the company'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.

INTERNAL CONTROL (CONT'D)

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 from pages 64 to 66 of this Annual Report contains further details on the activities undertaken by ARMC in 2021.

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.

ISO STANDARDS (CONT'D)

Quality Policy (cont'd)

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

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.

COMPLIANCE

Pursuant to paragraph 15.23 of the Listing Requirements the external auditors have reviewed this statement for its inclusion in the Annual Report.

This statement is made in accordance with the Malaysian Code on Corporate Governance, Paragraph 15.26(b) of the Main Market 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 20th April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of TRC Synergy Berhad ("the Board") is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 31st December 2021.

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 existing Audit Committee and rename it as Audit and Risk Management Committee ("ARMC").

2. MEMBERS OF ARMC

During the financial year 2021, ARMC comprised the following 3 Independent, Non-Executive Directors:-

Chairman: **Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)**
(Independent Non-Executive Director)
(Appointed as chairman in place of Dato' Ir. Abdullah bin Abd Rahman on 30th March 2021)

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)

The detailed profiles of the ARMC Members can be found on page 64 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 2021, ARMC met seven (7) times. The details of ARMC members' attendance are as follows:

No.	Audit & Risk Management Committee	Attendance	
1.	**Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)** (Chairman)	5/5	100%
2.	**Dato' Ir. Abdullah Bin Abd Rahman**	7/7	100%
3.	**Fadzilah Binti Mohd Salleh**	7/7	100%

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

4.1 Meetings (cont'd)

The Group's Accountant, the Head of Corporate Affairs, 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 management 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 2021, which are in line with its responsibilities as set out in its terms of reference:-

a) Financial Statements

- Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company and 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 financial reports and year-end 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 in the quarterly financial reports and year-end financial statements.

b) Matters relating to External Audit

- Reviewed together with the External Auditors their audit plan and scope of work for the year and the results of the annual audit, their audit reports and Management Letter together with the management's responses on the weaknesses highlighted by the External Auditors.
- 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 in place of the previous external auditors who resigned on 3rd December 2020. ARMC also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group. 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.

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 measures implemented by management 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.

- Recommended on the establishment of RWC primarily to assist ARMC in highlighting risk factors that might affect the Group's objectives.
- Reviewed the revised the terms of reference of ARMC to include risk management function and to recommend to the Board for approval.
- Internal audit findings 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 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 recurrent related party transactions ("RRPT"). ARMC also monitored, tracked and verified RRPTs pursuant to the mandate given by the Company's shareholders.
- ARMC reviewed RRPTs on a quarterly basis to ascertain that the guideline and procedures established pertaining to RRPT have been complied with and to ensure that they are within the mandate obtained.

5. INTERNAL AUDIT FUNCTION

Internal audit works are carried out in accordance with the annual audit plan which has been approved by ARMC and the Board. The Internal Audit Department 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, the Internal Audit Department 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 approval by 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 Internal Audit Department 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 the effectiveness of risk management for projects and departments.
- Collaborated and worked together with the 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.
- Identified, evaluated and recorded all relevant risks into the Risk Registers along with the corresponding remedial actions.

Upon completion of the assignments, the Internal Audit Department 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. The Internal Audit Department has also established follow–up reviews to monitor and ensure that the recommendations as agreed upon by ARMC have been effectively implemented.

Going forward, the Internal Audit Department 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 Audit Committee 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 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, general contractors for supplying labour 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/(loss) for the year attributable to:		
Equity holders of the Company	20,672	5,990
Non-controlling interests	(2,529)	-
Net profit for the year	18,143	5,990

DIVIDENDS

The amount of dividend paid by the Company during the year in respect of the year ended 31 December 2020, was as follows:

	RM'000
First and final single tier dividend of 1.00 sen per ordinary share, on 471,288,703 ordinary shares, paid on 15 July 2021	4,713

At the forthcoming Annual General Meeting, a provisional single tier dividend in respect of the year ended 31 December 2021 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 2022.

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:

Tun Jeanne Binti Abdullah
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin
Dato' Abdul Aziz Bin Mohamad
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)
Dato' Ir. Abdullah Bin Abd Rahman
Fadzilah Binti Mohd Salleh
Siti Sarlina Binti Abdul Rahman (alternate director to Dato' Abdul Aziz Bin Mohamad)
Dato' Richard Khoo Teng San
Dato' Sr. Abdull Manaf Bin Hj Hashim (Appointed on 1 April 2021)
Dato' Ar. Nur Haizi Binti Abdul Hai (Retired on 29 June 2021)

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
John Goris
Yeoh Sook Keng
Philip Ting Siew Ming
Samson @ Samson Anak Entebang (Appointed on 20 March 2021)
Dato' Leong Kam Heng (Appointed on 31 October 2021)

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			
	At 1.1.2021	Bought	Sold	At 31.12.2021
The Company				
Direct interest				
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	47,531,517	-	-	47,531,517
Dato' Abdul Aziz Bin Mohamad	13,658,217	-	-	13,658,217
Dato' Richard Khoo Teng San	10,334,397	100,000	-	10,434,397
Siti Sarlina Binti Abdul Rahman (alternate director to Dato' Abdul Aziz Bin Mohamad)	7,000	-	-	7,000
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, Dato' Abdul Aziz Bin Mohamad, Dato' Richard Khoo Teng San and Siti Sarlina Binti Abdul Rahman 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 29 June 2021, 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 2021, 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 except for any benefit which may be deemed to have arisen from the transactions disclosed in note 39 to the financial statements which were carried out in the ordinary course of business.

Other benefits and remuneration of the directors are set out in note 34 to the financial statements.

INDEMNITY AND INSURANCE COST

There was no indemnity given to or insurance effected for the directors or officers 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 all known bad debts had been written off 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 the amount written off for bad 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.

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.

SIGNIFICANT EVENT DURING THE YEAR

Details of significant event during the year are disclosed in note 44 to the financial statements.

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.

Auditors' remuneration is set out note 32 to the financial statements.

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

20 April 2022

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 2021 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 a summary of significant accounting policies, as set out on pages 79 to 160.

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 2021, 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 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. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company 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 2021, the revenue recognised on construction contracts amounted to RM556.08 million, accounting for approximately 73% of the Group's revenue.

This 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.

We have identified revenue recognition of 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 27 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 2021, the revenue recognised on property development activities amounted to RM122.52 million, accounting for approximately 16% 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 of 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 27 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, selling price of the unsold 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 Matters

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
03004/07/2022 J
Chartered Accountant

Kuala Lumpur

20 April 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000 (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	191,836	202,810
Investment properties	6	10,293	10,526
Inventories	7	12,134	12,065
Investments in associates	9	1,495	1,299
Investment in joint venture	10	47,653	44,293
Other investments	11	66	66
Other receivables	12	760	25,913
Deferred tax assets	13	3,255	1,299
Right-of-use assets	14	9,710	17,710
		277,202	315,981
CURRENT ASSETS			
Inventories	7	132,167	143,939
Trade and other receivables	12	389,278	368,976
Contract assets	15	33,500	53,747
Contract cost assets	16	15,844	19,490
Current tax assets		1,137	1,014
Deposits, cash and bank balances	17	313,959	272,199
		885,885	859,365
TOTAL ASSETS		1,163,087	1,175,346
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	240,457	240,457
Treasury shares	19	(2,460)	(2,460)
Other reserves	20	10,714	11,220
Retained earnings	21	201,571	185,612
Equity attributable to the equity holders of the Company		450,282	434,829
Non-controlling interests		4,761	7,285
TOTAL EQUITY		455,043	442,114

	Note	2021 RM'000	2020 RM'000 (Restated)
NON-CURRENT LIABILITIES			
Borrowings	22	99,436	103,034
Deferred tax liabilities	13	5,205	5,371
Provision	23	32,288	41,394
		136,929	149,799
CURRENT LIABILITIES			
Borrowings	22	63,600	140,730
Provision	23	11,266	5,950
Trade and other payables	24	221,752	262,118
Contract liabilities	15	271,089	171,563
Current tax liabilities		3,408	3,072
		571,115	583,433
TOTAL LIABILITIES		708,044	733,232
TOTAL EQUITY AND LIABILITIES		1,163,087	1,175,346

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	1
Investments in subsidiaries	8	91,748	91,748
Deferred tax assets	13	46	113
		91,794	91,862
CURRENT ASSETS			
Other receivables, deposits and prepayment	12	151,233	165,452
Current tax asset		17	13
Deposits, cash and bank balances	17	4,497	3,228
		155,747	168,693
TOTAL ASSETS		247,541	260,555
EQUITY AND LIABILITY			
EQUITY			
Share capital	18	240,457	240,457
Treasury shares	19	(2,460)	(2,460)
Retained earnings	21	7,094	5,817
TOTAL EQUITY		245,091	243,814
CURRENT LIABILITY			
Other payables and accruals	24	2,450	16,741
TOTAL LIABILITY		2,450	16,741
TOTAL EQUITY AND LIABILITY		247,541	260,555

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	27	762,123	753,854	7,244	3,847
Cost of sales	28	(705,133)	(699,222)	-	(123)
Gross profit		56,990	54,632	7,244	3,724
Other income	29	2,696	10,378	1,874	794
Administrative expenses		(39,041)	(35,064)	(3,095)	(3,835)
Distribution expenses		(416)	(452)	-	-
Operating profit		20,229	29,494	6,023	683
Finance income	30	3,755	6,274	48	76
Finance costs	31	(8,685)	(9,332)	(2)	(2)
Share of profits of associates		140	1,286	-	-
Share of profits of joint venture		8,802	8,946	-	-
Profit before tax	32	24,241	36,668	6,069	757
Income tax expenses	35	(6,098)	(9,042)	(79)	(241)
Net Profit for the year		18,143	27,626	5,990	516
Other comprehensive (loss)/ income, net of tax					
Item that is or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		(501)	75	-	-
Other comprehensive (loss)/ income for the year, net of tax		(501)	75	-	-
Total comprehensive income for the year		17,642	27,701	5,990	516

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Net profit/(loss) for the year attributable to:					
Equity holders of the Company		20,672	27,260	5,990	516
Non-controlling interests		(2,529)	366	-	-
Profit for the year		18,143	27,626	5,990	516
Total comprehensive income/(loss) for the year attributable to:					
Equity holders of the Company		20,166	27,332	5,990	516
Non-controlling interests		(2,524)	369	-	-
Total comprehensive income for the year		17,642	27,701	5,990	516
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	36	4.39	5.76		
- Diluted	36	4.39	5.76		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		----------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 2020		240,457	-	11,148	163,536	415,141	6,916	422,057
Dividends	37	-	-	-	(5,184)	(5,184)	-	(5,184)
Share buy back	19	-	(2,460)	-	-	(2,460)	-	(2,460)
Net profit for the year		-	-	-	27,260	27,260	366	27,626
Foreign currency translation difference for foreign operations		-	-	72	-	72	3	75
Other comprehensive income for the year		-	-	72	-	72	3	75
Total comprehensive income for the year		-	-	72	27,260	27,332	369	27,701
At 31 December 2020		240,457	(2,460)	11,220	185,612	434,829	7,285	442,114

		----------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 2021		240,457	(2,460)	11,220	185,612	434,829	7,285	442,114
Dividends	37	-	-	-	(4,713)	(4,713)	-	(4,713)
Net profit/(loss) for the year		-	-	-	20,672	20,672	(2,529)	18,143
Foreign currency translation difference for foreign operations		-	-	(506)	-	(506)	5	(501)
Other comprehensive (loss)/income for the year		-	-	(506)	-	(506)	5	(501)
Total comprehensive (loss)/income for the year		-	-	(506)	20,672	20,166	(2,524)	17,642
At 31 December 2021		240,457	(2,460)	10,714	201,571	450,282	4,761	455,043

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2020		240,457	-	10,485	250,942
Share buy back	19	-	(2,460)	-	(2,460)
Total comprehensive income for the year		-	-	516	516
Dividends	37	-	-	(5,184)	(5,184)
At 31 December 2020		240,457	(2,460)	5,817	243,814
Total comprehensive income for the year		-	-	5,990	5,990
Dividends	37	-	-	(4,713)	(4,713)
At 31 December 2021		240,457	(2,460)	7,094	245,091

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	24,241	36,668	6,069	757
Adjustments for:				
Allowance for expected credit loss	28	3,047	-	-
Amortisation of right-of-use asset	4,136	6,781	-	-
Amortisation of partnership interest	2,542	2,422	-	-
Bad debts written off	32	-	705	-
Depreciation of property, plant and equipment	11,518	10,367	1	58
Impairment loss of investment in an associate	-	1,876	-	-
Interest expense	8,685	9,332	2	2
Loss on disposal of an associate	-	323	-	-
Loss on disposal of investment property	40	-	-	-
Property, plant and equipment written off	1	15	-	-
Unrealised loss/(gain) on foreign exchange	1,562	(8,305)	-	-
Dividend income	-	-	(4,776)	-
Gain on disposal of property, plant and equipment	(420)	(354)	-	-
Gain on disposal of a subsidiary	-	(4)	-	-
Interest income	(3,755)	(6,274)	(48)	(76)
Reversal of impairment loss of subsidiaries	-	-	(1,872)	-
Reversal of amortisation of right-of -use assets	(36)	-	-	-
Lease discount received	-	(38)	-	-
Share of profits of associates	(140)	(1,286)	-	-
Share of profits of joint venture	(8,802)	(8,946)	-	-
Operating profit before working capital changes	39,632	45,624	81	741
Changes in inventories	11,703	29,172	-	-
Changes in contract assets/liabilities	119,773	(40,520)	-	-
Changes in contract cost	3,646	(19,490)	-	-
Changes in receivables	4,773	(24,300)	1,349	5
Changes in payables	(45,043)	(9,945)	(122)	55
Cash generated from/(used in) operations	134,484	(19,459)	1,308	801
Tax paid	(8,026)	(8,849)	(16)	(45)
Interest paid	(848)	(1,160)	(2)	(2)
Interest received	3,755	6,274	48	76
Net cash generated from/(used in) operating activities	129,365	(23,194)	1,338	830

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional investments in an existing associate	(30)	-	-	-
Repayment from/(Advances to) subsidiaries	-	-	14,046	(1,440)
Purchase of property, plant and equipment and right-of-use assets (note 38)	(446)	(2,676)	-	-
Proceeds from disposal of property, plant and equipment	872	389	-	-
Proceeds from disposal of investment property	180	-	-	-
Proceeds from disposal of an associate	-	2,585	-	-
Distribution of profit from joint venture	1,751	-	-	-
Dividend received	-	-	4,776	-
Reversal of investment property	13	-	-	-
Net cash generated from/(used in) investing activities	2,340	298	18,822	(1,440)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment to subsidiaries	-	-	(14,178)	(1,547)
(Placement)/Withdrawal in pledged fixed deposits and designated bank accounts	(22,186)	12,878	(30)	6,160
(Repayment of)/Proceeds from short-term borrowings	(68,065)	8,398	-	-
Proceeds from long-term borrowings	4,160	7,320	-	-
Payment of lease liability	(228)	(190)	-	-
Payment for share buy back	-	(2,460)	-	(2,460)
Dividend paid	(4,713)	(5,184)	(4,713)	(5,184)
Interest paid	(6,606)	(6,201)	-	-
Net cash (used in)/generated from financing activities	(97,638)	14,561	(18,921)	(3,031)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	34,067	(8,335)	1,239	(3,641)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	154	215	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	101,582	109,702	1,427	5,068
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 17)	135,803	101,582	2,666	1,427

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 in page 1.

The principal activities of the Company are investment holding, general contractors for supplying labour 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 ("IFRS") 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 amended standards

In the current year, the Group and the Company have applied a number of amended standards that become effective mandatorily for the financial periods beginning on or after 1 January 2021.

The adoption of the amended standards 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 new standard and amendments that have been issued by the MASB but are not yet effective.

		Effective date
Amendment to MFRS 16	Covid-19 - Related Rent Concessions	1 April 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

2. BASIS OF PREPARATION (CONT'D)

(b) Standards issued that are not yet effective (cont'd)

		Effective date
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above new standard and 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. SIGNIFICANT 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Business combination (cont'd)

- 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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).

(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 and first-in first-out methods.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Measurement basis (cont'd)

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.

(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% - 33.33%
Motor vehicles	20%
Office equipment	10% - 25%
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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties (cont'd)

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.

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 80 to 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases (cont'd)

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).

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of non-financial assets (cont'd)

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.

Financial assets 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

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.

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.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits (cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax (cont'd)

Deferred tax (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Foreign currencies (cont'd)

(iii) Translation of foreign operations (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 account 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.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Judgements made in applying accounting policies (cont'd)

Classification between investment properties and owner-occupied properties (cont'd)

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.

(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 14.

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 surplus 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 14.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) Key sources of estimation uncertainty (cont'd)

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 35.

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 13.

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 12 and 15.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) Key sources of estimation uncertainty (cont'd)

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 12.

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 14.

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					
2021	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 2021	25,719	167,562	63,881	28,462	5,223	2,739	4,273	297,859
Additions	-	-	444	-	289	60	48	841
Disposals	-	-	(2,116)	(1,247)	(66)	-	-	(3,429)
Exchange difference	(524)	(3,426)	29	122	(7)	-	2	(3,804)
Written off	-	-	(64)	(12)	(358)	(139)	(17)	(590)
Transfer from right -of-use assets	89	-	9,281	3,802	-	-	-	13,172
At 31 December 2021	25,284	164,136	71,455	31,127	5,081	2,660	4,306	304,049
Accumulated Depreciation								
At 1 January 2021	-	8,865	51,413	25,077	3,950	2,561	3,183	95,049
Charge for the year	-	4,606	3,964	1,980	379	57	532	11,518
Disposals	-	-	(1,667)	(1,244)	(66)	-	-	(2,977)
Exchange difference	-	(261)	28	122	-	-	(2)	(113)
Written off	-	-	(64)	(12)	(357)	(139)	(17)	(589)
Transfer from right-of-use assets	-	-	6,137	3,188	-	-	-	9,325
At 31 December 2021	-	13,210	59,811	29,111	3,906	2,479	3,696	112,213
Net Carrying Amount								
At 31 December 2021	25,284	150,926	11,644	2,016	1,175	181	610	191,836

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Valuation		Cost					
2020 (Restated)	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 2020	24,028	156,378	64,696	23,535	5,049	2,768	3,952	280,406
Additions	-	139	117	112	630	72	320	1,390
Disposals	-	-	(958)	(2,691)	(9)	-	-	(3,658)
Exchange difference	1,691	11,045	4	5	42	-	1	12,788
Written off	-	-	(3,568)	-	(489)	(101)	-	(4,158)
Transfer from right -of-use assets	-	-	3,590	7,501	-	-	-	11,091
At 31 December 2020	25,719	167,562	63,881	28,462	5,223	2,739	4,273	297,859
Accumulated Depreciation								
At 1 January 2020	-	4,129	51,443	22,062	3,936	2,563	2,699	86,832
Charge for the year	-	4,342	3,606	1,351	486	98	484	10,367
Disposals	-	-	(937)	(2,691)	(3)	-	-	(3,631)
Written off	-	-	(3,557)	-	(486)	(100)	-	(4,143)
Exchange difference		394	3	5	17	-	-	419
Transfer from right -of-use assets	-	-	855	4,350	-	-	-	5,205
At 31 December 2020	-	8,865	51,413	25,077	3,950	2,561	3,183	95,049
Net Carrying Amount								
At 31 December 2020	25,719	158,697	12,468	3,385	1,273	178	1,090	202,810

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Company				
2021				
Cost				
At 1 January/31 December	2,055	758	1,937	4,750
Accumulated Depreciation				
At 1 January 2021	2,055	758	1,936	4,749
Charge for the year	-	-	1	1
At 31 December 2021	2,055	758	1,937	4,750
Net Carrying Amount				
At 31 December 2021	-	-	-	-
2020				
Cost				
At 1 January/31 December	2,055	758	1,937	4,750
Accumulated Depreciation				
At 1 January 2020	2,013	758	1,920	4,691
Charge for the year	42	-	16	58
At 31 December 2020	2,055	758	1,936	4,749
Net Carrying Amount				
At 31 December 2020	-	-	1	1

(a) Revaluation

Freehold land and buildings of the subsidiaries were revalued using the open market valuation basis carried out on 1 October 2019 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 and/or listings of similar properties in the vicinity, or if not available, within similar localities.

Certain of the freehold land and buildings were revalued based on the directors' estimation using the income approach. 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.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation (cont'd)

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

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.

Freehold land and buildings as at 31 December 2021 are stated at fair value based on an assessment by the board of directors. Based on the assessment performed, the board of directors concluded that the existing carrying amount of the freehold land and buildings as at 31 December 2021 were not materially different from the full valuations performed in previous years.

Had the Group's land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	2021 RM'000	2020 RM'000
Freehold land	18,578	18,998
Freehold building	136,837	140,960
	155,415	159,958

The fair value of 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
2021				
Freehold land	-	3,350	21,934	25,284
Freehold buildings	-	18,199	132,727	150,926
	-	21,549	154,661	176,210
2020				
Freehold land	-	3,350	22,369	25,719
Freehold buildings	-	18,711	139,986	158,697
	-	22,061	162,355	184,416

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation (cont'd)

The following table shows a reconciliation of Level 3 fair values:

	2021 RM'000	2020 RM'000
Group		
As at 1 January	162,355	153,845
Depreciation	(4,094)	(3,832)
Exchange differences	(3,689)	12,342
Transfer	89	-
As at 31 December	154,661	162,355

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 RM154,661,000 (2020: RM162,355,000) have been pledged to a financial institution as security for credit facilities obtained by the subsidiary.

6. INVESTMENT PROPERTIES

	Group	
	2021 RM'000	2020 RM'000
At 1 January	10,526	10,526
Reversal	(13)	-
Disposals	(220)	-
At 31 December	10,293	10,526

Investment properties comprise a number of commercial properties that are leased to third parties and residential properties. The subsequent renewal of the leases are negotiated with the lessees and on average renewal period of one year. No contingent rents are charged.

6. INVESTMENT PROPERTIES (CONT'D)

Valuation of investment properties

Investment properties are stated at fair value which is based on valuation carried out on 1 October 2019 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 and/or listings of similar properties in the vicinity, or if not available, within similar localities.

	Group	
	2021 RM'000	2020 RM'000
At fair value:		
Freehold land	7,500	7,500
Freehold land and buildings	2,093	2,106
Leasehold land and building with unexpired lease period of more than 50 years	700	920
	10,293	10,526

Investment properties as at 31 December 2021 are stated at fair value based on an assessment by the board of directors. Based on the assessment performed, the board of directors concluded that the existing carrying amount of the investment properties as at 31 December 2021 were not materially different from the full valuations performed in previous years.

The following are recognised in profit or loss in respect of investment properties:

Group	2021 RM'000	2020 RM'000
Rental income	242	427
Direct operating expenses:		
- revenue generating properties	37	103

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
2021				
Freehold land	-	7,500	-	7,500
Freehold land and buildings	-	2,093	-	2,093
Leasehold land and building	-	700	-	700
	-	10,293	-	10,293
2020				
Freehold land	-	7,500	-	7,500
Freehold land and buildings	-	2,106	-	2,106
Leasehold land and building	-	920	-	920
	-	10,526	-	10,526

6. INVESTMENT PROPERTIES (CONT'D)

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 hierarchy during the year.

7. INVENTORIES

Non-Current Assets

(a) Land Held for Property Development

Freehold land	Group	
	2021 RM'000	2020 RM'000
Cost		
At 1 January	12,065	11,930
Addition	69	135
At 31 December	12,134	12,065

The land held for property development amounting to RM12,134,000 (2020: RM12,065,000) have been pledged to a financial institution as security for bank facilities granted to the Group as disclosed in note 22.

Current Assets

(a) Property Development Costs

	Group	
	2021 RM'000	2020 RM'000
- Land, at cost	31,520	67,226
- Development costs	99,435	89,613
At 1 January	130,955	156,839
Costs incurred during the year		
- Development costs	94,980	67,186
Transfer to contract cost assets (note 16)	(106,281)	(93,070)
At 31 December	119,654	130,955

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 RM142,000 (2020:RM128,000) as further disclosed in note 33.

7. INVENTORIES (CONT'D)

(b) Inventories

	Group	
	2021 RM'000	2020 RM'000
Cost		
Raw materials	225	281
Finished goods	43	55
Completed properties	12,245	12,648
	12,513	12,984
Total (a) and (b)	132,167	143,939

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	91,748	91,748

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest 2021 %	Effective interest 2020 %	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
TRC International Pte Ltd***	Malaysia	-	100	Investment holding
Held through subsidiaries:				
Swan Synergy Developments Pty Ltd**	Australia	-	100	Construction and property development
TRC (Aust) Hotel Pty Ltd**	Australia	100	100	Hotel operation 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

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest 2021 %	2020 %	Principal activities
Held through subsidiaries:				
TRC Niaga Sdn. Bhd. (formerly known as TRC Concrete Industries Sdn. Bhd.)	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 certain exemptions given by the country of incorporation.

** Not audited by Mazars PLT.

*** TRC International Pte Ltd had been dissolved under the Labuan Offshore Companies Act 1990.

During the current year, Swan Synergy Developments Pty Ltd had ceased its business operation and cancelled its Business Registration. The details of the cessation are disclosed in note 45.

Subsidiaries that have material non-controlling interests

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

Name of subsidiary	NCI percentage of ownership interest and voting interest 2021	2020
ETPJV Sdn. Bhd.	49%	49%

	Carrying amount of NCI 2021 RM'000	2020 RM'000
ETPJV Sdn. Bhd.	6,114	5,981
Others *	(1,353)	1,304
	4,761	7,285

* Amounts are negligible.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows:

(i) Summarised statement of comprehensive income

ETPJV Sdn. Bhd.

	2021 RM'000	2020 RM'000
Revenue	163,394	127,225
Profit before tax	368	901
Income tax expense	(96)	(220)
Profit for the year	272	681
Total comprehensive income	272	681
Total comprehensive income allocated to NCI	133	334

(ii) Summarised statement of financial position

ETPJV Sdn. Bhd.

	2021 RM'000	2020 RM'000
Current		
Assets	99,931	85,063
Liabilities	(87,454)	(72,858)
Total net current assets	12,477	12,205
Non-current		
Assets	-	-
Liabilities	-	-
Total net non-current assets	-	-
Net assets	12,477	12,205

(iii) Summarised statement of cash flows

ETPJV Sdn. Bhd.

	2021 RM'000	2020 RM'000
Net cash generated from operating activities	2,338	963
Net cash used in financing activities	(214)	(308)
Net increase in cash and cash equivalents	2,124	655
Cash and cash equivalents at beginning of the year	10,994	10,339
Cash and cash equivalents at end of the year	13,118	10,994

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 2021 RM'000	Group 2020 RM'000
Unquoted shares, at cost	9,576	9,362
Less: Accumulated impairment losses	(5,728)	(5,678)
	3,848	3,684
Share of post - acquisition loss:		
Share of loss of associates	(1,616)	(1,757)
Share of exchange reserve	(737)	(628)
	1,495	1,299

Details of associates are as follow:

Name of associates	Country of incorporation/ Principal place of business	Equity interest 2021 %	Equity interest 2020 %	Principal activities
Delta Garden Limited**	Kingdom of Cambodia	34	34	Property development
Petrobru (B) Sdn. Bhd.*	Brunei Darussalam	-	40	Dormant
Hexide Engineering Services Sdn. Bhd.***	Malaysia	30	30	Provision of mechanical and electrical services

* The associate has not carried on business operations since 1 October 2010 and has been deregistered.

** The financial statements of Delta Garden Limited have not been audited due to certain exemptions given by the country of incorporation.

*** Not audited by Mazars PLT.

During the year, Trans Resources Corporation Sdn. Bhd. acquired additional 29,997 shares in Hexide Engineering Services Sdn. Bhd. ("HESSB") for a total consideration of RM29,997. Following the further acquisition, the shareholdings in HESSB remain at 30%.

The Group has assessed whether there is any impairment of its investment in an associate of a subsidiary as the associate has remained inactive. This assessment is performed and the recoverable amount is determined based on value-in-use ("VIU") calculation using cash flow projection of future dividend income.

The key input used in VIU calculation is the Sales and Purchase Agreement entered on 1 April 2021 for disposal of properties with consideration of USD8,800,000. Based on management's assessment, an impairment of Nil (2020: RM1,876,000) has been recognised during the year as administrative expenses.

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	2021 RM'000	2020 RM'000
Assets and liabilities:		
Total assets	15,925	15,362
Total liabilities	(25,014)	(24,130)
Results:		
Revenue	-	-
Profit for the year	-	-
Total comprehensive income for the year	-	-

Hexide Engineering Services Sdn. Bhd.	2021 RM'000	2020 RM'000
Assets and liabilities:		
Total assets	711	7
Total liabilities	(145)	(17)
Results:		
Revenue	2,516	-
Profit for the year	476	6
Total comprehensive income for the year	476	6

Reconciliation of summarised financial information of material associates to the carrying amount of interest in associates is as follows:

Delta Garden Limited	2021 RM'000	2020 RM'000
Net liabilities	(9,089)	(8,768)
Group share of net liabilities	(3,090)	(2,981)
Goodwill	10,143	9,958
Impairment loss	(5,728)	(5,678)
Carrying amount of the Group's interest in associate	1,325	1,299

Hexide Engineering Services Sdn. Bhd.	2021 RM'000	2020 RM'000
Net assets/(liabilities)	566	(10)
Group share of net assets	170	-
Carrying amount of the Group's interest in associate	170	-

The Group does not have any capital commitment or contingent liabilities in relation to its interest in the associates as at 31 December 2021 (2020: Nil).

10. INVESTMENT IN JOINT VENTURE

	Group 2021 RM'000	Group 2020 RM'000
Unquoted shares, at cost	25,457	26,068
Share of post - acquisition profits, net of distribution	22,196	18,225
	47,653	44,293

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 2021 %	Equity interest 2020 %
Springridge Partnership	Partnership	Australia	33	33

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, rather than the Group's share:

BB Ngiam and KH Leong Family Trust and TRC (Aust) Pty Ltd	2021 RM'000	2020 RM'000
Summarised statement of financial position		
Cash and cash equivalents	20,719	9,042
Other current assets	20,455	62,739
Non-current assets	35,549	4,262
Current liabilities	(329)	(268)
Non-current liabilities	(2,298)	(7,847)
Net assets	74,096	67,928
Summarised statement of comprehensive income		
Gross profit	29,966	29,613
Other income	53	110
Administrative expenses	(3,442)	(2,659)
Other expenses	(170)	(225)
Profit from continuing operations	26,407	26,839
Total comprehensive income	26,407	26,839
Group's share of comprehensive income	8,802	8,946
Distribution received from the joint venture	1,751	655

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	
	2021 RM'000	2020 RM'000
Net assets of the joint venture	74,096	67,928
Fair value adjustment on the net assets of the joint venture acquired	68,877	64,951
	142,973	132,879
Proportion of ownership held by the Group	33%	33%
The Group's share of net assets of the joint venture	47,653	44,293

The Group does not have any capital commitment or contingent liabilities in relation to its interest in the joint venture as at 31 December 2021 (2020: Nil).

11. OTHER INVESTMENTS

	Group	
	2021 RM'000	2020 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. TRADE AND OTHER RECEIVABLES

		Group	
		2021 RM'000	2020 RM'000
Non-current			
Other receivables	(a)	760	41,146
Allowance for expected credit losses		-	(15,233)
Total		760	25,913
Current			
Receivables from contracts with customers			
Third parties		268,327	224,437
Related parties		1,384	-
Construction contracts:			
Retention sums		101,793	111,756
		371,504	336,193
Allowance for expected credit losses		(15,449)	-
	(b)	356,055	336,193

12. TRADE AND OTHER RECEIVABLES (CONT'D)

		Group	
		2021 RM'000	2020 RM'000
Other receivables			
Amount due from an associate	(c)	9,140	8,825
Allowance for expected credit losses		(2,297)	(2,216)
		6,843	6,609
Deposits		4,759	4,613
Prepayments		2,653	2,772
Other receivables		18,829	17,301
Goods and Services Tax ("GST") receivable		139	1,488
		33,223	32,783
Total		389,278	368,976

The movements in allowance for expected credit losses for trade and other receivables (current and non-current):

	Group	
	2021 RM'000	2020 RM'000
At 1 January	17,449	14,434
Net remeasurement of loss allowance	28	3,047
Exchange difference	269	(32)
At 31 December	17,746	17,449

		Company	
		2021 RM'000	2020 RM'000
Current			
Other receivables			
Amounts due from subsidiaries	(d)	152,066	166,808
Allowance for expected credit losses		(988)	(2,860)
		151,078	163,948
Deposits		2	2
GST receivable		139	1,488
Other receivables		14	14
Total		151,233	165,452

The movements in allowance for expected credit losses for amounts due from subsidiaries:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	2,860	2,860
Net remeasurement of loss allowance	(1,872)	-
31 December	988	2,860

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Other receivables (Non-current)

In the previous year, included in other receivables is an amount owing by Brunei Economic Development Board ("BEDB") amounting to RM39,628,000 (BND13,000,000) under non-current assets which is unsecured and interest free.

On 19 November 2021, Trans Resources Corporation Sdn. Bhd ("TRC") and TRC (B) Sdn Bhd ("TRCB") had entered into a supplementary agreement in which TRCB had agreed to reimburse the said performance bond of RM40,166,000 (BND13,000,000) to TRC. Therefore, this amount had been novated from TRC to TRCB and classified under trade receivables (current assets) as of year-end.

(b) Receivables from contracts with customers

Receivables from contracts with customers are non-interest bearing and are receivable generally on 30 to 90 (2020: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group	
	2021 RM'000	2020 RM'000
Ageing analysis of trade receivables		
Not past due but impaired	290,966	204,511
1 to 30 days past due not impaired	27,547	72,500
31 to 60 days past due not impaired	22,153	35,108
61 to 90 days past due not impaired	6,245	7,587
Over 90 days past due not impaired	24,593	16,487
	371,504	336,193
Impaired	(15,449)	-
	356,055	336,193

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, except for the trade receivable from BEDB, as disclosed in note 46.

(c) Amount due from an associate

Amount due from an associate is unsecured, non-interest bearing advances and is receivable on demand.

(d) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing advances and are receivable on demand.

13. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2021 RM'000	2020 RM'000
At 1 January	(4,072)	(3,201)
Recognised in profit or loss	2,099	(819)
Exchange differences	23	(52)
At 31 December	(1,950)	(4,072)
Represented by:		
Deferred tax assets	3,255	1,299
Deferred tax liabilities	(5,205)	(5,371)
	(1,950)	(4,072)

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.

The deferred tax assets/(liabilities) on temporary differences recognised in the financial statements are as follows:

	Group	
	2021 RM'000	2020 RM'000
Deductible/(Taxable) temporary differences:		
- Unabsorbed tax losses	1,818	143
- Unabsorbed capital allowance	31	110
- Excess of capital allowance claimed over accumulated depreciation on property, plant and equipment and right-of-use assets	(2,487)	(2,839)
- Revaluation surplus on properties	(3,902)	(3,830)
- Changes on fair value of investment properties	(49)	(49)
- Future deductible development cost	93	159
- Accruals	1,234	981
- Deferred revenue	1,305	1,248
- Others	7	5
	(1,950)	(4,072)

	Company	
	2021 RM'000	2020 RM'000
At 1 January	113	329
Recognised in profit or loss	(67)	(216)
At 31 December	46	113

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets on temporary differences recognised in the financial statements are as follows:

	Company	
	2021 RM'000	2020 RM'000
Unabsorbed tax losses	19	18
Unabsorbed capital allowance	27	95
	46	113

Deferred tax assets for the following temporary differences and unused tax credits are not recognised in the financial statements:

	Group	
	2021 RM'000	2020 RM'000
Unabsorbed tax losses	11,608	26,889

Pursuant to the applicable tax legislation, unabsorbed tax losses will expire as follows:

	Group	
	2021 RM'000	2020 RM'000
Year of assessment:		
With no expiry	-	22,834
Expiring in 2021	-	3,519
Expiring in 2022	531	524
Expiring in 2025	12	12
Expiring in 2027	11,061	-
Expiring in 2028	4	-
	11,608	26,889

14. RIGHT-OF-USE ASSETS

The Group as a lessee:

Group	Valuation		Cost					
2021	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 2021	870	2,825	16,771	6,072	1,083	915	577	29,113
Additions	-	-	-	-	-	5	-	5
Exchange difference	-	-	(66)	-	(25)	(22)	-	(113)
Transfer to property, plant and equipment	(89)	-	(9,281)	(3,802)	-	-	-	(13,172)
At 31 December 2021	781	2,825	7,424	2,270	1,058	898	577	15,833
Accumulated Amortisation								
At 1 January 2021	13	69	7,187	2,817	626	370	321	11,403
Charge for the year	10	55	2,528	1,350	-	-	193	4,136
Exchange difference	-	-	(33)	-	(14)	(8)	-	(55)
Reversal	-	-	(5)	-	(10)	(21)	-	(36)
Transfer to property, plant and equipment	-	-	(6,137)	(3,188)	-	-	-	(9,325)
At 31 December 2021	23	124	3,540	979	602	341	514	6,123
Net Carrying Amount								
At 31 December 2021	758	2,701	3,884	1,291	456	557	63	9,710

14. RIGHT-OF-USE ASSETS (CONT'D)

The Group as a lessee: (cont'd)

Group	Valuation		Cost					
2020 (Restated)	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 2020	870	2,825	18,285	12,663	1,017	826	577	37,063
Additions	-	-	1,864	910	-	20	-	2,794
Disposals	-	-	-	-	(16)	-	-	(16)
Exchange difference	-	-	212	-	82	69	-	363
Transfer to property, plant and equipment	-	-	(3,590)	(7,501)	-	-	-	(11,091)
At 31 December 2020	870	2,825	16,771	6,072	1,083	915	577	29,113
Accumulated Amortisation								
At 1 January 2020	3	14	4,496	4,679	233	122	128	9,675
Charge for the year	10	55	3,451	2,488	360	224	193	6,781
Disposals	-	-	-	-	(8)	-	-	(8)
Exchange difference	-	-	95	-	41	24	-	160
Transfer to property, plant and equipment	-	-	(855)	(4,350)	-	-	-	(5,205)
At 31 December 2020	13	69	7,187	2,817	626	370	321	11,403
Net Carrying Amount								
At 31 December 2020	857	2,756	9,584	3,255	457	545	256	17,710

14. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases leasehold land and buildings, plant, machinery and equipment, motor vehicles, office equipment, furniture and fittings and premise.

(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 1 October 2019 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 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.

Leasehold land and buildings as at 31 December 2021 are stated at fair value based on an assessment by the board of directors. Based on the assessment performed, the board of directors concluded that the existing carrying amount of the leasehold land and buildings as at 31 December 2021 were not materially different from the full valuations performed in previous years.

Had the Group's leasehold land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	2021 RM'000	2020 RM'000
Leasehold land	515	525
Leasehold building	1,498	1,527
	2,013	2,052

The fair values 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
2021				
Leasehold land	-	758	-	758
Leasehold building	-	2,701	-	2,701
	-	3,459	-	3,459
2020				
Leasehold land	-	857	-	857
Leasehold building	-	2,756	-	2,756
	-	3,613	-	3,613

14. RIGHT-OF-USE ASSETS (CONT'D)

(a) Leasehold land and building (cont'd)

(i) Revaluation (cont'd)

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.

(ii) Security

A leasehold building of a subsidiary incorporated in Malaysia with a net carrying amount of RM1,415,000 (2020: RM1,453,000) 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 (2020: 3 to 5) years.

Certain assets belong to a foreign subsidiary incorporated in Australia with a carrying amount of RM2,369,000 (2020: RM2,384,000) have been pledged to a financial institution as collateral for credit facilities obtained by the subsidiary.

(c) Premise

The lease of premise is typically made for periods of 3 years. The lessor does not impose any covenants.

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 RM6,681,000 and Nil (2020: RM11,265,000 and RM394,000) respectively.

15. CONTRACT ASSETS/LIABILITIES

		Group	
		2021	2020
		RM'000	RM'000
Contract assets			
- Property development contracts	(a)	15,365	16,402
- Construction contracts	(b)	18,278	37,483
		33,643	53,885
Less: Expected credit loss allowance		(143)	(138)
		33,500	53,747
Contract liabilities			
- Construction contracts	(b)	270,195	154,153
- Advances received from customers	(c)	894	17,410
		271,089	171,563

(a) Property development contracts

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	16,402	-
Consideration payables to customers	1,399	468
Revenue recognised during the year	122,523	83,376
Progress billings issued during the year	(124,959)	(67,442)
At 31 December	15,365	16,402

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 billed at the reporting date.

(b) Construction contracts

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	(116,808)	(111,274)
Revenue recognised during the year	401,930	453,761
Revenue recognised that was included in the contract liabilities at the beginning of the year	154,153	141,903
Progress billings issued during the year	(691,330)	(601,200)
Exchange differences	(5)	2
At 31 December	(252,060)	(116,808)
Represented by:		
Contract assets	18,278	37,483
Contract liabilities	(270,195)	(154,153)
Expected credit loss allowance	(143)	(138)
	(252,060)	(116,808)

15. CONTRACT ASSETS/LIABILITIES (CONT'D)

(b) Construction contracts (cont'd)

The movements in loss allowance for contract assets:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	138	140
Exchange difference	5	(2)
At 31 December	143	138

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.

(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	
		2021 RM'000	2020 RM'000
Contract cost assets			
Costs to fulfil contracts with customers	(a)	14,517	18,382
Costs to obtain contracts with customers	(b)	1,327	1,108
		15,844	19,490

(a) Costs to fulfil contracts with customers

	Group	
	2021 RM'000	2020 RM'000
At 1 January	18,382	-
Transfer from property development costs (note 7)	106,281	93,070
Cost recognised in profit or loss	(110,146)	(74,688)
At 31 December	14,517	18,382

16. CONTRACT COST ASSETS (CONT'D)

(b) Costs to obtain contracts with customers

	Group	
	2021 RM'000	2020 RM'000
At 1 January	1,108	-
Costs incurred during the year	3,995	2,224
Cost recognised in profit or loss	(3,776)	(1,116)
At 31 December	1,327	1,108

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash on hand and at banks	66,887	48,294	1,666	427
Deposits:				
- Money market funds placed with fund managers	15,357	5,489	-	-
- Fixed deposits with licensed banks	231,715	218,416	2,831	2,801
Total	313,959	272,199	4,497	3,228

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.

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.

Fixed deposits are placed for varying periods of between one and twelve (2020: 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 weighted average effective interest rate for the Group and the Company range from 1.00% - 1.90% (2020: 1.50% - 3.10%) per annum.

Included in cash at banks of the Group are amounts of RM6,157,000 (2020: RM7,897,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1991 and are restricted from use in other operations.

Included in cash at banks of the Group are amount of RM1,126,000 (2020: Nil) 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 RM174,302,000 (2020: RM153,242,000) and RM1,831,000 (2020: RM1,801,000) respectively are pledged as securities for borrowing facilities as disclosed in note 22.

17. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

For the purpose of statements of cash flow, cash and cash equivalents comprise the following as at reporting date:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	65,761	48,294	1,666	427
Money market funds placed with fund managers	15,357	5,489	-	-
Fixed deposits with licensed banks	57,413	65,174	1,000	1,000
Bank overdrafts (note 22)	(2,728)	(17,375)	-	-
Total cash and cash equivalents	135,803	101,582	2,666	1,427

18. SHARE CAPITAL

	Group/Company	
	Share capital Units	Share capital RM'000
Issued and fully paid-up ordinary shares		
2021		
At 1 January/31 December	480,497,103	240,457
2020		
At 1 January/31 December	480,497,103	240,457

19. TREASURY SHARES

	Group/Company			
	Number of shares		At cost	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
At 1 January	9,208	-	2,460	-
Shares buy back	-	9,208	-	2,460
At 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 29 June 2021, 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 2021, 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 2021	(626)	11,846	11,220
Foreign currency translation difference in foreign operations	(506)	-	(506)
At 31 December 2021	(1,132)	11,846	10,714
At 1 January 2020	(698)	11,846	11,148
Foreign currency translation difference in foreign operations	72	-	72
At 31 December 2020	(626)	11,846	11,220

(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	
		2021 RM'000	2020 RM'000
Non-current			
Secured:			
Market rate loan	(v)	91,591	96,823
Term loan	(iii)	4,160	-
Finance lease liabilities (note 25)	(iv)	3,685	6,141
Unsecured:			
Lease liability (note 26)		-	70
		99,436	103,034

22. BORROWINGS (CONT'D)

		Group 2021 RM'000	Group 2020 RM'000
Current			
Secured:			
Bankers' acceptance	(ii)(a)	1,486	17,346
Bank overdrafts (note 17)	(i)	2,728	17,375
Revolving credit and loan	(ii)(e)	38,549	57,106
Invoice financing	(ii)(c)	2,278	26,662
Promissory note financing	(ii)(b)	5,000	-
Trust receipt	(ii)(d)	1,685	17,378
Market rate loan	(v)	2,961	-
Term loan	(iii)	6,240	-
Finance lease liabilities (note 25)	(iv)	2,603	4,656
Unsecured:			
Lease liability (note 26)		70	207
		63,600	140,730
Total borrowings		163,036	243,764

Changes in liabilities arising from financing activities (excluding lease liability and bank overdraft):

	Group 2021 RM'000	Group 2020 RM'000
At 1 January	226,112	201,136
Cash flows:		
Net (repayment)/drawdown of loan	(63,905)	15,718
Interest paid	(6,606)	(6,201)
Non-cash:		
Finance cost	6,606	6,201
Exchange differences	(2,369)	7,750
Purchase of right-of-use assets via finance lease	400	1,508
At 31 December	160,238	226,112

(i) Bank overdrafts

The bank overdrafts of the subsidiaries are subject to interest at rates range from 0% to 1.5% (2020: 0% to 1.5%) per annum above the banks' base lending rates. The effective interest rates charged by the banks range from 5.45% to 7.14% (2020: 6.07% to 8.39%) per annum.

22. BORROWINGS (CONT'D)

(ii) Multi trade line

a. Bankers' acceptance

The bankers' acceptance is subject to commissions at rates range from 0.70% to 1% (2020: 0.70% to 1%) per annum above the banks' cost of funds. The effective interest rates charged by the banks range from 1.86% to 3.36% (2020: 2.40% to 4.64%) per annum.

b. Promissory note financing

The promissory note financing is subject to interest rate of 0.70% per annum above the bank's cost of funds. The effective interest rate charged by the banks is 2.28% per annum.

c. Invoice financing

The invoice financing is subject to interest rate range from 0.75% to 1.10% (2020: 0.75% to 1.10%) per annum above the bank's cost of funds. The effective interest rates charged by the banks range from 2.45% to 6.10% (2020: 2.71% to 5.90%) per annum.

d. Trust receipt

The trust receipt is subject to commissions at rate of 0.75% (2020: 0.75%) per annum above the banks' cost of funds. The effective interest rates charged by the banks range from 2.61% to 2.81% (2020: 2.62% to 4.14%) per annum.

e. Revolving credit and loan

The revolving credit and loan are subject to commissions at rate range from 0.55% to 2% (2020: 0.55% to 2%) per annum above the banks' cost of funds. The effective interest rates charged by the banks range from 2.70% to 4.15% (2020: 2.70% to 5.19%) per annum.

f. 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 14.

(iii) Term loan

The term loan is subject to interest rate at 2.50% per annum above the bank's cost of funds. The effective interest rates charged by the bank range from 4.67% to 4.68% per annum.

The above facility is 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.

22. BORROWINGS (CONT'D)

(iv) Obligations under finance leases

These obligations are secured by a corporate guarantee from the Company and a charge over the leased assets (note 14). The average interest rate implicit in the leases ranges from 1.56% to 3.73% (2020: 2.16% to 3.25%) per annum.

(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 1.67% above bank bill swap bid rate. The interest rate charged by the bank is 2.92% (2020: 2.55%) 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 AUD 3,000,000 (approximately RM9,083,000) given by the Company in favour of a foreign subsidiary; and
(d) Corporate guarantee of AUD 33,228,037 (approximately RM100,608,000) given by the Company to a foreign subsidiary.

The covenants imposed by the bank require the loan to value ratio to not exceed 50% and the interest cover ratio is not less than 2.0 to 2.5 times. The Group had met the required covenants as at reporting date.

23. PROVISION

Provision of the Group is analyse as follow:

	Group	
	2021 RM'000	2020 RM'000
Non-current	32,288	41,394
Current	11,266	5,950
	43,554	47,344
Movement of provision for land cost:		
At 1 January	47,344	45,409
Cash flows:		
Payment during the year	(5,000)	-
Non-cash:		
Unwinding of discount	1,210	1,935
At 31 December	43,554	47,344

The provision for land cost represents the present obligation for consideration expected to be incurred for project development contract.

24. TRADE AND OTHER PAYABLES

	Group	
	2021 RM'000	2020 RM'000
Trade payables		
Third parties	171,048	168,382
Related party	1,113	1,424
Amount due to associate	203	-
Accruals	27,693	67,251
	200,057	237,057
Other payables		
Other payables	15,450	19,017
Accruals	5,833	5,632
GST payable	412	412
	21,695	25,061
Total	221,752	262,118

Trade payables comprise amounts outstanding from trade purchases, sub-contractors claims on contract works performed and retention sums payable. The normal credit periods granted by trade suppliers and sub-contractors range from 30 to 90 (2020: 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.

The amount due to an associate is trade in nature and expected to be settled within normal credit term granted.

Accruals mainly consist of construction costs yet to be billed by sub-contractors.

	Company	
	2021 RM'000	2020 RM'000
Other payables		
Amounts due to subsidiaries	1,883	16,061
Other payables	8	9
Accruals	147	259
GST payable	412	412
Total	2,450	16,741

Changes in liabilities arising from amounts due to subsidiaries under financing activities:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	16,061	17,608
Cash flows:		
Net repayment to subsidiaries	(14,178)	(1,547)
At 31 December	1,883	16,061

25. FINANCE LEASE LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Future minimum lease payments:		
Not later than one year	2,785	4,990
Later than one year but not later than two years	3,821	6,450
Total future minimum lease payments	6,606	11,440
Less: Future finance charges	(318)	(643)
Present value of finance lease liabilities	6,288	10,797
Analysis of present value of finance lease liabilities:		
Not later than one year (note 22)	2,603	4,656
Later than one year but not later than two years (note 22)	3,685	6,141
	6,288	10,797

26. LEASE LIABILITY

	Group	
	2021 RM'000	2020 RM'000
Amount due within 12 months (note 22)	70	207
Amount due after 12 months (note 22)	-	70
	70	277

The changes in lease liability (fixed lease payment) are as follow:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	277	469
Non-cash:		
Lease liability interest	21	36
Discount received	-	(38)
Cash flow:		
Payment during the year	(228)	(190)
At 31 December	70	277

27. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- Construction contracts	556,083	595,664	-	-
- Property development	122,523	83,376	-	-
- Hotel room and ancillary services	23,752	5,182	-	-
- Rendering of services	-	300	-	123
- Servicing of motor vehicles	181	333	-	-
- Project management fee	-	356	-	-
- Management fees from subsidiaries	-	-	2,468	3,724
(ii) Recognised at a point in time				
- Sales of construction materials and others	50,663	61,175	-	-
- Sales of completed properties	701	3,543	-	-
- Sales of foods and beverages	5,655	1,182	-	-
	759,558	751,111	2,468	3,847
Other revenue				
Rental of motor vehicles and heavy machineries	2,565	2,743	-	-
Dividend income	-	-	4,776	-
	762,123	753,854	7,244	3,847

As of 31 December 2021, the aggregate amount of the transaction price allocated to remaining performance obligations is RM1,396,300,000 (2020: RM2,125,590,000). The Group will recognise this amount of revenue as performance obligations are satisfied, which is expected to occur over the next 5 years.

28. COST OF SALES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Construction contracts	518,638	545,157	-	-
Purchase of construction materials and others	49,158	61,000	-	-
Property development	113,922	75,804	-	-
Cost of completed properties	376	2,298	-	-
Rental of motor vehicles and heavy machineries	899	2,151	-	-
Servicing of motor vehicles	98	277	-	-
Hotel operations	21,877	12,299	-	-
Cost of services rendered	165	236	-	123
	705,133	699,222	-	123

29. OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Gain on disposal of property, plant and equipment	420	354	-	-
Reversal of impairment loss of subsidiaries	-	-	1,872	-
Rental of premises	644	708	-	794
Lease discount received	-	38	-	-
Miscellaneous	82	466	-	-
Gain on disposal of a subsidiary	-	4	-	-
Net unrealised gain on foreign exchange	-	8,305	-	-
Net realised gain on foreign exchange	409	-	2	-
Wages subsidy	1,141	503	-	-
	2,696	10,378	1,874	794

30. FINANCE INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short term deposit interest	271	230	-	3
Fixed deposit interest	3,388	5,937	47	71
Interest income - others	96	107	1	2
	3,755	6,274	48	76

31. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank overdraft interest	848	1,160	-	-
Finance lease interest	193	185	-	-
Interest on borrowings	5,544	5,183	-	-
Lease liability interest	21	36	-	-
Commitment fee and others	869	833	2	2
Unwinding of discount on provision	1,210	1,935	-	-
	8,685	9,332	2	2

32. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration				
- statutory audit	475	572	73	85
- overprovision in prior year	-	(30)	-	-
Other non-audit services	5	5	5	5
Allowance for expected credit loss				
- trade and other receivables	28	3,047	-	-
Bad debts written off	32	-	705	-
Depreciation of property, plant and equipment	11,518	10,367	1	58
Property, plant and equipment written off	1	15	-	-
Short-term lease expenses for premises, vehicle, heavy machinery and equipment	6,453	11,075	-	394
Amortisation of partnership interest	2,542	2,422	-	-
Impairment loss of investment in an associate	-	1,876	-	-
Net unrealised loss on foreign exchange	1,562	-	-	-
Loss on disposal of an associate	-	323	-	-
Loss on disposal of investment property	40	-	-	-
Amortisation of right-of-use assets	4,136	6,781	-	-
Reversal of amortisation of right -of-use assets	(36)	-	-	-

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries, allowance and other emolument	71,589	68,651	1,910	2,323
Social security contributions	492	476	3	4
Defined contribution plan	5,778	5,518	147	265
	77,859	74,645	2,060	2,592
Less: Capitalised in property development cost	(142)	(128)	-	-
	77,717	74,517	2,060	2,592

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM3,467,000 (2020: RM4,911,000) and RM365,000 (2020: RM422,000) respectively as further disclosed in note 34.

34. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive directors' remuneration				
- Salaries, allowances and bonus	3,181	4,507	336	389
- Other emoluments	286	404	29	33
	3,467	4,911	365	422
Non-executive directors' remuneration				
- Fees	315	369	315	369
- Allowances and other emoluments	246	211	246	211
	561	580	561	580

35. INCOME TAX EXPENSES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian taxation				
Current tax				
Current year	7,431	8,180	12	18
Under provision in prior years	766	43	-	7
	8,197	8,223	12	25
Malaysian taxation				
Deferred tax				
Current year	(547)	772	67	215
Under/(Over) provision in prior years	34	(248)	-	1
	(513)	524	67	216
Foreign taxation				
Deferred tax				
Current year	(1,586)	295	-	-
Total income tax expenses	6,098	9,042	79	241

Current income tax is calculated at the statutory tax rate of 24% (2020: 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% (2020: 30%) and subsidiaries in Cambodia and Brunei are at 20% and 18.5% (2020: 20% and 18.5%) respectively.

35. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax (excluding share of results of associates and joint venture)	15,299	26,436	6,069	757
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	3,672	6,345	1,457	182
Effect of different tax rates in other countries	1,253	(382)	-	-
Under/(Over) provision in prior years	800	(205)	-	8
Tax effects of:				
- non-taxable income	(580)	(4,044)	(1,596)	(1)
- non-deductible expenses	5,757	7,834	218	52
Deferred tax assets not recognised	2,046	-	-	-
Utilisation of deferred tax assets not recognised previously	(6,850)	(506)	-	-
Income tax expenses for the year	6,098	9,042	79	241

36. 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.

	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	20,672	27,260
Weighted average number of ordinary shares in issue ('000)	471,289	473,286
Basic and diluted earnings per share (sen)	4.39	5.76

37. DIVIDENDS

	Group/Company	
	2021	2020
	RM'000	RM'000
First and final single tier dividend in respect of the year ended 31 December 2020 of 1.00 sen per ordinary share	4,713	-
First and final single tier dividend in respect of the year ended 31 December 2019 of 1.10 sen per ordinary share	-	5,184
	4,713	5,184

At the forthcoming AGM, a provisional single tier dividend in respect of the year ended 31 December 2021 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 2022.

38. CASH PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Addition of property, plant and equipment	841	1,390	-	-
Addition of right-of-use assets	5	2,794	-	-
Less: Financed by finance lease arrangement	(400)	(1,508)	-	-
Cash paid during the year	446	2,676	-	-

39. 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.

39. 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Transactions with subsidiaries				
Dividend income	-	-	4,776	-
Supply of labour	-	-	-	123
Management fees received/ receivables	-	-	2,468	3,724
Rental of premises	-	-	-	394
Rental received/receivables	-	-	-	794
Transaction with an associate				
Maintenance services for electrical and mechanical engineering	2,833	-	-	-
Transaction with a director of subsidiary				
Progress billing issued for sales of development properties	614	-	-	-
Transaction with related party in which a director's close family member has financial interests				
Supply of construction materials	6,308	4,999	-	-
Transaction with related parties who are the close family members of a director				
Progress billing issued for sales of development properties	1,350	-	-	-

Outstanding balances in respect of the above transactions are disclosed in notes 12 and 24.

39. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(i) Executive Directors				
Salaries, allowances and bonus	3,181	4,507	336	389
Other emoluments	286	404	29	33
(ii) Other key management personnel				
Salaries, allowances and bonus	5,749	6,500	583	1,267
Other emoluments	554	634	69	153

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.

40. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following tables provide an analysis of financial instruments categorised as follows:

Group	At amortised cost 2021 RM'000	At amortised cost 2020 RM'000
Financial assets		
Trade and other receivables	387,246	390,629
Deposits, cash and bank balances	298,602	266,710
	685,848	657,339
Financial liabilities		
Trade and other payables	221,340	261,706
Borrowings	163,036	243,764
	384,376	505,470

Group	At fair value through profit or loss 2021 RM'000	At fair value through profit or loss 2020 RM'000
Financial assets		
Money market funds placed with fund managers	15,357	5,489
Other investments	66	66
	15,423	5,555

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

Company	At amortised cost 2021 RM'000	2020 RM'000
Financial assets		
Other receivables and deposits	151,094	163,964
Deposits, cash and bank balances	4,497	3,228
	155,591	167,192
Financial liability		
Other payables and accruals	2,038	16,329

(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.

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.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Interest rate risk (cont'd)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments				
Financial liabilities	6,358	11,074	-	-
Floating rate instruments				
Financial assets	231,715	218,416	2,831	2,801
Financial liabilities	156,678	232,690	-	-

Sensitivity analysis for interest rate risk

The financial impact arising from changes in interest rate is not expected to be significant, 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.

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 not past due but impaired

Information regarding trade and other receivables that are not past due but impaired is disclosed in note 12. 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.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Credit risk (cont'd)

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.

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	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2021				
Trade and other payables	221,340	221,340	-	221,340
Borrowings	162,966	67,828	109,404	177,232
	384,306	289,168	109,404	398,572
Lease liability	70	76	-	76
Total	384,376	289,244	109,404	398,648
2020				
Trade and other payables	261,706	261,706	-	261,706
Borrowings	243,487	143,912	117,099	261,011
	505,193	405,618	117,099	522,717
Lease liability	277	228	76	304
Total	505,470	405,846	117,175	523,021

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 (cont'd)

Company	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2021				
Other payables and accruals	2,038	2,038	-	2,038
2020				
Other payables and accruals	16,329	16,329	-	16,329

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
2021				
Financial guarantee contracts	30,591	216,333	-	246,924
2020				
Financial guarantee contracts	83,265	196,919	30,875	311,059

(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"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), European Dollar ("EUR") and Brunei Dollar ("BND").

The exposure to foreign currency exchange risk is as follow:

	Denominated in				
Group	USD RM'000	AUD RM'000	SGD RM'000	EUR RM'000	BND RM'000
2021					
Bank balances	28	-	860	2	-
Other payables	-	-	(374)	-	-
Net exposure	28	-	486	2	-
2020					
Other receivables	-	1,518	-	-	39,628
Bank balances	228	-	85	2	-
Other payables	-	-	(470)	-	-
Net exposure	228	1,518	(385)	2	39,628

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Foreign currency exchange risk (cont'd)

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 before tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased profit before tax by the amount shown below and a corresponding decrease would have an equal but opposite effect.

	Group	
	2021 RM'000	2020 RM'000
USD	3	23
AUD	-	152
SGD	49	(39)
EUR	*	*
BND	-	3,963
Increase in profit before tax	52	4,099

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 2021 and 31 December 2020.

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 statement of financial position.

42. CAPITAL MANAGEMENT (CONT'D)

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings	163,036	243,764	-	-
Less: Deposits, cash and bank balances	(313,959)	(272,199)	(4,497)	(3,228)
Net cash	(150,923)	(28,435)	(4,497)	(3,228)
Equity attributable to the equity holders of the Company	450,282	434,829	245,091	243,814
Non-controlling interests	4,761	7,285	-	-
Total capital	455,043	442,114	245,091	243,814
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:

2021	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External revenue	609,492	123,224	29,407	-	-	762,123
Inter-segment revenue	181,448	67	12,390	7,245	(201,150)	-
	790,940	123,291	41,797	7,245	(201,150)	762,123
Results						
Segment operating profit	599	3,129	7,409	1,068	8,024	20,229
Share of profits of associates						140
Share of profits of joint venture						8,802
Finance costs						(8,685)
Finance income						3,755
Profit before tax						24,241
Income tax expenses						(6,098)
Net profit for the year						18,143
Other information						
Segment assets	872,573	260,664	192,168	327,181	(538,647)	1,113,939
Investments in associates	170	-	-	1,325	-	1,495
Investment in joint venture	-	-	-	47,653	-	47,653
Consolidated total assets						1,163,087
Segment liabilities	618,358	210,823	183,901	139,134	(444,172)	708,044
Consolidated total liabilities						708,044
Capital expenditure	853	20	5	-	(32)	846
Depreciation of property, plant and equipment	6,976	431	4,116	1	(6)	11,518
Amortisation of right-of-use asset	3,927	209	-	-	-	4,136
Amortisation of partnership interest	-	-	-	2,542	-	2,542
Reversal of amortisation right-of-use assets	-	-	(36)	-	-	(36)
Other material non-cash items	(437)	40	-	4,158	(2,518)	1,243

43. SEGMENTAL INFORMATION (CONT'D)

2020 (Restated)	Construction activities RM'000	Property development RM'000	Hotel operations RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue						
External revenue	660,215	87,275	6,364	-	-	753,854
Inter-segment revenue	145,317	(483)	11,589	4,044	(160,467)	-
	805,532	86,792	17,953	4,044	(160,467)	753,854
Results						
Segment operating profit	31,525	4,274	(6,005)	3,362	(3,662)	29,494
Share of profits of associates						1,286
Share of profits of joint venture						8,946
Finance costs						(9,332)
Finance income						6,274
Profit before tax						36,668
Income tax expenses						(9,042)
Net profit for the year						27,626
Other information						
Segment assets	883,140	290,066	187,033	333,143	(563,628)	1,129,754
Investments in associates	-	-	-	1,299	-	1,299
Investment in joint venture	-	-	-	44,293	-	44,293
Consolidated total assets						1,175,346
Segment liabilities	617,523	233,853	192,417	137,886	(448,447)	733,232
Consolidated total liabilities						733,232
Capital expenditure	3,895	82	207	-	-	4,184
Depreciation of property, plant and equipment	5,906	411	3,992	58	-	10,367
Amortisation of right-of-use assets	5,215	210	1,356	-	-	6,781
Amortisation of partnership interest	-	-	-	2,422	-	2,422
Other material non-cash items	2,575	(38)	(4)	(5,969)	(4)	(3,440)

43. SEGMENTAL INFORMATION (CONT'D)

Geographical Segments

	Malaysia RM'000	Australia RM'000	Brunei RM'000	Cambodia RM'000	Total RM'000
2021					
Revenue	732,623	29,407	93	-	762,123
Non-current assets	66,943	204,774	79	1,325	273,121
2020					
Revenue	745,884	6,364	1,606	-	753,854
Non-current assets	77,969	209,242	193	1,299	288,703

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2021 RM'000	2020 RM'000
Property, plant and equipment	191,836	202,810
Inventories	12,134	12,065
Investment properties	10,293	10,526
Investments in associates	1,495	1,299
Investment in joint venture	47,653	44,293
Right-of-use assets	9,710	17,710
	273,121	288,703

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. SIGNIFICANT EVENT DURING THE YEAR

The Coronavirus disease pandemic

The outbreak of COVID-19 has affected the business and economic environments of the Group. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted businesses, customers and the Group's operations directly or indirectly. Given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, it is challenging to determine the duration of the impact on the business.

As of the date of this report, the management of the Group is actively monitoring and managing its operations to minimise any impact that may arise from COVID-19. However, the management is unable to estimate and predict the full financial impact of COVID-19 on the Group's financial results for the year ending 31 December 2022 as the pandemic has yet to run its full course. The directors shall continuously and vigilantly assess the impact of the COVID-19 crisis on its operations as well as the financial position for the year ending 31 December 2022.

45. CESSATION, ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

(a) Cessation of business of a subsidiary

During the year, Swan Synergy Developments Pty Ltd, a wholly-owned subsidiary of TRC (Aust) Pty Ltd ("TRCA"), had ceased business operations and cancelled its Business Registration with effect from 1 February 2021. The Notice of Cancellation of Business Registration from the Australian Business Register dated 23 February 2021 was received by the Company on 3 March 2021. No material impact on the deregistration of Swan Synergy Developments Pty Ltd to the Group.

(b) Further acquisition of shares in an associate

During the year, Trans Resources Corporation Sdn. Bhd. ("TRC") acquired additional 29,997 shares in Hexide Engineering Services Sdn. Bhd. ("HESSB") for a total consideration of RM29,997. Following the acquisition, the shareholdings in HESSB remain at 30%.

(c) Disposal of subsidiaries

In the previous year, TRC had on 1 December 2020 disposed seven (7) ordinary shares in the capital of HESSB representing 70% of TRC's interest in the share capital of HESSB to unrelated parties at a consideration of RM7 only. Consequently, HESSB became an associate to TRC.

TRC had on 2 December 2020 entered into a Sale and Purchase Agreement ("SPA") with Marie Joanna Buma for disposal of TRC's 100% equity interest held in ETPJV Sdn Bhd ("ETPJV") comprising five million one hundred thousand (5,100,000) ordinary shares in ETPJV for a cash consideration of RM6,222,000. Subsequently in prior year, the Sales and Purchase Agreement was terminated due to non-fulfilment of condition precedent.

(d) Disposal of associates

In the previous year, the Company's wholly-owned subsidiary, TRCA, disposed its 100% equity interest held in Synergy Living Developments Pty Ltd ("SLB") on 6 July 2020, to Pretty Sally Holdings Pty Ltd ("PSH") for a cash consideration of AUD2 (RM6).

Subsequently, TRCA had on 26 October 2020 entered into a SPA with K. H. Leong Nominees Pty Ltd for disposal of its 100% equity interest held in PSH for a cash consideration of AUD880,000 (RM2,584,560).

Consequently, both SLB and PSH ceased to be associates of TRCA.

46. 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 RM49,821,000 (BND16,344,000) from TRC. Subsequently, TRC has submitted a statement of final account of RM61,830,000 (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 RM39,628,000 (BND13,000,000).

On 16 March 2018, TRC served an Originating Summon issued by the High Court of Brunei Darussalam to recover approximately RM39,628,000 (BND13,000,000) together with interest and costs to BEDB.

46. LITIGATION (CONT'D)

Arbitration proceedings against The Brunei Economic Development Board (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) to resolve its disputes with BEDB.

The arbitration trial was duly convened in early November 2021 and all parties have submitted their case submission in January 2022. The arbitrator is expected to give his award within 3 to 6 months time from January 2022.

The directors have assessed the case and to-date a total of RM15,421,000 (BND5,000,000) was provided for as expected credit loss. Taking into views of legal experts, the directors are confident to recover the carrying amount in full.

47. CHANGE IN COMPARATIVE FIGURES

The Group has changed certain comparative amounts for the year ended 31 December 2020 to conform with current year's presentation.

The financial effects of the abovementioned changes in certain comparative amounts are as follows:

Impact on Statement of Financial Position as at 31 December 2020

	As previously stated RM'000	Reclassifications RM'000	As restated RM'000
Property, plant and equipment	220,263	(17,453)	202,810
Right-of-use assets	257	17,453	17,710

48. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the board of directors on 20 April 2022.

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 79 to 160 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 2021 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

20 April 2022

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 79 to 160 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 20 April 2022

LEE GAIK SIEW
Chartered Accountant
MIA No.: 13839

Before me:

LIST OF PROPERTIES
AS AT 31 DECEMBER 2021

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/ Build Up Area	Net Book Value 31/12/2021 RM	Date of Valuation
1.	Lot No. 3626 Section 16 Kuching Central Land District Sarawak	60-year leasehold expiring 18/4/2059	4-storey Shop/Office	25 years	2,214.2 sq ft/ 8,856.8 sq ft	1,414,613	1/10/2019
2.	Lot No. PT19447 Mukim of Ampangan District of Seremban Negeri Sembilan	99-year leasehold expiring 18/9/2095	Agriculture Land	-	9.02 acres	582,139	1/10/2019
3.	Developer's Parcel No. 47(218) First and Second Floors of an Intermediate 4-storey Shop/Office building Taman Melawati Metro 1 Phase 4 Town Centre Selangor	Freehold	First and Second Floors Of 4-storey Shop/Office	33 years	1,550.0 sq ft each	874,159	1/10/2019
4.	3 Units of Apartments Idaman Senibong Apartment Taman Bayu Senibong Johor Bahru, Johor	Leasehold expiring 21/1/2097	Apartments	16 1/2 years	Varying from 808 sq ft & 868 sq ft	700,000	1/10/2019
5.	HS(D) 317221 PTD 163201 Mukim of Plentong District of Johor Bahru State of Johor	Leasehold expiring 21/1/2097	Tapak Perkhemahan	-	0.173 hectares	174,763	-
6.	A part of HS(D) 310780 PTD 158256 Mukim of Plentong District of Johor Bahru State of Johor	Freehold	Residential Land	-	27.636 acres	12,134,008	-
7.	Mukim 2908 Lot 2265 Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Freehold	Agriculture Land	-	2.6052 hectares	3,350,000	1/10/2019
8.	Shop Office & Corporate Building TRC Business Centre Jalan Andaman Utama 68000 Ampang Selangor Darul Ehsan	Freehold	Shop Office	13 years	Varying from 23,251 sq ft, 16,759.41 sq ft, 1,238 sq ft, 1,324 sq ft, 1,335 sq ft,1,464 sq ft, 1,475 sq ft & 1,722 sq ft	19,615,174	1/10/2019
9.	Geran 314188 Lot 73971 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	Freehold	-	8 years	0.6946 hectares	7,500,000	1/10/2019

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/ Build Up Area	Net Book Value 31/12/2021 RM	Date of Valuation
10.	588, Swan Street Richmond,Melbourne Australia	Freehold	5-storey Hotel With An Additional Two Levels Of Basement Car Park	2 1/2 year	3,209 sq meters	154,662,124	25/7/2019
11.	4 Units of Office Building Impian Senibong Residences Taman Bayu Senibong Johor Bahru	Leasehold expiring 21/1/2097	Office Building	4 years	1,158 sq ft each	1,286,942	1/10/2019

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

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	:	3,631

DISTRIBUTION OF SHAREHOLDINGS
(As at 31st March 2022)

Category	No. of Holders	%	No. of Shares	%
Less than 100	138	3.80	4,912	0.00
100 - 1,000	354	9.75	168,896	0.04
1,001 - 10,000	1,583	43.60	9,379,103	1.95
10,001 - 100,000	1,334	36.74	44,855,973	9.33
100,001 and less than 5% of issued shares	217	5.98	192,723,178	40.11
5% and above of the issued shares	5	0.13	233,365,041	48.57
Total	3,631	100.00	480,497,103	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS
(As at 31st March 2022)

		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.	Dato' Leong Kam Heng	48,040,847	10.19	-	-
4.	Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	47,531,517	10.08	124,795,200*	26.48
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 31st March 2022)

		Direct		Indirect	
No.	Name	No. of Shares	%	No. of Shares	%
1.	Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	47,531,517	10.08	124,795,200*	26.48
2.	Dato' Abdul Aziz Bin Mohamad	13,658,217	2.90	124,795,200*	26.48
3.	Dato' Richard Khoo Teng San	10,529,797	2.23	-	-

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 31st March 2022)

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	45,371,517	9.63
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO TEW CHOON	36,934,404	7.84
5.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG KAM HENG	26,263,920	5.57
6.	HLB NOMINEES (TEMPATAN) SDN BHD LEONG KAM HENG (CUST.SIN 10678)	19,300,059	4.09
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP YON TAI	16,441,336	3.49
8.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	12,909,300	2.74
9.	ABDUL AZIZ BIN MOHAMAD	10,789,536	2.29
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHIN MUN	9,685,300	2.06
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	8,194,500	1.74
12.	RICHARD KHOO TENG SAN	7,485,047	1.59
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD	6,567,700	1.39
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD (PHEIM)	6,106,000	1.30
15.	HLB NOMINEES (TEMPATAN) SDN BHD NGIAM BUEY BUEY (CUST. SIN 106787)	4,620,297	0.98
16.	LIM CHIN SENG	3,205,000	0.68
17.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RICHARD KHOO TENG SAN (MY3062)	2,995,600	0.64
18.	CHOONG KEAN LEANG	2,858,100	0.61
19.	OOI CHIN SENG	2,635,540	0.56
20.	LEONG KAM HENG	2,476,868	0.53
21.	TAN SRI DATO' SRI SUFRI BIN MHD ZIN	2,160,000	0.46
22.	LEE KOWI ENG	2,106,500	0.45
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	1,937,800	0.41
24.	ABDUL AZIZ BIN MOHAMAD	1,868,681	0.40
25.	CHIN YU NOMINEES PTY LTD	1,515,744	0.32
26.	KHOO TING HOCK	1,400,000	0.29
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR L.LAKSHMANAN A/L V.LAKSHMANAN	1,304,200	0.27
28.	CHEE SHIH YEE	1,287,900	0.27
29.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LU YIENG LUNG (KUCHING-CL)	1,261,700	0.26
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FO TAN CHIN HOOI (E-BMM)	1,213,600	0.25
	TOTAL	**365,691,379**	**77.59**

Note: Excluding a total of 9,208,400 shares bought-back by the Company and retained as treasury shares

NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fifth 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 **22nd June, 2022** 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 2021.	**(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 2021. *(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 2021. *(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 2021. *(Please refer to Note 6)*	**Ordinary Resolution 3**
5.	To re-elect YBhg Dato' Ir. Abdullah bin Abd Rahman 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 Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman bin Hj Ahmad Badaruddin (Retired) 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-elect Fadzilah binti Mohd Salleh who shall retire as Director of the Company pursuant to Articles 84 of the Company's Articles of Association.	**Ordinary Resolution 6**
8.	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 7**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modification:-

9. **Authority to allot shares pursuant to Section 75 of the Companies Act, 2016** *(Please refer to Note 7)* — **Ordinary Resolution 8**

"**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 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."

10. **Proposed renewal of authority for the company to purchase its own shares** **Ordinary Resolution 9**
(Please refer to Note 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 2021, the audited retained profit of the Company stood at RM7,093,922.53;

(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."

11. 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 2021 will be paid on 15 July 2022 to shareholders whose names appear on the Company's Register of Depositors on 30th June 2022.

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 30th June 2022 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 MOHAMED (LS 007370)
Secretary

Selangor Darul Ehsan
29th April 2022

Notes:

1. **This is a fully virtual AGM. No shareholders/proxies are allowed to present at the broadcast venue. Please refer to the Administrative Guide for online registration.**

2. **Audited Financial Statements for the Year Ended 31st December 2021**

   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 15 June 2022 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 20th April 2022 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 2021, the Company has paid RM314,833 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	RM62,500.00
Chairman to the Audit Committee	RM30,700.00
Other emoluments	RM152,592.00
TOTAL	**RM245,792.00**

7. Authority for allotment of shares (Ordinary Resolution No. 8)

The proposed Ordinary Resolution No. 8 is a renewal of the General Mandate for the Directors to allot shares pursuant to Section 75 of the Companies Act, 2016.

The proposed Ordinary Resolution No. 8, 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.

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 Fourth Annual General Meeting held on 29th June 2021 and which will lapse at the conclusion of the Twenty Fifth Annual General Meeting to be held on 22nd June 2022.

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. 9)

The proposed adoption of the Ordinary Resolution No. 9 is to renew the authority granted by the shareholders of the Company at the Annual General Meeting held on 29th June 2021 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 29th April 2022 which is dispatched together with the Notice of the Twenty Fifth 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-Fifth Annual General Meeting.

STATEMENT RELATING TO GENERAL MANDATE FOR ISSUANCE OF SECURITIES

The proposed adoption of Ordinary Resolution No 8 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 of the Companies Act, 2016, 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.

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-Fourth Annual General Meeting held on 29th June 2021 and which will lapse at the conclusion of the Twenty Fifth Annual General Meeting to be held on 22nd June 2022. Hence, no proceeds were raised therefrom.

TRC SYNERGY BERHAD
199601040839 (413192-D)
(Incorporated in Malaysia)

PROXY FORM

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 Fifth Virtual Annual General Meeting** of the Company, to be held at **Board Room, 8th Floor, TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor** on **Wednesday, 22nd June 2022** 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 Fifth Virtual 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 2021		
ORDINARY RESOLUTION 2	To approve the payment of Directors' Fees in respect of the financial year ended 31st December 2021		
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 2021		
ORDINARY RESOLUTION 4	To re-elect YBhg Dato' Ir. Abdullah bin Abd Rahman as Director of the Company		
ORDINARY RESOLUTION 5	To re-elect YBhg Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman bin Hj Ahmad Badaruddin (Retired) as Director of the Company		
ORDINARY RESOLUTION 6	To re-elect Fadzilah binti Mohd Salleh as Director of the Company		
ORDINARY RESOLUTION 7	To re-appoint Mazars PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
ORDINARY RESOLUTION 8	To grant authority to the Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016		
ORDINARY RESOLUTION 9	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 Fifth 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 15th June 2022 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 Fax: 603-4108 0104

www.trc.com.my