TRC

TRC SYNERGY BERHAD

199601040839 (413192-D)

EMBRACING **CHALLENGES & OPPORTUNITIES**

2020 | ANNUAL REPORT

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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 2020 ("FY 2020").

Tun Jeanne Binti Abdullah
Chairman

DIVIDEND

The Board, in recognising the Group's satisfactory financial performance amid the unprecedented global economic turbulence arising from the COVID-19 pandemic, has recommended a first and final single tier dividend of 1.0 sen per share for the FY 2020 amounting to RM4,712,887. This represents a dividend pay-out ratio of 25% of the core realised net profit achieved for FY 2020, which is within 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 wish to express my heartfelt thanks to my fellow Directors, particularly to our highly respected Group Managing Director, who has been the key driving force 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 complex business landscape.

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 support, trust, and confidence in TRC Synergy Berhad during this Covid-19 induced market downturn. Our Group looks forward to your continuous support as we forge ahead to entrench our market presence in Malaysia and abroad.

To Team TRC, your high dedication, steadfast work commitment and perseverance have helped us not only to weather the immense headwinds and uncertainties brought by the pandemic, but further strengthened our core foundations for sustainable growth in the years to come. 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 Bhd would continue to thrive going forward.

On that note, let us stay safe, stay strong and stay positive for a brighter 2021.

Thank you.

MANAGEMENT DISCUSSION AND ANALYSIS

Package V205 MRT2 Guideway

MRT2 Depot at Serdang

OVERVIEW OF GROUP'S BUSINESS OPERATIONS

Year 2020 was an extremely challenging year brought about by the Covid-19 pandemic. It had a profound impact on the global economy, not to mention the impact on Malaysia's construction industry. When the government announced the Movement Control Order (MCO) on 18th March 2020 all social and economic activities were prohibited, hence the Group's business and operations were also halted.

Nevertheless, the construction industry was one of the non-essential services which were allowed to re-open on 10th April 2020, but with strict procedures. TRC Synergy Berhad and its subsidiaries ('the Group") whose business largely involves construction and property development did its level best to return to normalcy and acclimatize to the new norm.

This new norm presents its own sets of challenges for the Group to effectively operate due to the restrictions imposed in order to re-start the operation, such as strict work clearance process by government agencies and clients, additional work procedures and sequence in relation to the Covid-19 SOPs. During the initial period of the reopening of the economy, a large part of the industry's supply-chain was disrupted and delayed so as to adjust to this new norm. The industry was seen to be moving slowly back on track in June 2020 and in August 2020 the pre-MCO momentum resumed. Nevertheless, generally all contractors encountered a situation where full operations efficiency cannot be achieved due to SOP constraints so much so by the time business resumed, the construction industry has suffered RM18.5 billion losses or 17.1% contraction from the previous year.

Although the Group is not spared from the impact of the pandemic, it is fortunate enough to have a healthy order book balance that has been accumulated from the preceding years. Therefore, it concentrated on working to boost productivity and continued to deliver substantially on existing projects in hand, namely work packages for LRT3 and MRT2, the mixed development projects in Putrajaya, the Pan Borneo Highway in Sarawak and also the MRSM project in Ranau. Additionally, a better performance from the property development division also added revenue to the Group's turnover compared to the previous years. Meanwhile, the hotel operation in Australia experienced some losses as the tourism industry in general was one of the most badly hit sectors by the pandemic. The losses by this overseas unit has resulted in some reduction to the overall Group's profitability. Nevertheless, the Group has done well in managing the major business setbacks. This was shown through the sustained turnover and profitability in relation to the country's overall current economic and industry situation.

MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF FINANCIAL RESULTS

The year 2020 had gone down in history as one of the most eventful in recent memory where countries across the globe were forced into lockdowns to contain the Covid-19 pandemic, all economic activities except for essential services were brought to an abrupt halt with the majority of the world's population was grounded within the confines of home.

The unprecedented magnitude and scale of damages brought by the pandemic had not only caused millions of casualties, thrown the economy into turmoil but it had also shaken the world to its core, with no exception to Malaysia. The governments and relevant stakeholders all over the world, taken cognizant of the severity of the pandemic induced crisis had swung into swift actions by rolling out various forms of significant policy measures, including but not limiting to deep monetary policy loosening and massive fiscal spending, rescue packages, etc. in an effort to salvage the economy from suffering historical slump.

Amid the pandemic induced economic woes, our country's Gross Domestic Product (GDP) had contracted by 5.6% year-on-year (YoY) as compared to 4.3% positive growth reported in a year earlier. This GDP contraction was reported as the worst since a 7.4% YoY contraction during the Asian Financial Crisis in 1998.

During this extraordinary trying year, we had continued to stay resilient by focusing primarily on timely implementation of on-going projects to ensure the Group delivers positive financial performance for current as well as future financial years.

GROUP PERFORMANCE FOR FY2020

Against this backdrop, we shall appraise how our Group fared financially for the financial year 2020

For a meaningful comparison and accurate assessment of the financial performance of the Group, it is of paramount importance that we (i) exclude the impact of unrealised gain or loss on foreign currency exchange as it was caused by the movement of the Ringgit against foreign currencies (where our Group's inter-company advances are denominated) and (ii) exclude the impact of impairment loss or recovery, from the reported financials.

	In RM'mil						In Sen
Description	**Revenue**	**Gross Profit /Margin**	**Operating Profit /Margin**	**Profit Before Taxation /Margin**	**Profit After Tax/Margin**	**Profit Attributable to Equity Holders**	**Earnings Per Share (EPS)**
FY 2020 Reported	754	54.6/7.2%	29.5/3.9%	36.7/4.9%	27.6/3.7%	27.3	5.76
Adjustment for:							
(i) Unrealised Gain/Loss on Forex and			(8.31)	(8.31)	(8.31)	(8.31)	0.72
(ii) allowance for impairment loss			4.92	4.92	4.92	4.92	
FY 2020 - Core	**754**	**54.6/7.2%**	**26.1/3.5%**	**33.3/4.4%**	**24.2/3.2%**	**23.9**	**5.04**
FY 2019 Restated	846	55.8/6.6%	14.4/1.7%	27.4/3.2%	18.6/2.2%	17.8	3.71
Adjustment for:							
(i) Unrealised Gain/Loss on Forex and			2.05	2.05	2.05	2.05	1.95
(ii) allowance for impairment loss			7.32	7.32	7.32	7.32	
FY 2019 - Core	**846**	**55.8/6.6%**	**23.8/2.8%**	**36.8/4.3%**	**28.0/3.3%**	**27.2**	**5.66**
% of Increase/(Decrease) in Core Numbers	**(10.9%)**	**(2.1%)**	**9.9%**	**(9.5%)**	**(13.30%)**	**(12.2%)**	**(10.9%)**

Note 1: EPS calculation is based on total issued and paid-up shares of 480.5 million units for FY2019 and 473.3 million units for FY 2020 respectively.

Note 2: For financial performance comparison FY2020 versus FY2019, it is important for reader to make cross reference to the Prior Year Adjustments as detailed in note 49 of Financial Statements.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

THE GROUP HAD UPHELD ITS EARNINGS TRAJECTORY FOR FY2020

Despite 2020 being the tumultuous year with extreme uncertainties brought by Covid-19 pandemic, the Group had upheld its earning trajectory with a gross profit of RM54.6 million.

In term of "**Core Earnings**" (after the adjustment for impact of unrealised forex gain/loss as well as impairment loss as aforementioned), the Group had registered:

RM26.1 MILLION
Core Operating Profit
("Core OP")

RM33.3 MILLION
Core Profit Before Taxation
("Core PBT")

RM24.2 MILLION
Core Profit After Taxation
("Core PAT")

5.04 SEN.
Core Earnings Per Share
("Core EPS")

By and large, this set of commendable financial performance was again achieved 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 Senior Management team, the results included steady revenue streams from both construction and property division, effective cost management, and sustainable contribution from local as well as overseas ventures.

GROUP FINANCIAL REVIEW

For FY2020, the Group experienced moderate decline in revenue by RM93.0 million (or -10.9% YoY) to RM754 million [FY2019 (restated): RM846 million] amid the height of Covid-19 pandemic. This was largely resulted by lower site activities for construction division especially during the MCO/CMCO period, which was partly cushioned by encouraging sale of property from Phase 1 of our Ara Sentral Transit Oriented Development ("TOD") project at Ara Damansara which was launched during the year.

In tandem to the aforementioned, the Group experienced a marginal decline in gross profit of RM54.6 million [FY2019 (restated): RM55.8 million].

Group's core operating profit was however inched-up to RM26.1 million [FY2019 (restated): RM23.8 million] mainly derived from our cost optimization initiatives which had brought down administrative expenses by approximately RM9.2 million.

Core profit before taxation wise, it fell slightly to RM33.3 million [FY2019 (restated): RM36.8 million] due to a prior year adjustment ('PYA') in relation to the long term provision for land cost of an on-going property development project. The said PYA has resulted a notional finance income being recognised in FY2019. There would not be a slight reduction in the core profit before taxation for FY2020 if not because of such PYA as our share of profit of joint venture surged by approximately RM6.5 million to RM8.9 million [FY2019 (restated): RM2.5 million] chiefly due to higher sales settlement for Springridge property development in Wallan of Victoria Australia.

Sequentially, core profit after taxation and core net profit attributable to equity holders correspondingly declined to RM24.2 million [FY2019 (restated): RM28.0 million] and RM23.9 million [FY 2019 (restated): RM27.2 million] accordingly.

Core earnings per share (Core EPS) wise, it ended with 5.04 sen for FY 2020, from the 5.66 sen recorded in FY 2019 (restated).

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

FINANCIAL PERFORMANCE ANALYSIS FOR FY2020

Description	FY2020 RM'mil	Restated FY2019 RM'mil	Changes RM'mil	Changes %
Group Revenue	754	846	-93	-10.9
Gross Profit ("GP")	54.6	55.8	-1.2	-2.1
GP Margin	7.2%	6.6%	-	0.7
Core Operating Profit ("Core OP")	26.1	23.8	2.3	9.9
Core OP Margin	3.5%	2.8%	-	0.7
Operating Profit ("OP")	29.5	14.4	15.1	105.0
OP Margin	3.9%	1.7%	-	2.2
Core Profit Before Taxation ("Core PBT")	33.3	36.8	-3.5	-9.5
Core PBT Margin	4.4%	4.3%	-	0.1
Profit Before Taxation ("PBT")	36.7	27.4	9.2	33.7
PBT Margin	4.9%	3.2%	-	1.6
Core Profit After Tax ("Core PAT")	24.2	28.0	-3.7	-13.3
Core PAT Margin	3.2%	3.3%	-	-0.1
Profit After Tax ("PAT")	27.6	18.6	9.0	48.6
PAT Margin	3.7%	2.2%	-	1.5
Core Profit Attributable to Equity Holders	23.9	27.2	-3.3	-12.2
Profit Attributable to Equity Holders	27.3	17.8	9.4	52.9
No. of Shares Issued and Paid Up (Mil Units)	473.29	480.50	-	-
Core Earnings Per Shares ("Core EPS") - Basic (In Sen)	5.04	5.66	-0.62	-10.9
Earnings Per Share ("EPS") - Basic (In Sen)	5.76	3.71	2.05	55.2
Core Earnings Per Shares ("Core EPS") - Diluted (In Sen)	5.04	5.66	-0.62	-10.9
Earnings Per Share ("EPS") - Diluted (In Sen)	5.76	3.71	2.05	55.2

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	2020 RM'mil	Restated 2019 RM'mil
Adjustment made by:		
(a1) adding back unrealised loss on FOREX		2.05
(a1) minus-off unrealised gain on FOREX	-8.31	
(b1) adding back impairment loss	4.92	7.32
(b1) minus-off impairment recovery		
(from the respective reported financials).		

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

CONSOLIDATED FINANCIAL POSITION ANALYSIS FOR FY 2020

Total Assets & Total Liabilities

On Year-on-Year ("YoY") basis, the Group total assets rose by RM17.4 million or 1.5% to RM1,175.3 million [FY2019 (restated): RM1,158.0 million] while total liabilities reduced by RM2.7 million or 0.4% to RM733.2 million [FY2019 (restated): RM735.9 million], balanced by net incremental in owner's equity by RM19.7 million plus higher non-controlling interest of RM0.4 million respectively.

The incremental in net assets were attributed to higher trade and other receivables due to slightly slower in payments received from our customers for work done, hike in investment in Joint Venture, net increase in contract assets & costs and reduction in trade and other payables, which were partially neutralised by decline in cash and bank balances coupled with additional bank borrowing to support business operations during pandemic year, reduction in inventories as the result of encouraging sales from property development project which was launched during the year.

Owners' Equity and Net Assets Per Share

Owners' equity rose by RM19.7 million to RM434.8million [FY2019 (restated): RM415.1 million] on the back of current year's retained earnings, with Net Assets Per Share raised to 93 Sen from 88 Sen in FY2019(restated).

Current and Quick Ratio

The Group's recorded improvement in current ratio at 1.47 times [FY2019 (restated): 1.44 times] with quick ratio at 1.23 times [FY2019 (restated): 1.14 times], which reflects the Group's strong position in meeting short term financial obligations.

Description	FY2020 RM'mil	Restated FY2019 RM'mil	Changes RM'mil	Changes %
Non-Current Assets	316.0	312.8	3.2	1.0
Current Assets	859.4	845.2	14.2	1.7
Total Assets	1,175.3	1,158.0	17.4	1.5
Non-Current Liabilities	149.8	148.5	1.3	0.9
Current Liabilities	583.4	587.4	-4.0	-0.7
Total Liabilities	733.2	735.9	-2.7	-0.4
Owners' Equity	434.8	415.1	19.7	4.7
Non-Controlling Interest	7.3	6.9	0.4	5.3
Total Equity	442.1	422.1	20.1	4.8
Current Ratio (Times)	1.47x	1.44x	0.03x	-
Quick Ratio (Times)	1.23x	1.14x	0.09x	-
Net Assets Per Share Attributable to Equity Holder	93 sen	88 sen	5 sen	-

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

CONSOLIDATED CASH FLOW ANALYSIS FOR FY2020

The Group's cash & cash equivalent at the end of FY 2020 reduced to RM101.6 million [FY2019 (restated): RM109.7mil], representing a net reduction of RM8.1 million as more funds were mobilised to support business operations amid the Covid-19 pandemic with slightly slower yet manageable collection of receivables for the works done during the period from highly reputable customers. The mildly negative operating and investing cashflow totalling RM25.4 million was financed by slightly higher borrowing during the very trying year 2020.

The Group's decently managed cashflow would lend a solid financial support for our current on-going works as well as future project(s) undertaking.

Description	FY2020 RM'mil
Net Cash Used in Operating Activities	-23.2
Net Cash Used in Investing Activities	-2.2
Net Cash Generated from Financing Activities	17.0
Net Decrease in Cash & Cash Equivalent for the Year	-8.3
Total Cash & Cash Equivalent at the Beginning of Year	109.7
Total Cash & Cash Equivalent at the End of Year	101.6

CAPITAL MANAGEMENT

After incurred minimal net gearing of 3.4% in FY 2018, the Group was back to net cash position of RM74.2 million and RM28.4 million at the end of FY 2019 (restated) and FY2020 respectively. Our strong and healthy balance sheet would place the Group in the position of strength with much flexibility by utilising internal funds and/or bank financing for business operations and expansion at favourable terms.

Description	FY2020 RM'mil	Restated FY2019 RM'mil
Deposits, Cash and Bank Balances	272.2	293.9
Total Borrowings	243.8	219.6
Net Cash	28.4	74.2
Net Gearing Ratio	Not applicable	Not applicable

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

REVIEW OF GROUP OPERATING ACTIVITIES

The Construction division maintains its position as the primary contributor to the Group. For the past four years, from 2017 to 2020 it has secured projects worth RM3.15 billion. Thus, its order book value is retained at a healthy position at the time of the reporting.

For the year ending December 2020, despite the blow from the Covid-19 pandemic the construction division was still able to produce fairly encouraging results by contributing RM596 million in turnover. This was a 24% reduction from 2019 turnover and it made up 79% of the overall Group's turnover in 2020. Profitability wise, its profit before tax was RM29 million. As mentioned above, after the lifting of the MCO, this division continued to pick up work progress and occupied itself with executing the balance of work from the order book. Work momentum reached the pre-MCO phase in the 3rd quarter as 35% of turnover was achieved during this period.

V205 MRT2 Station at Sungai Besi

The two projects which are at the most advanced stage are the two MRT2 work packages. Remaining works are to complete the 5% balance of launching works and other related works for the 4.1 km MRT2 guideway package V205 and MRT2 Depot project in Serdang. MRT2 Serdang Depot reached most of its physical completion by the end of 3rd quarter of 2020. All milestones and key access dates for these two projects have been successfully met and the operations team are gearing up to initiate the handover process to the client.

Similarly, other on-going projects such as LRT3 Depot in Johan Setia, mixed development in Putrajaya and MRSM in Ranau, Pan Borneo Highway and Mint Modernization in Shah Alam also resumed work accordingly as per post-MCO mitigation work program amidst interruptions and delays due to various Covid-19 SOPs that needed to be adhered to.

Additionally the construction division is also executing the construction of two projects for the property development division; PERLA residential units in Ara Damansara and Perumahan Penjawat Awam Malaysia (PPAM) in Putrajaya where these two projects contribute 30% to the construction division's overall turnover.

With the turnover achieved as stated in the early part of this report, the Group's remaining order book is at RM 1.45 billion. Efforts to replenish and generate the order book value to a comfortable level which can last the Group for the next four to five years are being intensified. The current value can last the Group for two years.

LRT3 Depot at Johan Setia

Package V205 MRT2 Guideway

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

The year 2020 saw the tender department fully occupied with tender exercise valued at RM3.1 billion, which were almost double the previous years. Being selective in tenders, most tenders participated were pre-qualified tenders from the government, government agencies, and GLCs mostly for infrastructural works, airport and various complexes. Although the division is actively participating in tenders, it was unfortunately unable to secure projects as targeted, except for one MRT2 project valued at RM 114 million, due to extreme competition among players of the industry. This project is to complete two elevated stations in Seri Kembangan.

Mixed Development at Precinct 8, Putrajaya

Pan Borneo Highway Package 5

On the property development division front, the sales performance of the first phase development in Ara Damansara, 648 PERLA residential units thus far was very encouraging. Since the official launch in March 2020, the sales of both open market and affordable units are recorded at 49%. These sales have brought in RM172 million to the Group's coffers for the year ending December 2020. In short, the property division has achieved 57% of its RM 300 million targeted revenue within a span of nine months since the official launch of PERLA. Going forward, the Group is confident of achieving 65% sales by first quarter 2021.

In Australia, the Covid-19 pandemic had enormously hit its business operations especially for Element by Westin Hotel. Although it recorded a 65% occupancy rate when it was newly opened in July 2019, it fell to 14% in 2020. Fortunately with the various assistance from (the) Australian government in the form of grants and cost management, the financial impact of Covid 19 was limited to AUD$42,000. No significant new development was recorded in Springridge since the last report.

In summary, in 2020 the Group performed fairly well in relation to the construction industry in general, despite being confronted by the pandemic that swept our nation. The said performance is demonstrated by the recorded profit as discussed in detail in the Analysis of Financial Result section. Although profit after tax of the construction segment decreased as compared to the previous year, this performance is reflective of the Group's resilience in coping with a difficult situation. The business environment is expected to continue to be challenging for a few years to come but the Group is hopeful that it would be able to overcome the challenges with the lean and efficient management it is adopting.

RISK FACTORS

The Group understands that risk is an integral part of doing business where it offers both threat and opportunity. Risk needs to be effectively managed to be able to minimize threat and maximize opportunity. Therefore the team adopted a Risk Management Framework to manage and monitor the risk. Risk management processes employed within the Group include identification, analysis and response and monitor all relevant risk factors. With the necessary tools such as brainstorming and HIRARC, it empowers relevant members of the team to identify and deal with the potential risk. Risk management process encompasses the way of doing daily work to enable the team to make sound decisions consistently. The next step is to prioritize the risks and rank in accordance to the company risk matrix. This risk assessment process guides in enabling the appropriate discipline of risk treatment to response to the risk factors. The Group deploys 4Ts as control options in managing each risk which are Terminate (avoid/eliminate), Treat (control/reduce), Transfer (insurance) and Tolerate (accept/retain).

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Generally the Group encounters risk both at strategic and operational level. Some risks are perpetual risks that exist due to the nature of business, but priority to manage and monitor is given to those risks that have significant impact on the business and operation, either for (the) short or long term. It is managed through the implementation and deployment of suitable control options as stated above.

One of the significant risks recognized is the after effect of the pandemic and what it does to the operations and the cost-of doing business. In terms of operations, numerous precautionary measures and SOPs are added and comprehensively implemented to contain its spread. Such measures are work rotations whenever and wherever applicable, scheduled tests for workers, appropriate centralized labor quarters. The government is also tightening up relevant policies and imposing stricter rules and regulations in a move to combat the spread of the coronavirus. These additional policies and standard operating procedures (SOPs) are directly causing higher operational costs to the industry players in general and to the Group specifically. Nevertheless, by putting in and exercising additional (SOPs) the Group has an edge in better avoiding the spread of the coronavirus thus reducing the risk of operational downtime. It also offers reassurance to the existing and potential clients that the Group is committed to seriously tackle this coronavirus situation.

At the moment the industry is facing serious labor shortages when droves of foreign labourers fled the country at the onset of the MCO and now even after the industry is reopened, strict border controls are denying the entrance of these workers into the country. Nonetheless, for this organization most of its workers stayed put in Malaysia as they are looked after with appropriate accommodation and sustenance even during the downtime period. As such, the Group was able to cushion the impact of labor shortages and managed to almost instantly resume work once the industry reopened.

Another major concern is major material price increases. CIDB recorded that there was a 22% increase in steel bar price and iron based building materials in 2020 that may be caused by mining restrictions, delays in logistics and decreasing demand during the pandemic that forced mining companies to reduce outputs. As the uptrend was somewhat gradual over a few months, the Group was able to exercise hedging so that the increase in operational and execution cost can be fairly mitigated.

GROUP'S FUTURE OUTLOOK AND PROSPECTS

It is expected that the business environment will continue to be challenging in (the) coming years in all segments of businesses as the Covid-19 situation is expected to persist. Therefore, going forward the Group has taken steps to implement leaner management, for example disposal of unproductive and unprofitable subsidiaries as well as constant review of effective resources management. The Group shall also strive to explore new markets and broaden clientele base in order to improve its revenue.

Replenishing the diminishing order book is a top priority for the Group and this is done either by tendering or developing smart partnerships. The Group is reviewing its tender pricing strategies in order to ensure success in winning projects. On the same note, the construction division will remain the major contributor to the Group's revenue in the coming year(s). Being a division that delivers almost 90% of the Group's revenue it shall continue to manage these challenges through innovative and efficient lean management and as well as adopting the industry's best practices. Moreover, the Group expects to be able to participate in the execution of several packages for mega projects that were announced by the government during Budget 2021. Such projects are Mass Rapid Transit 3 (MRT3), Rapid Transit System Link (RTS), Pan Borneo Highway etc.

Additionally, the construction division be will be supported by the property development division with the ongoing first phase construction of PERLA residential units and the development of Perumahan Penjawat Awam. These two key earners would be able to cushion off any further financial impact in Australia's hotel operation at least for the coming year.

In summary, with comprehensive strategies to bring in more businesses and efficient management of manpower, machinery, material and cash flows, the Group is positive that it shall be able to continue to generate value to its shareholders.

SUSTAINABILITY STATEMENT

LRT3 Depot at Johan Setia

MRT2 Depot at Serdang

MRT2 Station at Serdang Raya

INTRODUCTION

TRC Synergy Berhad ("the Company") and its group of companies ("the Group") have been involved in the construction industry for the past 37 years. The Group is committed to be the leading construction group of companies in the region for building and civil engineering works by completing projects on time and within budgets and most importantly delivering good quality products. In achieving these objectives, the Group does not neglect but gives due emphasis to the safety and health aspects of employees and the environment.

The consequences of the Coronavirus disease ("COVID-19") outbreak are unprecedented. The entire spectrum of work and life were profoundly affected by the pandemic. The Group's activities have also been affected by the pandemic especially due to the lockdown imposed by the Government in March 2020.

The objective of this Sustainability Statement is to share the progress and improvements made during the financial year 2020 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.

SCOPE OF SUSTAINABILITY REPORTING

This Sustainability Statement is prepared pursuant to the Sustainability Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities") in 2015. It covers the period from 1st January 2020 to 31st December 2020.

Geographically, the focus of this statement covers our business activities in Malaysia as well as in Melbourne, Australia. This statement also covers activities which are related to the Group's two main businesses namely construction and property development. Projects and subsidiary companies that are based elsewhere are excluded from this statement due to the fact that they made no significant impact on the Group's operations and revenue in 2020.

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

1) **Holding Company**
   TRC Synergy Berhad
2) **Subsidiaries**
   - Trans Resources Corporation Sdn Bhd ("TRC")
   - TRC Land Sdn Bhd
   - ADS Projek Sdn Bhd
   - TRC (Aust) Pty Ltd
3) **Foundation**
   Yayasan TRC ("YTRC")
   (A foundation established by the Group which undertakes charitable and philanthropic activities)
4) **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")
   - MRT 2 Package S208 ("MRT")
   - BNM MINT Modernisation Project

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY GOVERNANCE AND IMPLEMENTATION

The Group first 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 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 which is headed by the Chief Executive Officer of Trans Resources Corporation Sdn Bhd (TRC), the Group's main subsidiary. The committee shall report to the Sustainability Committee.

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

BOARD OF DIRECTORS	→	SUSTAINABILITY COMMITTEE *The Sustainability Committee is currently comprised of 2 Board Members and the CEO of TRC.*	→	WORKING COMMITTEE *Comprised of representatives of Corporate Affairs, QSHE, HR and Yayasan TRC & Headed by the CEO of TRC.*
• Oversees the progress of the Group's sustainability initiatives. • Reviews and approves sustainability strategies, policies and initiatives.		• 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.		• 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.

THE GROUP'S SUSTAINABILITY FRAMEWORK

The Group has identified the material sustainability matters that are relevant to the Group's business and stakeholders. For the financial year 2020, the Company maintained the seven (7) original material sustainability matters as they remained relevant to the Group's business operations and stakeholders. The identified material sustainability matters are categorized into three (3) focus areas, which are as follows:-

SOCIAL SUSTAINABILITY	+	QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL ("QSHE")	+	ECONOMIC SUSTAINABILITY
• Corporate Social Responsibility ("CSR") • Talent Management		• Quality of Works • Safety and Health • Environment		• Corporate Governance • Financial Performance

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL SUSTAINABILITY

Corporate Social Responsibility – CSR

The Group's CSR activities are primarily under the purview of YTRC, a foundation established by the Group dedicated to providing assistance and contributions to several categories of beneficiaries with priority given to employees of the Group and their family members. YTRC is chaired by General (R) Tan Sri Dato'Seri Mohd Shahrom Bin Dato'Hj Nordin, the former Chairman of TRC Synergy Berhad. In carrying out its activities, YTRC is supported by the Group's employees on an ad hoc and voluntary basis as and when necessary.

CSR activities undertaken by YTRC during the financial year 2020 are reported on pages 27 to 29 of the Annual Report.

Talent Management (Educational Grants and Financial Assistance)

The Group believes that the best way to contribute to the sustainability of the industry is by focusing on the importance of education. Concentrating its efforts on education will ensure that the industry has a pool of talented human capital to build upon.

One of the main risks associated with the construction industry in our country is shortages in the labour force and the productivity issues related thereto. Therefore, the Group is proud to contribute towards education as part of its CSR in order to improve the competence and quality of our local workforce and simultaneously lessen our dependence on foreign workers.

During the financial year 2020, YTRC's education-oriented activities extended to the Group's eligible staff and family members included the following:

- Sponsoring eligible staff to pursue off-campus degree programmes as well as extending children's educational aids to the family members of eligible staff. A sum of RM12,500 was disbursed for this activity.
- Extending students' excellence awards amounting to RM10,000 in total to children of eligible staff who excelled in their university/college, primary and secondary school examinations;
- Providing educational aids to selected university and college students as well as sponsoring tuition sessions and reference books for primary and secondary students which amounted to RM6,000

YTRC also extended its contributions to eligible target groups beyond TRC's staff and family members. During the financial year 2020, YTRC contributed cash, school bags and stationery sets amounting to RM6,500 to fifty eligible students of SJK(C) Serdang Baru 2 in conjunction with the Chinese New Year.

In addition to the above activities, YTRC also allocated a total of RM10,000 for an English Language tuition programme for UPSR candidates of SK Kilimu Ranau, Sabah.

TRC & Politeknik Collaboration
Pensyarah Pelawat Industri (PPI) Programme Held at TRC Edu-Centre, Politeknik Ungku Omar, Ipoh

SUSTAINABILITY STATEMENT
(CONT'D)

Talent Management – Impact of COVID-19

As many know, we had a challenging business year behind us. The COVID-19 pandemic has impacted us all immensely. It has required fast and yet well-considered action especially in the area of human resources and talent management.

The Group was able to rely on its already existing flexibility measures as uncertainty remains amidst COVID-19 challenges. The external regulatory compliance requirements and internally established standard operating procedures (SOPs) enabled the Group to effectively implement comprehensive COVID-19 procedures for office and worksites. This allowed employees and workers to get back to work on critical tasks and projects during the movement control order although a lot of things were already done differently throughout the pandemic.

Although things did not quite turn out as expected in 2020, the Group did not do too badly and this was due largely to the resilience that the Group had built up over the years. In 2020, the Group was able to navigate its way through a variety of different economic phases and challenges and continued conducting its business operations and activities as usual in the new norm.

The Group's employees play an important role in making sure that the Group achieves its growth and profitability targets. The Group believes that a sustainable development mindset should push the employees to be better. Hence, the development of human capital and talent management is an on-going effort by the Group and is the critical determinant of long-term sustainability for the Group.

Talent Management – Human Capital Development

Formal and informal training programmes were provided to employees which enabled them to accelerate their learning growth and acquire essential knowledge and skills (know-what), that were steadily translated into practical action (know-how).

Since 2016, the Group had been collaborating with Jabatan Pendidikan Politeknik (JPP) in a work-based learning (WBL) program via placement of Politeknik Ungku Omar (PUO) Bachelor of Civil Engineering Technology (BACT) students at various locations, departments and project sites. The day-to-day comprehensive on-the job training (OJT), learning exposures, presentations, feedbacks and assessments embodied the program.

The following provide features of the WBL program collaborations and other educational activities conducted by the Group.

Work Based Learning (WBL) Program

This is a structured internship program that is enhanced by a planned training programme implemented by Politeknik Ungku Omar (PUO) for its Bachelor of Civil Engineering Technology (BACT) students. The program provides an opportunity for the students to acquire real working experience while gaining knowledge. The Group recognizes the importance of life-long learning associated with the collaboration and to-date twenty-eight (28) students have undergone this program since its inception. In addition, the Group had spent RM32,090.00 on educational software and tools for the PUO TRC Edu Centre.

The Group will also collaborate with Universiti Tun Hussein Onn, Malaysia (UTHM) where the Group provides avenues for their students to complete their WBL. In this regard, the placement of the first intake students in the field of rail transport engineering technology is scheduled to commence sometime in Q3 or Q4 of the year 2021.

Briefing & Induction Session
Work Based Learning (WBL) Politeknik Ungku Omar Students and Interns

Pensyarah Pelawat Industri (PPI) Program

People engagement via Pensyarah Pelawat Industri (PPI) program with PUO continued to take place, albeit on a smaller scale in 2020 due to the pandemic.

SUSTAINABILITY STATEMENT
(CONT'D)

Internship & Apprenticeship Program

The Group provides internship and apprenticeship training in various fields and disciplines of study to students from local universities and colleges. Applications have always been very encouraging and in 2020, fifty-one (51) students were trained under these programs. The training allowance was also increased from RM350 to RM500 per student per month. The Group spent an amount of RM150,830.98 for these programs.

The majority of interns were civil engineering students from PUO, Universiti Teknologi MARA (UiTM) and Universiti Teknologi Malaysia (UTM). They were the most highly sought after and requested by the Group project management team.

Professional Training & Education for Growing Entrepreneurs (Protégé)

The intake for the Protégé' program was three (3) trainees out of an initial quota of forty-one (41). Intake of remaining trainees will be carried out progressively on the advice of the client for this program. The Group spent RM73,161.78 in allowances for the Protégé program during the financial year 2020.

Yellow Ribbon Program

The Yellow Ribbon Program (YRP) implemented at TRC TD2 Project: Light Rail Transit Line 3 (LRT3) was a collaboration between the Group and various agencies such as the Home Ministry, Prisons Department, the private sector and non-governmental organizations which is aimed at helping ex-prisoners and young offenders rebuild their lives after serving their sentences by providing them with relevant skills.

The Group spent an overall total salary cost of RM251,209.49 to personnel under this programme for the financial year 2020.

Remuneration Paid to Senior Citizens

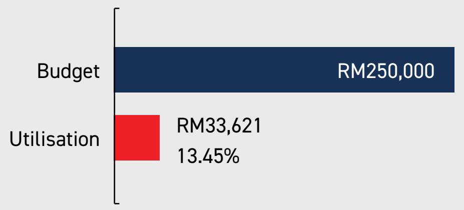
The Group's diverse workforce comprises of various age groups. There were eight (8) employees aged above 60 who were in our payroll for financial year 2020. The Group spent RM243,925.43 on their salaries, allowances and statutory contributions in 2020.

Learning and Development

It has always been the Group's policy to provide all employees with appropriate training and development programs based on organisational and individual needs. This is to ensure that they acquire the necessary skill, knowledge and attitude to perform their functions in accordance with the required standards. The primary objective of training is to improve individual performance and overall Group's effectiveness.

A budget of RM250,000.00 was allocated for staff training and development for the year 2020. The amount utilized was not encouraging as external training programmes and in-person engagements were restricted due to the pandemic. This is shown below:

Year 2020 Training Budget & Utilisation



Training Budget	RM250,000.00
Year-to-date - Utilization - Surplus	 RM33,621.00 (13.45%) RM216,379.00 (86.55%)
Year-to-date no of staff who attended training	198 staff
Average training investment per staff	RM169.80
Average training hours per staff	6.64 hours

As training is a continuous learning process rather than a one-off exercise, the Group provides on-the-job training, coaching, brainstorming, counselling sessions, project assignments, inductions and individual studies. For certain specialized and critical training, the Group reserves the right to require the employee to serve the Group for a specific period after completion of the training.

SUSTAINABILITY STATEMENT
(CONT'D)

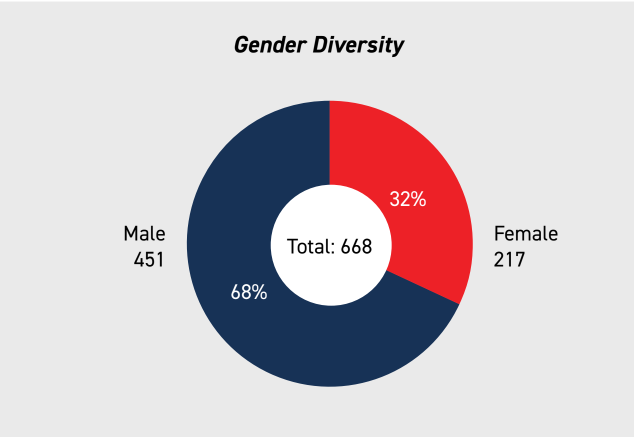
Recruiting, Attracting, Nurturing and Retaining Talented Employees in the New Norm

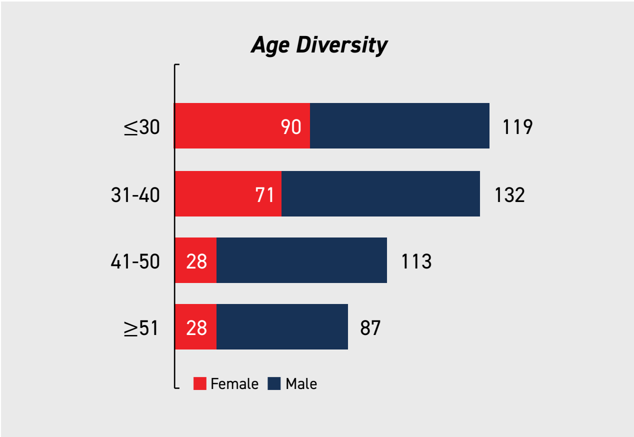
The Group's workforce is quite diverse, made up of people of different ages, religion and ethnicities. They bring with them different academic qualifications, capabilities and experiences.

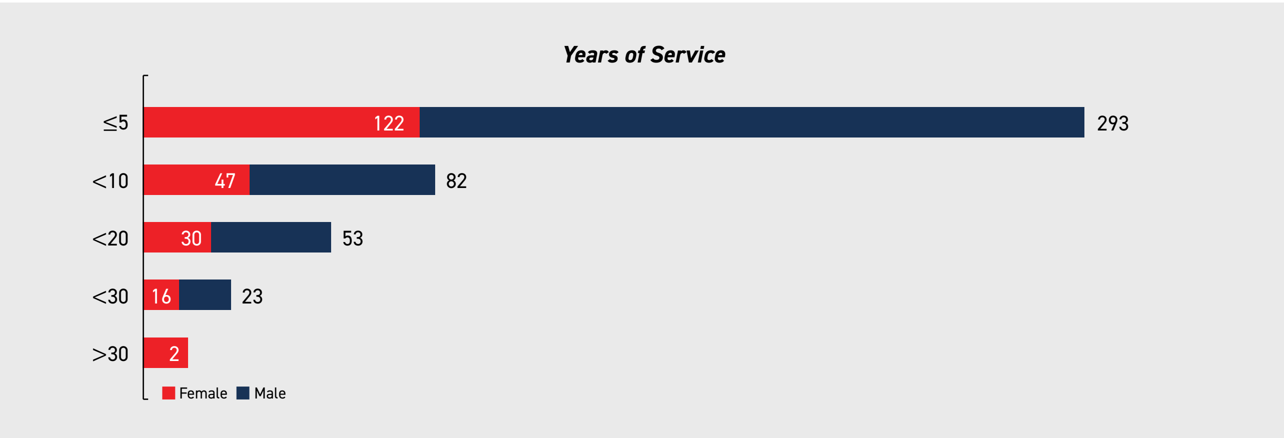
2020 was a challenging year marked by a relatively small intake of 187 new employees, 40 of whom were female.

The Group recognises the fact they would do well in the long term if they can employ talented and motivated people who will be able to respond to any kind of challenge that is thrust upon them. In this regard, the Group needs to meet the diverse needs of its workforce. A personalised and holistic reward system is thus essential, together with the provision of a work environment where each employee is able to thrive and realise their full potential.

GENDER & AGE DIVERSITY AND EMPLOYEE DISTRIBUTION BY YEARS OF SERVICE







For the fiscal year 2020, 32% of the group's employees were female. The Group wants to hire, retain and advance more female talents so as to achieve greater gender balance in the workforce.

As regards diversity in age, there were several employees aged above 60 in the Group's payroll in 2020. An amount of RM243,925.43 was spent on their salaries, allowances and statutory contributions last year.

The Group believes that the safety, health and wellbeing of its workforce are of paramount importance especially amidst the pandemic. Thus, various measures and procedures were implemented to protect everyone and these helped reduce the COVID-19 impact on the organisation. One such measure implemented was the provision of daily meals. An amount of RM72,634.00 was spent in 2020 for this purpose. This was lesser than the RM101,690.00 spent in 2019 largely due to closure of the office and business activities and operations due to the Movement Control Order that was implemented in Malaysia in 2020.

SUSTAINABILITY STATEMENT
(CONT'D)

QUALITY, HEALTH AND SAFETY, ENVIRONMENT (QSHE)

The Company's main subsidiary, TRC is ISO certified. TRC has also initiated a comprehensive and integrated QSHE Manual which is a practical guide to implement its business processes. The manual fulfills the International Standards Organisation (ISO) requirements with regard to QSHE in order to validate our ISO 9001, ISO 45000 and ISO 14000 certifications.

The QSHE Manual, which is a part of the QSHE Management System Documentation ("QSHEMSD"), is distributed to every employee in the form of controlled hard copies available for reference purposes at every department as well as in soft copy on the Group's general server. Procedures in this manual are implemented comprehensively to guide the employees in all business processes. New employees are instructed to familiarize themselves with the document upon employment. This manual is constantly under review so as to remain up-to-date with any changes to the ISO requirements.

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."

As the Group's main business is under the purview of our construction arm, TRC, it was that subsidiary that drafted the QSHE Policies which has since been adopted by Group. This policy is regularly reviewed to continuously strengthen and improve the QSHE performance.

QSHE – Quality of Works

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.

QSHE – Health and Safety

The Group that has always aspired to be a sustainable organization strives to balance the people, environment and profitability to achieve long term success and viability. This means that the Group cannot be sustainable without protecting the safety, health and welfare of its most vital resources – its workers. Therefore keeping people safe is the primary responsibility of the Group in undertaking its business activities.

It follows that all stakeholders at the construction sites must observe measures as required by the QSHE to prevent accidents and ill health. In line with our Mission Statement, QSHE is a priority area of focus for the Group. To this end, we have established the QSHE System Administration Procedures Manual ("QSHE Manual") which is aimed at managing quality, safety, health and the environment at the construction sites.

TRANS RESOURCES CORPORATION SDN BHD
COMPANY NO.120265 – 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 interested parties in line with organization strategic direction. This is achieved by undertaking the following:

- ***Meeting stakeholders needs and requirements.***
- ***Developing, implementing, maintaining and continually improving the Quality, Safety & Health and Environmental management system in accordance to relevant ISO standards.***
- ***Complying with legal and other requirements.***
- ***Managing projects effectively and efficiently.***
- ***Eliminating hazards and reducing OSH and 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.***
- ***Continually improving quality, safety, health and environmental performance.***

Top management shall review the policy for its effectiveness and continuing suitability annually during management review board meetings as part of the efforts to improve the Management System. The top management shall ensure that the QSHE policy is communicated, understood and implemented at all levels in the organization. Where appropriate, make available QSHE policy to interested parties.

The top management shall ensure that measurable objectives are established for all business processes depicted in Section 3 of the Manual. The objectives shall be reviewed annually during management review board meetings to determine relevancy in relation to the company's quality, safety, health and environmental policy and mission.

SUSTAINABILITY STATEMENT
(CONT'D)


Package V205 MRT2 Guideway


Pan Borneo Highway Package 5

The comprehensive policies and procedures described above are necessary as they have far reaching consequences on the Group's business activities in the construction industry and on the general public. Since most of our projects involve interaction with the public, we have to ensure that standard operating procedures (SOP) to mitigate the effects on those who are possibly at risk are in place. Examples of our application of the SOP since 2019 are as shown below.

PROJECT	COMMUNITY AFFECTED / SOP APPLIED
MRT Project Package 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.
LRT Project Package 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.
MRT Project Package 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.
Putrajaya Mixed Development Project 8MD3	**Precinct 8, Putrajaya** • Noise complaint and mitigated by the Safety Department. • Road closures. • Dust control via dust control canvas and water bowser.
Projek Pembangunan Perumahan Penjawat Awam PPAM	**Pembangunan Perumahan Penjawat Awam Malaysia (PPAM)** • No issue arising.
Projek MRSM RANAU	**Complex Sukan Ranau & Paragliding Activities** • Road diversion. • Dust control via water bowser.
Residential Tower Ara Damansara PERLA	**LRT Station** • Dust on roads.
Mint Modernisation Project BNM	• Bank Negara Malaysia

SUSTAINABILITY STATEMENT
(CONT'D)

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 safety of the Group's employees is of the utmost priority and we provide those working in risky or hazardous conditions, particularly on-site, with adequate and proper protection in the form of attire (safety boots, helmets, high-visibility vests) and equipment which are maintained accordingly. We are therefore pleased to report that no incidents causing fatality or permanent disability occurred in 2020.

The Group regularly engages with and educates our 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. The aim of the QSHE campaign is to ensure that the relevant parties have a clear understanding of their roles and responsibilities in upholding safety and health standards. In 2020, we managed to organize a minimum of one QSHE awareness campaign per project.

TRC & Politeknik Collaboration
Pensyarah Pelawat Industri (PPI) Program
Held at TRC Edu-Centre, Politeknik Ungku Omar, Ipoh

Briefing & Induction Session
Work Based Learning (WBL) Politeknik Ungku Omar
Students and Interns

Sustainability Initiatives

PROJECT	SUSTAINABILITY INITIATIVE / CAMPAIGNS
DPT201	Safety, Health & Environmental Awareness campaign, Bank Negara Malaysia 15th September 2020
BNM	Kempen Kesedaran Alam Sekitar 2020 MRT Laluan Putrajaya, with MARDI 3rd October 2020

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-OSH Guidelines, various national standards and the ILO's international labour standards and conventions.

ENVIRONMENTAL SYSTEM
SIRIM
ISO 14001: 2015
Certificate No: EMS 00863

QUALITY SYSTEM
SIRIM
ISO 9001: 2015
Certificate No: QMS 03588

OH&S SYSTEM
SIRIM
ISO 45001: 2018
Certificate No: OHS 00780

SUSTAINABILITY STATEMENT
(CONT'D)

COVID-19 Initiatives

The current Covid-19 pandemic presented us with many challenges in fulfilling our obligations. These challenges have forced us to strike a balance between completing our projects and ensuring a safe and healthy working environment for the TRC personnel, workers and other relevant parties.

Among the initiatives we have established are as below:

1. Creation and enhancement of Standard Operating Procedures ("SOPs")
2. Acquiring new Personal Protective Equipment ("PPE")
3. Acquiring new sanitization equipment
4. Covid-19 SOPs Awareness briefings and trainings
5. Awareness Posters & Banners
6. Provide Quarantine Quarters
7. Provide Resources specific to handling of Covid-19 (administrative personnel for contact tracking and reporting)

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

Safety & Health Training held at TRC Centre of Excellence

Safety, Health and Environment Campaigns at Mint Modernization Building Project for Bank Negara

Health Check/Test for Employees

Workers Welfare

In ensuring that our workforce is able to perform at optimum levels, TRC provides safe, healthy and secure workers' accommodation for our workforce as follows:

1. Centralized Labor Quarters, Serdang
2. Centralized Labor Quarters ("CLQ"), TD2 Johan Setia
3. Staff Accommodation within project vicinity ie: Apartment, Terrace houses etc.

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

SUSTAINABILITY STATEMENT
(CONT'D)

QSHE - Environment

The Group makes it a point to always identify, manage, and minimise the environmental impact of its business activities particularly in relation to construction. To that end, a number of activities have been organised in 2020 which were aimed at promoting 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 ("DOE") 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 ("IQSHE") 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 the year 2020. 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

Environmental personnel are certified as competent to obtain certification as follows:

- Certified Environmental Professional in Scheduled Waste Management (CEPSWAM)
- Certified Inspector of Sediment Erosion Control (CISEC)
- Certified Erosion and Sediment and Storm Water Inspector (CESSWI)

In April 2019, the Group achieved another milestone when its construction arm, TRC obtained the ISO 45001 (Safety and Health Standard) and ISO 14001 (Environmental Standard). ISO 14001 is an international standard for Environmental Management Systems (EMS). It is intended to provide the Group with the elements of an effective environmental management system to protect the environment and respond to changing environmental conditions in balance with socio-economic needs, which can also be integrated with other management system requirements.

SUSTAINABILITY STATEMENT
(CONT'D)

Yellow Ribbon Program in Collaboration with Jabatan Penjara Malaysia

New Initiative – Solar Photovoltaic System

The Group supports the Government's efforts and initiatives to reduce the burning of fossil fuels in producing electricity which has been one of the main contributors of global warming and climate changes. The Government's encouragement to the corporate sector to participate in renewable energy has prompted the Group to study 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 96.77 kWp is expected to commence in the 2nd quarter of 2021. The initial investment costs for the initiative is expected to be in the region of RM310,000 and we expect to generate an 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 → NEM (Net Energy Metering) application – In progress → Installation of PV Solar System – Target to start (March 2021) Subject to NEM approval and to be completed by June 2021

LRT Station at Pasar Seni

Mixed Development at Precinct 8, Putrajaya

SUSTAINABILITY STATEMENT
(CONT'D)

Element by Westin, Melbourne

Element Melbourne Richmond

2020 was a very challenging year for our hotel business. After operating for less than a year, Element Melbourne Richmond had to grapple with the COVID-19 crisis that has crippled the world's hospitality industry.

Throughout the year, the Hotel management had to make many adjustments to accommodate the greatly reduced number of room bookings. Many sectors had to be downsized or discontinued. Despite this, the hotel has never neglected the aspect of environmental sustainability as reported last year.

The Hotel maintains eco-conscious touch points throughout the property including:

- water-efficient taps and fixtures,
- energy-efficient appliances,
- energy-saving LED lighting and controls,
- an extensive recycling program,
- daylight glare control to reduce use of air conditioning,
- CO2 sensors to monitor indoor and car park air quality,
- Rainwater harvesting and non-chemical water treatment.

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

- simple furniture using organic and natural materials in all lobby, dining, meeting and guestroom spaces,
- carbon neutral flooring,
- a Bike-to-Borrow Program and electric vehicle charging stations,
- Energy efficient kitchenettes in a select number of rooms.

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

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

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC SUSTAINABILITY

Corporate Governance

We believe that good governance is not only important for corporations, it is also important for their stakeholders. Good corporate governance strengthens the stakeholders' faith and confidence in the corporate leaders as rules and regulations are designed to protect stakeholders from threats and to keep problems from occurring.

Consequently, we are committed to ensure that a high standard of corporate governance is practised throughout the Group. We also believe that sound corporate governance practices will have a direct impact on the Group's sustainability. Therefore, the Group adheres to the principles and recommendations that are set out in the Malaysian Code on Corporate Governance 2017 ("the Code"), the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad, and other prevailing rules and regulations.

The Group's corporate governance practice is reported on pages 40 to 49 of this Annual Report which is to be read together with the Company's 2020 Corporate Governance Report.

The Group has also established a Code of Conduct for its Directors. The Board of Directors, together with the Management implement its policies and procedures which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading, and money laundering.

In November 2020, with the aim of providing a clearer understanding to the Directors and employees, the Group established its Anti-Bribery and Corruption Policy pursuant to the anti-bribery provisions of the Malaysian Anti-Corruption Commission (MACC) Act 2009. The Policy will serve as a guide to the Directors and employees concerning bribery and corruption.

We are committed to conduct the Group's affairs in an ethical, responsible, and transparent manner. In recognition of these values, the Group has in place its Whistleblowing Policy and Procedures. This policy was formulated as an avenue for the Group's staff and stakeholders as well as members of the public to disclose any legitimate misgivings that they have regarding any improper conduct by the Group.

The Board Charter, the Code of Conduct, and the Whistleblowing Policy and Procedures can be viewed at the Company's website at www.trc.com.my.

Package V205 MRT2 Guideway

SUSTAINABILITY STATEMENT
(CONT'D)

Track record and Financial Performance

Track record - Reputation

We recognise 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 also will 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 Construction Industry Development Board (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.

Financial Performance

The Group reckons the utmost importance towards its shareholders is to deliver consistent and sustainable financial results arising from the business activities which can be translated into good returns on the shareholders' investment over medium to long term.

For the financial year 2020, the Group performed commendably despite it was one of the toughest years in recent human history for the entire world. The detailed analysis of the Group's financial performance for the financial year 2020 is as provided in pages 4 to 8 of this Annual Report under the Management Discussion and Analysis Disclosure.

Exemplary financial performance has always been and will continue to be our core focus in relation to the overall business sustainability in order for the Group to remain resilient and relevant in a highly dynamic industry landscape.

Over the past six years from 2015 to 2020, the Group had fared well financially whereby revenue has been stabilizing in the region of RM750 million to RM850 million, with an average Gross Profit and Core Profit Before Taxation of RM60.7 million and RM33.2 million per annum respectively, complemented by average dividend payment of RM8.0 million per annum over past five years, equivalent to 33% of the Group's Core Profit After Tax.

CONCLUSION

As apparent from the elaboration on the Group's material sustainability matters presented in this Sustainability Statement, the Group has successfully incorporated sustainable practices in our day-to-day operations. We are also currently working towards continuously improving and refining our business strategies and performance so that we may be able to promote a legacy of sustainability as desired by the Government and the global community at large.

CSR ACTIVITIES BY YAYASAN TRC

INTRODUCTION

Established in 2011, Yayasan TRC (YTRC) is the philanthropic arm of TRC Synergy Berhad. The foundation set up by the Group is dedicated to providing aid and donations to several categories of beneficiaries, with priority to the Group's employees and their family members.

We aspire to be a good neighbour and lend a helping hand to the surrounding community

OVERVIEW OF YTRC CONTRIBUTION

EDUCATION

COMMUNITY ASSISTANCE

OUR ROLES & RESPONSIBILITIES

EDUCATION

By education, we are sowing the seeds of success to take root in human capital development and ensuring the industry's sustainability. We are committed to providing financial assistance to eligible employees and their children, as well as to other deserving underprivileged students in pursuing better education.

CORPORATE SOCIAL RESPOSIBILITY

Our Corporate Social Responsibility (CSR) principle is inline with the TRC Group of Companies' motto '**As One With The Nation**', sharing our wealth and resources with the communities in locations where we do business in. We contribute by extending assistance to the needy or organizations in the surrounding communities.

COMMUNITY INITIATIVE

Our contributions may come not only in the form of monetary assistance but also in voluntary initiatives. Our team of personnel is ever ready to be mobilized for community services such as charity drives, fundraising activities, and emergency or disaster response whenever required.

CSR ACTIVITIES BY YAYASAN TRC

OUR CSR JOURNEY IN 2020

20 JAN

CHINESE NEW YEAR CONTRIBUTION TO STUDENTS OF SJK(C) SERDANG BARU 2

The school is located near our MRT V205 project site's office. The recipients were 50 students identified from the B40 family group. The contribution was given in the form of angpows, school bags, and stationery sets.

02 MAR

ENGLISH TUITION PROGRAMME AT SK KILIMU RANAU, SABAH

YTRC has identified the school as the recipient of the Tuition Programme since the school is situated near our MRSM Ranau Project Site. One of the objectives of this program is to enable the students to sharpen their skills in the English language.

01 APR

DONATION OF MEDICAL SUPPLIES TO HOSPITAL SERDANG DURING PANDEMIC COVID-19

In March 2020, Malaysia was hit by the Covid-19 pandemic outbreak, and with a rapidly increasing number of Covid-19 patients in Malaysia, most hospitals were short of medical equipment and supplies. Hence, YTRC extended assistance to Hospital Serdang since the hospital is also within the vicinity of the MRT2 Serdang Depot project.

19 MAY

RAMADHAN AL-MUBARAK CONTRIBUTION IN CONJUNCTION WITH YTRC PRIHATIN PROGRAM

Malaysia was facing an economic downturn when the Government implemented the Movement Control Order (MCO) on 18th March 2020 in order to curb the spread of the virus. As a result of the MCO, a lot of people were financially affected. Consequently, YTRC decided to assist the B40 families who live near the TRC Headquarters.

CSR ACTIVITIES BY YAYASAN TRC

OUR CSR JOURNEY IN 2020

07 JUL

UNIKL PROGRAM 'GEROBOK KASIH UBIS' IN COLLABORATION WITH YTRC

Unified with the same objective, YTRC collaborated with UniKL for the 'Gerobok Kasih Ubis'. The programme was intended to assist students who were stranded at their colleges due to the MCO.

18 SEP

CSR PROGRAM AT RUMAH NAGA & RUMAH JACKSON, NANGA RASAU, ENGKELILI, SRI AMAN, SARAWAK

On 18 September 2020, an 18 room longhouse at Nanga Rassau, Engkelili, Sri Aman, Sarawak was razed in a fire. The incident took place near our Pan Borneo Package 5 (PBP5) project. All items belonging to the longhouse occupants were burnt to the ground. Our contributions were in the form of necessities such as food & drinks for 18 families.

10 OCT

YTRC ART SHARING SESSION IN COLLABORATION WITH JALAK ART INITIATIVE

This Community Partnership programme between YTRC and JAI Gallery was interesting. This short and brief session served as an eye-opener for us to appreciate art that is an integral part of our lives.

26 OCT

PROPERTY FIRE CIK RAMLAH ANAK TUAH

YTRC extended a helping hand to one of our staff whose house was destroyed in a fire, along with everything in it. In the wake of the tragedy, YTRC gave a one-off contribution for her and her family.

CORPORATE STRUCTURE

TRC SYNERGY BERHAD
199601040839 (413192-D)

- 100% **TRANS RESOURCES CORPORATION SDN BHD** 198401007746 (120265-P)
  - 100% **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** (Formerly known as Endaya TRC PK JV Sdn Bhd) 201601029333 (1200274-H)
  - 30% **HEXIDE ENGINEERING SERVICES SDN BHD** (Formerly known as Liputan Sutera 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)
  - 40% **PETROBRU (B) SDN BHD** (AGO/RC/6613/06)
- 100% **ADS SENTRAL SDN BHD** 200401006674 (645178-P)
- 100% **TRC INTERNATIONAL PTE LTD** (LL04510)

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
Executive Director

Dato' Richard Khoo Teng San
Executive Director
Appointed on 25 February 2020

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' Ar. Nur Haizi Binti Abdul Hai
Independent Non-Executive Director

Dato' Sr. Abdull Manaf Bin Hj Hashim
Independent Non-Executive Director
(Appointed on 1 April 2021)

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: 603-41087016
E-mail: info@trc.com.my

BRANCH OFFICE

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

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel.: 03-26924271
Fax: 03-27325388 & 03-27325399

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

AUDITOR

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

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

PROFILE OF DIRECTORS

TUN JEANNE BINTI ABDULLAH

Chairman, Independent Non-Executive Director
Malaysian / Female / Age 68

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 2020, Tun Jeanne attended three (3) out of four (4) Board of Directors Meetings held during the year.

TAN SRI DATO' SRI SUFRI BIN HJ MOHD ZIN

Managing Director
Malaysian / Male / Age 65

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 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 (IAG) 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. Additionally, he is a Trustee of Yayasan TRC and a member of the Whistleblowing Committee.

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 International Affairs Committee, a member of the Education and Special Institution Committee, and a Director of MBAM Onebuild Sdn Bhd. 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).

During the Financial year ended 31st December 2020, he attended all four (4) Board of Directors Meetings.

PROFILE OF DIRECTORS

(CONT'D)

DATO' ABDUL AZIZ BIN MOHAMAD

Executive Director

Malaysian / Male / Age 62

Dato' Abdul Aziz Bin Mohamad was appointed as an Executive Director of the Company on 29th March 2002. 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 (CEO) in 2009 until 2019.

Dato' Abdul Aziz received his early education at the Malay College Kuala Kangsar (MCKK) 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 (JKR) 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 to TRC's success.

He is the Chairman of the Sustainability Committee and a member of the Board of Trustee 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 2020.

DATO' RICHARD KHOO TENG SAN

Executive Director

Malaysian / Male / Age 56

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 2020.

PROFILE OF DIRECTORS
(CONT'D)

ADMIRAL TAN SRI DATO' SERI PANGLIMA AHMAD KAMARULZAMAN HJ AHMAD BADARUDDIN (RETIRED)
Independent Non-Executive Director
Malaysian / Male / Age 61

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 Committee and a member of the Remuneration Committee.

He graduated from the University of Strathclyde Business School, Scotland in 1999 with a Master Business Administration. He then went on to pursue MA 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 (AMP) 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 2020.

DATO' IR. ABDULLAH BIN ABD RAHMAN
Independent Non-Executive Director
Malaysian / Male / Age 66

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 Committee and a member of the Audit 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 second two-year term as Vice President of the Malaysian Asset and Project Management Association.

During the financial year ended 31st December 2020, he attended all four (4) Board of Directors Meetings held.

PROFILE OF DIRECTORS
(CONT'D)

DATO' AR. NUR HAIZI BINTI ABDUL HAI
Independent Non-Executive Director
Malaysian / Female / Age 67

Dato' Ar. Nur Haizi Binti Abdul Hai was appointed as a Director of the Company on 1st July 2015. Currently she is a member of the Nominating Committee and Whistleblowing Committee.

She graduated from Universiti Teknologi Malaysia in 1978 with a Degree in Architecture. Subsequently, she joined the Public Works Department of Malaysia and was entrusted to hold various posts starting with that of Design Architect in 1978. She retired from the Public Works Department in 2012 after 34 years of service and her last position was Deputy Director General III.

While in the Public Works Department, she was involved in different project stages as a designer/architect, Project Manager, and Project Director in several high profile and mega projects implemented by the Department, some of which have become National Landmarks locally as well as overseas.

In September 2017, she was conferred "The Construction Leading Lady Award" at the Malaysian Construction Industry Excellence Awards 2017 (MCIEA) by the Construction Industry Development Board (CIDB).

Dato' Ar. Nur Haizi attended all four (4) Board of Directors Meetings held during the financial year ended 31st December 2020.

Dato' Ar. Nur Haizi Binti Abdul Hai will retire at the conclusion of the forthcoming Annual General Meeting on 29th June 2021 and will not seek for re-election.

DATO' SR. ABDULL MANAF BIN HJ HASHIM
Independent Non-Executive Director
Malaysian / Male / Age 66

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 Committee.

He is a qualified Consultant Quantity Surveyor by profession with a Bachelor 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 served as a Director in the Quantity Surveyor Division of the Drainage & Irrigation Department Malaysia (JPS) from 2001 to 2004 before joining Public Works Department (JKR) as a Senior Director of the Quantity Surveyor Division. Dato' Sr. Abdull Manaf was the Deputy Director General of JKR from 2012 to 2016.

Dato' Sr. Abdull Manaf also holds several positions in professional bodies. He was the President of Quantity Surveyors Malaysia for the term 2006-2017. He was the President of The Royal Institute Surveyors Malaysia in 2012 and is still a Fellow of the institution since 2006.

Dato' Sr. Abdull Manaf received numerous awards and recognitions such as Tokoh Alumni Universiti Teknologi Malaysia (2009), Kesatria Mangku Negara (2007) and Darjah Indera Mahkota (DIMP)(2006).

PROFILE OF DIRECTORS
(CONT'D)

FADZILAH BINTI MOHD SALLEH

Independent Non-Executive Director
Malaysian / Female / Age 49

Fadzilah Binti Mohd Salleh was appointed as an Independent and Non-Executive Director on 1st June 2018. Currently she is the chairman of the Remuneration Committee and a member of the Audit 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 2020.

SITI SARLINA BINTI ABDUL RAHMAN

Alternate Director to Dato' Abdul Aziz Bin Mohamad
Malaysian / Female / Age 51

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 QC Engineer. In 1997, she worked as a QA 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 (OUM).

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 Hj Ahmad Badaruddin (Retired) who is also a Director of OCR Group Berhad and T7 Global 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 51

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 and Health (QSH).

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

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

IR. TAN KHOON KIAN

Deputy Chief Operating Officer
Malaysian / Male / Age 58

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.

PROFILE OF KEY SENIOR MANAGEMENT
(CONT'D)

HOO YEN TONG
General Manager (Construction)
Malaysian / Male / Age 56

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.

MAHATHIR BIN MOKHTAR
General Manager (Contracts)
Malaysian / Male / Age 45

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. He has since been involved in a total of 30 projects and in October 2018 Mahathir became General Manager (Contracts).

He graduated from UiTM with a Diploma in Quantity Surveying and pursued a Bachelor of Quantity Surveying (Hons) from the same university.

Over the last 20 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.

As a head of the Contracts & Procurement Department he is responsible for all tender and commercial proposals, pre and post-contract matters and also procurement activities.

DATO' LEONG KAM HENG
Chief Operating Officer
TRC (Aust) Pty Ltd
Malaysian / Male / Age 66

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 Chief Operating Officer of TRC (Aust) Pty Ltd, a wholly-owned subsidiary of TRC Synergy Berhad which is based and operating in Melbourne, Australia.

PROFILE OF KEY SENIOR MANAGEMENT
(CONT'D)

NASARUDDIN BIN MAHMUD
General Manager (Development)
Malaysian / Male / Age 57

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 50

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 52

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 ("the Board") of TRC Synergy Berhad ("the Company") 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 2020 ("FY2020"). 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 which can be referred to at the Company's website at www.trc.com.my under Corporate Governance section.

In general, the Group has complied with all material aspects of the principles set out in the Code throughout FY2020. Details of the application are summarised below:-

	Total	Applied	Departure	Not Applicable	Not Adopted	Adopted
Recommended practices	32	27	3	2	-	-
Step-up Practices	4	-	-	-	3	1

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 32 to 36.

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 Committee
ii. Nominating Committee
iii. Remuneration Committee
iv. Sustainability Committee
v. Whistleblowing Committee

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

2. Board Responsibilities (cont'd)

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 Competition 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 and the Directors' Code of Conduct are available on the Company's website, www.trc.com.my.

3. Board Composition

The Board currently consists of nine (9) members comprising three (3) Executive Directors and six (6) 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 six (6) 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 Dato' Ar. Nur Haizi Binti Abdul Hai (f) as its additional Director and 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.

In FY2020, the Company has in place its Boardroom Policy which was designed to reinforce the Board's commitment to diversity including the tenure of independent directors. The Policy 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, 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 Nominating Committee ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

5. Recruitment and Annual Assessment of Directors (cont'd)

During FY2020, 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 and its committees;
iii. Assessed the independence of its Independent 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 ensure 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

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 FY2020, 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.

During FY2020, due to the Covid-19 pandemic, not many suitable training programs were organised. Therefore, most Directors were unable to attend training programs during FY2020. The details of the training programs attended by the Directors are as follows:-

Directors	Training Programme	Organiser
Tun Jeanne Binti Abdullah	Nil	Nil
Tan Sri Dato' Sri Sufri Bin Hj Mohd Zin	• MBAM Annual Safety & Health Conference • Fraud Risk Management Workshop	• Master Builders Association Malaysia • Bursa Malaysia
Dato' Abdul Aziz Bin Mohamad	Nil	Nil
Dato' Richard Khoo Teng San	• Mandatory Accredition Programme	• Iclif Executive Education Center
Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)	• Crisis Management for Leaders – "COVID-19 as a Novel Event and Risk Management Framework" (Webinar) • Stakeholder Engagement – " Stakeholder Primacy : Increased Emphasis on ESG" (Webinar) • Digitalisation – "Review Competitive Strategies using AI: A Board's Perspective" (Webinar) • "Cybersecurity Consideration Amid a Global Pandemic" (Webinar) • Fraud Management Workshop	• Harvard Business School • Institute of Corporate Director of Malaysia (ICDM) • Institute of Corporate Director of Malaysia (ICDM) • Institute of Corporate Director of Malaysia (ICDM) • Bursa Malaysia
Dato' Ar. Nur Haizi Binti Abdul Hai	• Sesi Dialog Program Senibina Fakulti Alam Bina dan Ukur Bersama Panel Penasihat Industri	• Universiti Teknologi Kuala Lumpur
Dato' Ir. Abdullah Bin Abd Rahman	Nil	Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

10. Directors' Training (cont'd)

Directors	Training Programme	Organiser
Fadzilah Binti Mohd Salleh	• Enhanced Client Service Delivery Through Cloud-based Collaboration and Data Analytics Technology • The Future of accounting is Here • MFRS 16 Leases: What it Entails and Its Effect (Plus Tax Considerations) • Enterprise Risk Management-Principals of ISO31000 and 2017 Updates on ERM Framework	• Malaysian Institute of Accountants (MIA) • Malaysian Institute of Accountants (MIA) • Malaysian Institute of Accountants (MIA) • Malaysian Institute of Accountants (MIA)
Siti Sarlina Binti Abdul Rahman	Nil	Nil

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 FY2020.

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

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

11. Time Commitment

The Board is satisfied with the level of time commitment and focus given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company as none of them except Admiral Tan Sri Dato' Seri Panglima 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 FY2020, 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	3/4	75
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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

11. Time Commitment (cont'd)

Name	No. of Meeting Attended	% of Attendance
Dato' Ar. Nur Haizi Binti Abdul Hai	4/4	100
Dato' Ir. Abdullah Bin Abd Rahman	4/4	100
Fadzilah Binti Mohd Salleh	4/4	100
Noor Zilan Bin Mohamed Noor (Retired on 29/7/2020)	2/2	100
Abdul Rahman bin Ali (Retired on 29/7/2020)	2/2	100
Dato' Sr. Abdull Manaf Bin Hj Hashim (Appointed on 1/4/2021)	N/A	N/A

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 pages 12 to 26 of this Annual Report.

13. Nominating Committee

The Company has established its Nominating Committee ("NC") in May 2002 which currently comprises three (3) Independent Directors. Currently the members of the NC are as follows:-

a) Dato' Ir. Abdullah Bin Abd Rahman (Chairman)
b) Dato' Ar. Nur Haizi Binti Abdul Hai
c) Dato' Sr. Abdull Manaf Bin Hj Hashim

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 FY2020 are reported in Item 5 of this Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

14. Remuneration policies and procedures

14.1 Remuneration Committee

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 ("RC") in May 2002 which currently comprises two (2) members, all of whom are Independent Non-Executive Directors. The current members of the RC are 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 FY2020, the Board reshuffled the RC whereby Fadzilah Binti Mohd Salleh was appointed as chairman and Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired) was appointed to replace Noor Zilan Bin Mohamed Noor. Moving forward the RC will review its terms of reference and will convene at least one meeting in a year. No RC meeting was held in FY2020.

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 FY2020 are detailed out in the Company's Corporate Governance Report ("CG Report") which is to be read together with this statement. The CG Report is available on the Company's website at www.trc.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee of the Company ("AC") was established 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. Currently it comprises three (3) Non-Executive Directors and all of them are Independent Directors. The AC 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 FY2020, the AC met five (5) times and the details of the activities undertaken by them are set out on pages 55 to 56 of this Annual Report.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

2. Risk Management and Internal Control Framework

The Board recognises that proper risk management and internal control are important aspects of a company's governance, management and operation. The Board takes overall responsibility for maintaining the effectiveness and adequacy of the Group's system of risk management and internal control including the establishment of an appropriate risk management 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 2020 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 from pages 50 to 53 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 FY2020, the Company organised several face-to-face, online meetings and briefings with financial analysts and investors to establish a better understanding of the Company's business and performance as well as to convey other information that may affect shareholders interest.

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

The Company has been consistently leveraged on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the stakeholders. For that reason, the Company has recently upgraded and revamped its website for better and smooth access to the public and stakeholders. 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 24th 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 24th 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

ADDITIONAL COMPLIANCE INFORMATION

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

Utilization of Proceeds

For FY2020, there were no proceeds raised from any exercise.

Share Buybacks

Details of the ordinary shares purchased during the financial year ended 31st December 2020 are set out below:

Month	No. of ordinary shares purchased Unit	Minimum price for each share purchased RM	Maximum price paid per each share purchased RM	Total consideration* RM
March	8,973,400	0.200	0.360	2,401,666.32
April	235,000	0.245	0.250	57,958.46
Total	9,208,400			2,459,624.78

* Including transaction costs

All the ordinary shares re-purchased during the financial year ended 31st December 2020 were held as treasury shares. There were no resale nor cancellation or distribution of treasury shares during the financial year.

As at 31st December 2020, 9,208,400 shares were held as treasury shares.

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 FY2020.

Non-Audit Fees

The non-audit fees paid to external auditors amounted to RM5,000 for FY2020. The details of the fees paid or payable to the external auditors are reported in Note 32 to the Financial Statements.

Material Contracts

There were no material contracts between the Company and its subsidiaries involving the interest of any Directors or major shareholders during FY2020.

Recurrent Related Party Transaction

The recurrent related party transactions during the financial year ended 31st December 2020 are as follows:

Related party	Contracting party	Nature of transaction	Transacted value for financial year ended 31st December 2020 (RM)
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	Trans Resources Corporation Sdn Bhd	Purchase of construction materials	3,503,053.88
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	TRC Concrete Indutries Sdn Bhd	Purchase of construction materials	1,495,904.49
Richdore Corporation Sdn Bhd (Company connected to Dato' Richard Khoo Teng San)	Trans Handan Bridge Sdn Bhd	Purchase of construction materials	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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 FY2020, 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 19th May 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of TRC Synergy Berhad ("the Board") is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31st December 2020 ("FY2020") which outlines the nature and scope of risk management and system of internal control of the Company and its subsidiaries ("the Group"). 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. 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 Committee 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 Senior Management and reported to the Board through the Audit Committee. 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.

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 2020 workshops and brainstorming sessions were conducted by the Group's Quality Units to review the impact of departmental and project risks. These in house trainings were also aimed at emphasizing and inculcating a culture of risk-based thinking within the organization.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

RISK MANAGEMENT (CONT'D)

Risk Management Framework

Risk Management activities are guided by the Internal Control Integrated Framework known as COSO 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 may have impact in achieving the business objectives 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 evaluated as below:

- Probability or likelihood of occurrence
- Significance of the risk

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, margin and timeline
- Stringent quality and safety standard
- Efficient procurement management system
- Close monitoring of construction work progress
- Compliance with statutory requirements

Risk Reporting and Monitoring

Significant risks identified from each business unit or project are tabulated in the risk assessment report and presented to Senior Management and Audit Committee which are then recommended to the Board for deliberation or approval while matters and decisions made within the purviews of the Audit Committee and 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 five risks are presented to the Audit Committee 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 the Audit Committee 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 the Audit Committee and the Board. As required by the Listing Requirements, the internal auditors report directly to the Audit Committee and is independent of the activities audited by them. They provide periodic reports to the Audit Committee on the outcome of the audit works they have conducted which are reviewed and evaluated by the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

INTERNAL CONTROL (CONT'D)

Internal Audit Function (cont'd)

Internal audit works are carried out pursuant to the annual audit plan approved by the Audit Committee 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 the Audit Committee. 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 FY2020, 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 57 of this Annual Report.

None of the weaknesses or issues identified during the review for FY2020 has resulted in non-compliance with any relevant policies or procedures, 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 and comprehensive information is provided to Management covering financial performance and key business indicators, key operating statistics/indicators, key business risks, as well as legal, environmental and regulatory matters. Key matters affecting the Group are brought to the attention of the Audit Committee and are reported to the Board on a regular basis.

Detailed Budgeting Process

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

Audit Committee

The Audit Committee, 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 the Audit Committee as set out from pages 54 to 57 of this Annual Report contains further details on the activities undertaken by the Audit Committee in 2020.

Board

The Board holds regular discussions with the Audit Committee, 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

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 Audit Committee is accessible to the relevant reports produced in relation to the Quality Management and if the need arise, the matter shall be further discussed in the Board Meeting.

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

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

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

MANAGING DIRECTOR AND GROUP'S ACCOUNTANT ASSURANCE

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 2017, 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 19th May 2021.

AUDIT COMMITTEE REPORT

The Board of Directors of TRC Synergy Berhad ("the Board") is pleased to present the report of the Audit Committee for the financial year ended 31st December 2020.

1. Introduction

The Audit Committee was established by the Board on 22nd May 2002 with the primary objective of assisting 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.

2. Members of the Audit Committee

During the financial year 2020, the Audit Committee comprised the following 3 Non-Executive Directors, 2 of whom were Independent Directors:-

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

Members:

i) **Abdul Rahman Bin Ali**
(Non-Independent Non-Executive Director)
(Member of the Malaysian Institute of Accountants)
(Retired on 29th July 2020)

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

iii) **Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)**
(Independent Non-Executive Director)
(Appointed on 22nd February 2021)

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

On 26th February 2021, the Company appointed Admiral Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired) as Chairman of the Audit Committee in place of Dato' Ir. Abdullah Bin Abd Rahman

The detailed profiles of the Audit Committee Members can be found on pages 34 and 36 of this Annual Report.

3. Terms of Reference

The Audit Committee is governed by its terms of reference which is available on the Company's website, www.trc.com.my.

4. Summary of Activities of the Audit Committee

4.1 Meetings

During the financial year ended 31st December 2020, the Audit Committee met five (5) times. The details of the Audit Committee Members' attendance are as follows:

No.	Audit Committee	Attendance	
1.	Dato' Ir. Abdullah Bin Abd Rahman (Chairman)	5/5	100%
2.	Abdul Rahman Bin Ali	3/3	100%
3.	Fadzilah Binti Mohd Salleh	5/5	100%

AUDIT COMMITTEE REPORT
(CONT'D)

4. Summary of Activities of the Audit Committee (cont'd)

4.1 Meetings (cont'd)

The Group's Accountant, the Head of Corporate Affairs, the Company Secretary who is the secretary of the Audit Committee and the Group's Internal Auditors will attend the Audit Committee meetings on regular basis. Other senior management and the Group's External Auditors will attend the meeting upon invitation.

Additionally, the Audit Committee 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

The Audit Committee carried out the following activities in discharging its functions and duties for the financial year 2020, 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 the Group for which the Audit Committee made recommendations to the Board of Directors 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, the Audit Committee 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 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. The Audit Committee also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group. The Audit Committee 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.

AUDIT COMMITTEE REPORT
(CONT'D)

4. Summary of Activities of the Audit Committee (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. The Audit Committee proposed that effective May 2019, the Internal Control Integrated Framework released by the Committee of Sponsoring Organisation of the Treadway Commission known as COSO Framework be 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.

- 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 2017 ("the Code"), the extent of compliance with the said Code and then the Audit Committee's recommendations to the Board of Directors for inclusion of the aforementioned Statements in the Annual Report.

- The Audit Committee also produced and presented its reports and recommendations to the Board of Directors for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT
(CONT'D)

5. Internal Audit Function

Internal audit works are carried out in accordance with the annual audit plan which has been approved by the Audit Committee and the Board. The Internal Audit Department reports directly to the Audit Committee 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 the Audit Committee 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 the Audit Committee 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 the Audit Committee 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 2020.

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
Profit for the year attributable to:		
Equity holders of the Company	27,260	516
Non-controlling interests	366	-
Profit for the year	27,626	516

DIVIDENDS

The amount of dividend paid by the Company during the year in respect of the year ended 31 December 2019, was as follows:

	RM'000
First and final single tier dividend of 1.10 sen per ordinary share, on 471,288,703 ordinary shares, paid on 18 August 2020	5,184

At the forthcoming Annual General Meeting, a provisional single tier dividend in respect of the year ended 31 December 2020 of 1.00 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 RM4,712,887 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 2021.

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.

DIRECTORS' REPORT
(CONT'D)

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 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 (R) Tan Sri Dato' Seri Panglima Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin
Dato' Ir. Abdullah Bin Abd Rahman
Dato' Ar. Nur Haizi Binti Abdul Hai
Fadzilah Binti Mohd Salleh
Siti Sarlina Binti Abdul Rahman
(alternate director to Dato' Abdul Aziz Bin Mohamad)
Dato' Richard Khoo Teng San (Appointed on 25 February 2020)
Dato' Sr. Abdull Manaf Bin Hj Hashim (Appointed on 1 April 2021)
Abdul Rahman Bin Ali (Retired on 29 July 2020)
Noor Zilan Bin Mohamed Noor (Retired on 29 July 2020)

DIRECTORS OF SUBSIDIARIES

The directors of the Company's subsidiaries (excluding directors who are also directors of the Company) during the period commencing from 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
Datuk (Dr) Ting Ding Ing (Resigned on 20 November 2020)
Ir. Peter Wong Hung Huang (Resigned on 20 November 2020)

DIRECTORS' REPORT
(CONT'D)

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 1.1.2020	Bought	Sold	At 31.12.2020
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	8,234,197	2,100,200	-	10,334,397
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*	118,075,200	6,720,000	-	124,795,200
Dato' Abdul Aziz Bin Mohamad*	118,075,200	6,720,000	-	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 July 2020, the Company obtained shareholders' approval on the renewal of authority for the Company to purchase up to 10% of the share capital of the Company. During the year, the Company repurchased 9,208,000 own shares and thereafter, none of the treasury shares held was cancelled, sold or used for other purposes permitted under the Companies Act 2016.

As at 31 December 2020, the Company held 9,208,000 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 or any of its subsidiaries 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.

DIRECTORS' REPORT
(CONT'D)

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 there were no known bad debts to be 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 it necessary to write off any debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(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 45 to the financial statements.

DIRECTORS' REPORT
(CONT'D)

SUBSEQUENT EVENT

Details of subsequent event after the year end are disclosed in note 48 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 in 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
Date: 19th May 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRC SYNERGY BERHAD

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 2020 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 68 to 154.

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 2020, 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 2020, the revenue recognised on construction contracts amounted to RM595.67 million, accounting for approximately 79% 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRC SYNERGY BERHAD
(CONT'D)

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 2020, the revenue recognised on property development activities amounted to RM83.38 million, accounting for approximately 11% 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;

(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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRC SYNERGY BERHAD
(CONT'D)

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 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 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.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRC SYNERGY BERHAD
(CONT'D)

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 (cont'd):

- 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

1. The financial statements of the Group and of the Company for the preceding year ended 31 December 2019 were audited by another firm of auditors whose report thereon dated 16 June 2020 expressed an unqualified opinion on those financial statements.

2. 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
Date: 19th May 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	220,263	220,513	183,737
Investment properties	6	10,526	10,526	14,042
Inventories	7	12,065	11,930	12,084
Investments in associates	9	1,299	4,611	4,667
Investment in joint venture	10	44,293	35,003	33,781
Other investments	11	66	66	144
Other receivables	12	25,913	27,287	30,296
Deferred tax assets	13	1,299	2,402	854
Right-of-use asset	14	257	449	-
		315,981	312,787	279,605
CURRENT ASSETS				
Inventories	7	143,939	173,246	91,846
Trade and other receivables	12	368,976	346,364	365,759
Contract assets	15	53,747	30,629	84,673
Contract cost assets	16	19,490	-	-
Current tax asset		1,014	1,083	1,271
Deposits, cash and bank balances	17	272,199	293,853	233,041
		859,365	845,175	776,590
TOTAL ASSETS		1,175,346	1,157,962	1,056,195
EQUITY AND LIABILITIES				
EQUITY				
Share capital	18	240,457	240,457	240,457
Treasury shares	19	(2,460)	-	-
Other reserves	20	11,220	11,148	4,561
Retained earnings		185,612	163,536	154,836
		434,829	415,141	399,854
Non-controlling interests		7,285	6,916	6,162
TOTAL EQUITY		442,114	422,057	406,016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

(CONT'D)

	Note	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
NON-CURRENT LIABILITIES				
Borrowings	22	103,034	97,956	57,493
Deferred tax liabilities	13	5,371	5,603	4,080
Provision	23	41,394	44,927	-
		149,799	148,486	61,573
CURRENT LIABILITIES				
Borrowings	22	140,730	121,680	189,603
Provision	23	5,950	482	-
Trade and other payables	24	262,118	272,195	241,483
Contract liabilities	15	171,563	188,965	149,560
Current tax liabilities		3,072	4,097	7,960
		583,433	587,419	588,606
TOTAL LIABILITIES		733,232	735,905	650,179
TOTAL EQUITY AND LIABILITIES		1,175,346	1,157,962	1,056,195

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	2020 RM'000	2019 RM'000 (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1	59
Investments in subsidiaries	8	91,748	91,748
Deferred tax assets	13	113	329
		91,862	92,136
CURRENT ASSETS			
Other receivables, deposits and prepayment	12	165,452	164,017
Current tax asset		13	-
Deposits, cash and bank balances	17	3,228	13,029
		168,693	177,046
TOTAL ASSETS		260,555	269,182
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	240,457	240,457
Treasury shares	19	(2,460)	-
Retained earnings	21	5,817	10,485
TOTAL EQUITY		243,814	250,942
CURRENT LIABILITIES			
Other payables and accruals	24	16,741	18,233
Current tax liabilities		-	7
		16,741	18,240
TOTAL LIABILITIES		16,741	18,240
TOTAL EQUITY AND LIABILITIES		260,555	269,182

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000 (restated)	Company 2020 RM'000	Company 2019 RM'000
Revenue	27	753,854	846,463	3,847	18,431
Cost of sales	28	(699,222)	(790,635)	(123)	(1,763)
Gross profit		54,632	55,828	3,724	16,668
Other income	29	10,378	3,544	794	794
Administrative expenses		(35,064)	(44,298)	(3,835)	(7,421)
Distribution expenses		(452)	(683)	-	-
Operating profit		29,494	14,391	683	10,041
Finance income	30	6,274	18,542	76	295
Finance costs	31	(9,332)	(9,417)	(2)	(2)
Share of profits of associates		1,286	1,445	-	-
Share of profits of joint venture		8,946	2,458	-	-
Profit before tax	32	36,668	27,419	757	10,334
Income tax expenses	35	(9,042)	(8,826)	(241)	(11)
Profit for the year		27,626	18,593	516	10,323
Other comprehensive income, net of tax					
Item that is or may not be reclassified subsequently to profit or loss:					
Revaluation gain on property, plant and equipment		-	6,114	-	-
Item that is or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		75	463	-	-
Other comprehensive income for the year, net of tax		75	6,577	-	-
Total comprehensive income for the year		27,701	25,170	516	10,323

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

	Note	Group		Company	
		2020 RM'000	2019 RM'000 (restated)	2020 RM'000	2019 RM'000
Profit for the year attributable to:					
Equity holders of the Company		27,260	17,829	516	10,323
Non-controlling interests		366	764	-	-
Profit for the year		27,626	18,593	516	10,323
Total comprehensive income for the year attributable to:					
Equity holders of the Company		27,332	24,416	516	10,323
Non-controlling interests		369	754	-	-
Total comprehensive income for the year		27,701	25,170	516	10,323
Earnings per share attributable to equity holder of the Company (sen)					
- Basic	36	5.76	3.71		
- Diluted	36	5.76	3.71		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

		Attributable to owners of the Company					
		Non-distributable		Distributable			
	Note	Share capital 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 2019 - as previously stated		240,457	2,641	158,182	401,280	5,133	406,413
Prior year adjustments	49	-	1,920	(3,346)	(1,426)	1,029	(397)
At 1 January 2019 - as restated		240,457	4,561	154,836	399,854	6,162	406,016
Dividends	37	-	-	(9,129)	(9,129)	-	(9,129)
Profit for the year		-	-	17,829	17,829	764	18,593
Revaluation gain on property, plant and equipment		-	6,114	-	6,114	-	6,114
Foreign currency translation difference for foreign operations		-	473	-	473	(10)	463
Other comprehensive income/(loss) for the year		-	6,587	-	6,587	(10)	6,577
Total comprehensive income for the year		-	6,587	17,829	24,416	754	25,170
At 31 December 2019		240,457	11,148	163,536	415,141	6,916	422,057

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

		Attributable to owners 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 - as previously stated		240,457	-	5,890	167,155	413,502	5,820	419,322
Prior year adjustments	49	-	-	5,258	(3,619)	1,639	1,096	2,735
At 1 January 2020 - as restated		240,457	-	11,148	163,536	415,141	6,916	422,057
Dividends	37	-	-	-	(5,184)	(5,184)	-	(5,184)
Share buy back		-	(2,460)	-	-	(2,460)	-	(2,460)
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

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2019		240,457	-	9,291	249,748
Total comprehensive income for the year		-	-	10,323	10,323
Dividends	37	-	-	(9,129)	(9,129)
At 31 December 2019		240,457	-	10,485	250,942
Share buy back		-	(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

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	36,668	27,419	757	10,334
Adjustments for:				
Allowance for expected credit loss	3,047	5,434	-	528
Unrealised (gain)/loss on foreign exchange	(8,305)	2,054	-	1,869
Depreciation of property, plant and equipment	16,956	15,129	58	393
Amortisation of right-of-use asset	192	128	-	-
Amortisation of partnership interest	2,422	644	-	-
Dividend income	-	-	-	(13,000)
Amount due from an associate written off	-	2,828	-	-
Gain on disposal of property, plant and equipment	(354)	(1,459)	-	-
Gain on disposal of a subsidiary	(4)	-	-	-
Share of profits of associates	(1,286)	(1,445)	-	-
Share of profits of joint venture	(8,946)	(2,458)	-	-
Interest expense	9,332	9,417	-	-
Interest income	(6,274)	(18,542)	(76)	(295)
Property, plant and equipment written off	15	582	-	-
Provision for land cost	-	53,895		
Impairment loss of investment in an associate	1,876	1,890	-	-
Fair value gain on investment properties	-	(1,188)	-	-
Fair value loss on investment properties	-	1,290	-	-
Loss on disposal of an associate	323	-	-	-
Investment written off	-	78	-	-
Lease discount received	(38)	-	-	-
Operating profit/(loss) before working capital changes	45,624	95,696	739	(171)
Changes in inventories	29,172	(81,516)	-	-
Changes in contract assets/liabilities	(40,520)	93,310	-	-
Changes in contract cost	(19,490)	-	-	-
Changes in receivables	(24,300)	15,707	5	(1,489)
Changes in payables	(9,945)	32,781	55	(448)
Cash (used in)/generated from operations	(19,459)	155,978	799	(2,108)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
Cash (used in)/generated from operations (b/f)	(19,459)	155,978	799	(2,108)
Tax paid	(8,849)	(18,177)	(45)	(51)
Tax refund	-	304	-	-
Interest paid	(1,160)	(898)	-	-
Interest received	6,274	8,100	76	295
Net cash (used in)/generated from operating activities	(23,194)	145,307	830	(1,864)
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(1,440)	(16,666)
Payment for share buy back	(2,460)	-	(2,460)	-
Purchase of property, plant and equipment (note 38)	(2,676)	(41,398)	-	-
Proceeds from disposal of property, plant and equipment	389	2,759	-	-
Proceeds from disposal of an associate	2,585	-	-	-
Dividend received	-	-	-	13,000
Net cash used in investing activities	(2,162)	(38,639)	(3,900)	(3,666)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayment to)/Advances from subsidiaries	-	-	(1,547)	17,608
Withdrawal from pledged deposits	12,878	1,658	6,160	739
Proceeds from/(Repayment of) short-term borrowings	8,398	(55,921)	-	-
Proceeds from long-term borrowings	7,320	39,711	-	-
Payment of lease liability	(190)	(152)	-	-
Dividend paid	(5,184)	(9,129)	(5,184)	(9,129)
Interest paid	(6,201)	(6,519)	-	-
Net cash generated from/(used in) financing activities	17,021	(30,352)	(571)	9,218
NET (DECREASE)/INCRESE IN CASH AND CASH EQUIVALENTS	(8,335)	76,316	(3,641)	3,688
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	215	(22)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	109,702	33,408	5,068	1,380
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 17)	101,582	109,702	1,427	5,068

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

TRC Synergy Berhad (the "Company") is a public company limited by shares incorporated and domiciled in Malaysia, and 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 31.

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 amendments that become effective mandatorily for the periods beginning on or after 1 January 2020.

The Group and the Company have early adopted Amendment to MFRS 16 *Covid-19 Related Rent Concessions* which is effective mandatorily for the periods beginning on or after 1 June 2020.

IFRIC Agenda Decision

In March 2019, the IFRS Interpretations Committee published an agenda decision on IAS 23 *Borrowing Costs* (MFRS 123 *Borrowings Costs*) relating to over time transfer of constructed goods. It is concluded that receivables, contract assets and inventory (work-in-progress) for unsold units under construction for which revenue is recognised over time are not qualifying assets under IAS 23 (MFRS 123). The MASB has announced that an entity shall apply the change in accounting policy as a result of the agenda decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group and the Company have early adopted the change in accounting policy which is effective mandatorily for the periods beginning on or after 1 July 2020.

The adoption of the amendment and change in accounting policy does not have significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(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
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, MFRS 9 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	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classi¬fication 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
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 statements of the Group and of the Company.

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 its subsidiaries 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 following:

(i) power over the entity;
(ii) exposure, or rights, to variable returns from its involvement with the entity; and
(iii) the ability to use its power over the entity to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

Consolidation of an investee shall begin from the date the Company obtains control of the entity and cease when the Company loses control of the investee.

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 and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the 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 holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of subsidiaries:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiaries.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiaries at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiaries at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiaries at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiaries in accordance with relevant MFRS. 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.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

The Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation of either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Business combination (cont'd)

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

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

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

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 ("negative goodwill") directly in profit or loss on the acquisition date.

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

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

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

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

(d) Investments in associates and joint ventures

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

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

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. 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

(e) Inventories

(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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

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) Construction materials

Costs of construction materials is determined after deducting rebates and discounts valued using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of complete and applicable variable selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

(i) Measurement basis

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

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

Freehold and leasehold 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. 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. Leasehold land is amortised over the maximum period of 80 to 99 years. Buildings under construction are not depreciated as these assets are not yet available for use. 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 and machinery	2.5% - 66.67%
Motor vehicles	20%
Office equipment	20% - 50%
Furniture and fittings	10% - 50%
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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties

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

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

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

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

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

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

(h) Leases

The Group as Lessee

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

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

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.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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.

(ii) Costs to fulfill a contract

The Group recognises a 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. 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.

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").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Financial assets at amortised cost

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

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

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

Financial assets at FVTPL

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Derecognition of financial assets

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

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

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

Financial liabilities and equity instruments

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

Financial liabilities

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

Financial liabilities at amortised cost

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial instruments (cont'd)

Derecognition of financial liabilities

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

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

Equity instrument

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

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

Treasury shares

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) Construction contracts and property development

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

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

(iii) Sale of completed properties

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

(iv) Management fees

Management fees are recognised when services are rendered.

(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 room revenue

Hotel room revenue is 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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 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 period in which they are incurred.

(p) Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax (cont'd)

Deferred tax (cont'd)

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 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 translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transaction dates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken directly to other comprehensive income. On disposal of a foreign operations, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operations is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 Group 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 and designated bank account pledged.

(t) Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

(u) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Contingencies (cont'd)

(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) 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities (if any) at the end of the reporting period, and reported amounts of income and expenses during the year.

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors, including expectations of 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 period in which the estimate is revised and in any future 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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)

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.

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

The estimate of the useful lives of property, plant and equipment 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 amount of the Group's property, plant and equipment at the reporting date is disclosed in note 5.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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

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

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 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 and 6.

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, 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, 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.

Impairment of investments in subsidiaries, associates, joint venture and property, plant and equipment

The management determines whether the carrying amount of its investments in subsidiaries, associate, joint venture and property, plant and equipment are impaired at each reporting date. This involves measuring the recoverable amounts which include fair value less costs to sell. Based on the opinion of the directors, adequate impairment loss has been recognised in profit or loss of the Group and of the Company. The carrying amount of investments in subsidiaries, associates, joint venture and property, plant and equipment is disclosed in notes 5, 8, 9 and 10.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Valuation				Cost					
2020	Freehold land RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Freehold buildings RM'000	Plant and machinery 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	2,825	870	156,378	82,982	36,198	6,066	3,594	3,951	316,892
Additions	-	-	-	139	1,981	1,022	630	92	320	4,184
Disposals	-	-	-	-	(958)	(2,691)	(25)	-	-	(3,674)
Written off	-	-	-	-	(3,568)	-	(489)	(101)	-	(4,158)
Exchange difference	1,691	-	-	11,045	216	5	124	69	1	13,151
At 31 December 2020	25,719	2,825	870	167,562	80,653	34,534	6,306	3,654	4,272	326,395
Accumulated Depreciation										
At 1 January 2020	-	14	3	4,129	55,940	26,741	4,169	2,685	2,698	96,379
Charge for the year	-	55	10	4,342	7,058	3,839	846	322	484	16,956
Disposals	-	-	-	-	(937)	(2,691)	(11)	-	-	(3,639)
Written off	-	-	-	-	(3,557)	-	(486)	(100)	-	(4,143)
Exchange difference	-	-	-	394	98	5	58	24	-	579
At 31 December 2020	-	69	13	8,865	58,602	27,894	4,576	2,931	3,182	106,132
Net Carrying Amount										
At 31 December 2020	25,719	2,756	857	158,697	22,051	6,640	1,730	723	1,090	220,263

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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

Group	Valuation				Cost						
2019 (Restated)	Freehold land RM'000 (Restated)	Leasehold buildings RM'000	Leasehold land RM'000	Freehold buildings RM'000 (Restated)	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Building under construction RM'000	Renovation RM'000 (Restated)	Total RM'000
At 1 January 2019 - as previously stated	1,080	2,357	570	7,100	74,852	36,837	4,540	2,780	126,723	2,873	259,712
Prior year adjustment	-	-	-	11,327	-	-	-	-	-	-	11,327
At 1 January 2019 - as restated	1,080	2,357	570	18,427	74,852	36,837	4,540	2,780	126,723	2,873	271,039
Additions	-	-	-	27,464	11,850	1,455	1,678	821	-	1,086	44,354
Transfer from land held for property development (note 7)	-	-	270	-	-	-	-	-	-	-	270
Transfer from investment properties (note 6)	-	-	-	3,414	-	-	-	-	-	-	3,414
Disposals	-	-	-	-	(3,693)	(2,056)	(50)	-	-	-	(5,799)
Written off	-	-	-	(543)	(28)	(40)	(102)	(11)	-	(8)	(732)
Exchange difference	(297)	-	-	(1,932)	1	2	-	4	-	-	(2,222)
Reclasification	16,860	-	-	109,863	-	-	-	-	(126,723)	-	-
Offset accumulated depreciation	-	(256)	(127)	(1,031)	-	-	-	-	-	-	(1,414)
Revaluation gain	6,385	724	157	716	-	-	-	-	-	-	7,982
At 31 December 2019	24,028	2,825	870	156,378	82,982	36,198	6,066	3,594	-	3,951	316,892

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

Group	Valuation				Cost						
2019 (Restated)	Freehold land RM'000 (Restated)	Leasehold buildings RM'000	Leasehold land RM'000	Freehold buildings RM'000 (Restated)	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Building under construction RM'000	Renovation RM'000 (Restated)	Total RM'000
Accumulated Depreciation											
At 1 January 2019 - as previously stated	-	227	123	910	51,121	24,713	3,724	2,310	-	2,228	85,356
Prior year adjustment	-	-	-	1,946	-	-	-	-	-	-	1,946
At 1 January 2019 - as restated	-	227	123	2,856	51,121	24,713	3,724	2,310	-	2,228	87,302
Charge for the year	-	43	7	2,301	7,240	4,100	578	382	-	478	15,129
Disposals	-	-	-	-	(2,396)	(2,053)	(50)	-	-	-	(4,499)
Written off	-	-	-	-	(26)	(21)	(84)	(11)	-	(8)	(150)
Exchange difference	-	-	-	3	1	2	1	4	-	-	11
Offset accumulated depreciation	-	(256)	(127)	(1,031)	-	-	-	-	-	-	(1,414)
At 31 December 2019	-	14	3	4,129	55,940	26,741	4,169	2,685	-	2,698	96,379
Net Carrying Amount											
At 31 December 2019	24,028	2,811	867	152,249	27,042	9,457	1,897	909	-	1,253	220,513

As at 31 December 2020, net carrying amount of property, plant and equipment of the Group include right-of-use assets of RM3,613,000 (2019: RM3,678,000), which are presented together with the owned assets of the same class as the underlying assets.

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

	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Company				
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
2019				
Cost				
At 1 January/31 December	2,055	758	1,937	4,750
Accumulated Depreciation				
At 1 January 2019	1,814	758	1,726	4,298
Charge for the year	199	-	194	393
At 31 December 2019	2,013	758	1,920	4,691
Net Carrying Amount				
At 31 December 2019	42	-	17	59

(a) Revaluation

Freehold and 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.

Certain of the 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.

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

(a) Revaluation (cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Income approach which capitalises the actual or estimated income stream, net of projected operating costs, using a discount rate derived from capitalisation rate	Discount rate of 7.50%	The higher the discount rate, the lower the fair value
	Growth rate of 3%	The higher the growth rate, the higher the fair value
	Occupancy rate of 74%	The higher the occupancy rate, the higher the fair value

There is no revaluation adjustment in the current year as there has been no significant changes to the market values since the end of previous year.

The carrying amount of land and building were adjusted to reflect the revaluations and the resultant surpluses were credited to revaluation reserve. The revaluation reserve cannot be distributed to the shareholders due to legal restriction.

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

	2020 RM'000	2019 RM'000
Leasehold land	525	540
Freehold land and building	158,877	162,042
Leasehold building	1,527	1,557
	160,929	164,139

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

(a) Revaluation (cont'd)

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
31.12.2020				
Freehold land	-	3,351	22,368	25,719
Freehold buildings	-	21,466	146,096	167,562
Leasehold land	-	871	-	871
Leasehold buildings	-	2,824	-	2,824
	-	28,512	168,464	196,976
31.12.2019 (restated)				
Freehold land	-	3,351	20,677	24,028
Freehold buildings	-	21,327	135,051	156,378
Leasehold land	-	871	-	871
Leasehold buildings	-	2,824	-	2,824
	-	28,373	155,728	184,101
1.1.2019 (restated)				
Freehold land	-	1,080	-	1,080
Freehold buildings	-	18,427	-	18,427
Leasehold land	-	570	-	570
Leasehold buildings	-	2,357	-	2,357
	-	22,434	-	22,434

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

	2020 RM'000	2019 RM'000
Group		
As at 1 January	155,728	-
Reclassification	-	126,723
Addition	-	27,464
Written off	-	(543)
Revaluation gain	-	4,115
Exchange differences	12,736	(2,031)
As at 31 December	168,464	155,728

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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

(a) 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.

(b) Security

(i) Certain leasehold buildings of a subsidiary incorporated in Malaysia with a net carrying amount of RM1,453,000 (2019: RM1,491,000) have been charged to a financial institution as security for various credit facilities obtained by the subsidiary.

(ii) Freehold land and buildings belong to a foreign subsidiary incorporated in Australia with a carrying amount of RM162,356,000 (2019: RM153,846,000) have been pledged to a financial institution as security for credit facilities obtained by the subsidiary.

(iii) Certain plant and equipment belong to a foreign subsidiary incorporated in Australia with a carrying amount of RM2,384,000 (2019: RM3,468,000) have been pledged to a financial institution as collateral for credit facilities obtained by the subsidiary.

(c) Assets acquired under finance lease arrangements

The net carrying amounts of property, plant and equipment of the Group acquired under finance lease arrangements are as follows:

	2020 RM'000	2019 RM'000
Motor vehicles	3,254	8,028
Plant and machinery	10,586	12,053
	13,840	20,081

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

6. INVESTMENT PROPERTIES

	Group	
	2020 RM'000	2019 RM'000 (Restated)
At 1 January - as previously stated	20,826	24,342
Prior year adjustment	(10,300)	(10,300)
At 1 January - as restated	10,526	14,042
Net fair value loss on investment properties	-	(102)
Transfer to property, plant and equipment (note 5)	-	(3,414)
At 31 December	10,526	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.

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	→
	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
At fair value:			
Freehold land	7,500	7,500	6,430
Freehold land and buildings	2,106	2,106	7,161
Leasehold land and building with unexpired lease period of more than 50 years	920	920	451
	10,526	10,526	14,042

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

Group	2020 RM'000	2019 RM'000 (restated)
Rental income	427	460
Direct operating expenses:		
- revenue generating properties	103	127

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

6. INVESTMENT PROPERTIES (CONT'D)

Fair Value Information

Fair value of investment properties are categorised as follows :

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2020				
Freehold land	-	7,500	-	7,500
Freehold land and buildings	-	2,106	-	2,106
Leasehold land and building	-	920	-	920
	-	10,526	-	10,526
31.12.2019 (restated)				
Freehold land	-	7,500	-	7,500
Freehold land and buildings	-	2,106	-	2,106
Leasehold land and building	-	920	-	920
	-	10,526	-	10,526
1.1.2019 (restated)				
Freehold land	-	6,430	-	6,430
Freehold land and buildings	-	7,161	-	7,161
Leasehold land and building	-	451	-	451
	-	14,042	-	14,042

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 2020 RM'000	2019 RM'000
Cost		
At 1 January	11,930	12,084
Addition	135	116
Transfer to property, plant and equipment (note 5)	-	(270)
At 31 December	12,065	11,930

The land held for property development amounting to RM12,065,000 (2019: RM11,930,000) have been pledged to a financial institution as security for bank facilities.

7. INVENTORIES (CONT'D)

Current Assets

(a) Property Development Costs

	Group 2020 RM'000	Group 2019 RM'000 (Restated)
- Land, at cost	6,750	6,750
- Development costs	112,702	78,732
At 1 January - as previously stated	119,452	85,482
Prior year adjustments	48,229	(3,764)
Reclassification	(10,842)	(7,165)
At 1 January - as restated	156,839	74,553
Costs incurred during the year		
- Land costs	-	60,645
- Development costs	67,186	22,971
Transfer to contract cost assets (note 16)	(93,070)	(1,330)
At 31 December	130,955	156,839

(b) Inventories

	Group		
Cost	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Raw materials	336	1,460	126
Completed properties	12,648	14,947	17,167
	12,984	16,407	17,293
Total (a) and (b)	143,939	173,246	91,846

8. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares, at cost	91,748	91,748

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8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/Principal place of business	Effective interest 2020 %	2019 %	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	Construction and property development
ADS Projek Sdn. Bhd.	Malaysia	100	100	Property development
TRC International Pte Ltd***	Malaysia	100	100	Investment holding
Held through subsidiaries:				
Swan Synergy Developments Pty Ltd**	Australia	100	100	Construction and property development
TRC (Aust) Hotel Pty Ltd**	Australia	100	100	Hotel operation activities
The Swan Synergy Unit Trust**	Australia	100	100	Property development
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
Hexide Engineering Services Sdn. Bhd. (formerly known as Liputan Sutera Sdn. Bhd.)	Malaysia	-	100	Dormant
TRC Concrete Industries Sdn. Bhd.	Malaysia	100	100	Manufacture of ready mixed concrete

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(CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation/Principal place of business	Effective interest 2020 %	2019 %	Principal activities
Held through subsidiaries:				
TRC (B) Sdn. Bhd.**	Brunei Darussalam	90	90	Construction and property development
ETPJV Sdn. Bhd. (formerly known as Endaya TRC PK JV 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 has not been audited due to certain exemptions given by the country.

** Not audited by Mazars PLT.

*** The financial statements of TRC International Pte Ltd has not been consolidated with the financial statements of the Group as the directors are of the opinion that there will be of no real value in view of the insignificant effect on the financial statements of the Group.

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 31.12.2020	31.12.2019	1.1.2019
ETPJV Sdn Bhd (formerly known as Endaya TRC PK JV Sdn. Bhd.)	49%	49%	49%

	Carrying amount of NCI 31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
ETPJV Sdn Bhd (formerly known as Endaya TRC PK JV Sdn. Bhd.)	5,981	5,647	5,361
Others *	1,304	1,269	801
	7,285	6,916	6,162

* Amounts are negligible.

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(CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Summarised financial information on subsidiary with material NCI:

(i) Summarised statement of comprehensive income

ETPJV Sdn. Bhd. (formerly known as Endaya TRC PK JV Sdn. Bhd.)

	31.12.2020 RM'000	31.12.2019 RM'000	1.1.2019 RM'000
Revenue	127,225	263,667	165,154
Profit before tax	901	771	727
Income tax expense	(220)	(187)	(175)
Profit for the year	681	584	552
Total comprehensive income	681	584	552
Total comprehensive income allocated to NCI	334	286	270

(ii) Summarised statement of financial position

ETPJV Sdn. Bhd. (formerly known as Endaya TRC PK JV Sdn. Bhd.)

	31.12.2020 RM'000	31.12.2019 RM'000	1.1.2019 RM'000
Current			
Assets	85,063	89,301	59,420
Liabilities	(72,858)	(77,777)	(48,480)
Total net current assets	12,205	11,524	10,940
Non-current			
Assets	-	-	-
Liabilities	-	-	-
Total net non-current assets	-	-	-
Net assets	12,205	11,524	10,940

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FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(iii) Summarised statement of cash flows

ETPJV Sdn. Bhd. (formerly known as Endaya TRC PK JV Sdn. Bhd.)

	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000
Cash flows from operating activities			
Cash generated from/(used in) operations	696	(8,217)	18,545
Tax paid	(211)	(232)	(157)
Interest received	478	540	438
Net cash generated from/(used in) operating activities	963	(7,909)	18,826
Net cash used in financing activities	(308)	(413)	(1,235)
Net increase/(decrease) in cash and cash equivalents	655	(8,322)	17,591
Cash and cash equivalents at beginning of the year	10,339	18,661	1,070
Cash and cash equivalents at end of the year	10,994	10,339	18,661

9. INVESTMENTS IN ASSOCIATES

	Group		
	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Unquoted shares, at cost	9,362	9,395	9,476
Less: Accumulated impairment losses	(5,678)	(3,802)	(1,912)
	3,684	5,593	7,564
Share of post - acquisition loss:			
Share of loss of associates	(1,757)	(311)	(1,757)
Share of exchange reserve	(628)	(671)	(1,140)
	1,299	4,611	4,667

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

9. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of associates are as follow:

Name of associates	Country of incorporation/ Principal place of business	Equity interest 2020 %	2019 %	Principal activity
Pretty Sally Holdings Pty Ltd*	Australia	-	33	Property development
Delta Garden Limited***	Kingdom of Combodia	34	34	Property development
Petrobru (B) Sdn. Bhd.**	Brunei Darussalam	40	40	Dormant
Synergy Living Developments Pty Ltd (formerly known as Synergy Living (Victoria) Pty Ltd)*	Australia	-	33	Property development
Hexide Engineering Services Sdn. Bhd. (formerly known as Liputan Sutera Sdn. Bhd.)	Malaysia	30	-	Dormant

* Not audited by Mazars PLT.

** The associate has not carried on business operation since 1 October 2010 and is in the process of being deregistered.

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

The Group has assessed whether there is any impairment of its investment in an associate of a subsidiary as the associate has incurred losses during the year. 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 RM1,876,000 (2019: RM1,890,000) has been recognised during the year as administrative and general expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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:

	31.12.2020 RM'000	31.12.2019 RM'000	1.1.2019 RM'000
Pretty Sally Holdings Pty Ltd			
Assets and liabilities:			
Total assets	-	56,735	70,537
Total liabilities	-	(51,475)	(80,533)
Results:			
Revenue	-	175,181	
Profit for the year	-	15,060	
Total comprehensive income for the year	-	15,060	
Delta Garden Limited			
Assets and liabilities:			
Total assets	15,362	15,584	15,772
Total liabilities	(24,130)	(24,478)	(24,773)
Results:			
Revenue	-	-	
Profit for the year	-	-	
Total comprehensive income for the year	-	-	

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

	31.12.2020 RM'000	31.12.2019 RM'000	1.1.2019 RM'000
Pretty Sally Holdings Pty Ltd			
Net assets/(liabilities)	-	5,260	(9,996)
Group share of net assets	-	1,736	-
Exchange reverse	-	(289)	-
Carrying amount of the Group's interest in associate	-	1,447	-
Delta Garden Limited			
Net liabilities	(8,768)	(8,894)	(9,001)
Group share of net liabilities	(2,981)	(3,024)	(3,061)
Goodwill	9,990	9,990	9,990
Impairment loss	(5,678)	(3,802)	(1,912)
Exchange reverse	(32)	-	(350)
Carrying amount of the Group's interest in associate	1,299	3,164	4,667

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

10. INVESTMENT IN JOINT VENTURE

	Group	
	2020	2019
	RM'000	RM'000
Unquoted shares, at cost	25,386	24,097
Share of post - acquisition profits	18,907	10,906
	44,293	35,003

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	
			2020	2019
			%	%
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:

	2020	2019
	RM'000	RM'000
BB Ngiam and KH Leong Family Trust and TRC (Aust) Pty Ltd		
Distribution received from the joint venture	8,946	2,458
Summarised statement of financial position		
Cash and cash equivalents	9,042	132
Other current assets	62,739	38,398
Non-current assets	4,262	5,012
Current liabilities	(268)	(348)
Non-current liabilities	(7,847)	(438)
Net assets	67,928	42,756
Summarised statement of comprehensive income		
Gross profit	29,613	8,203
Other income	110	93
Administrative expenses	(2,659)	(754)
Other expenses	(225)	(167)
Profit from continuing operations	26,839	7,375
Total comprehensive income	26,839	7,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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	
	2020 RM'000	2019 RM'000
Net assets of the joint venture	67,928	42,756
Fair value adjustment on the net assets of the joint venture acquired	64,951	62,253
	132,879	105,009
Proportion of ownership held by the Group	33%	33%
The Group's share of net assets of the joint venture	44,293	35,003

11. OTHER INVESTMENTS

	Group	
	2020 RM'000	2019 RM'000
Corporate membership, at cost	66	66

12. TRADE AND OTHER RECEIVABLES

		Group		
		31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Non-current				
Other receivables				
Other receivables	(a)	41,146	39,473	39,436
Allowance for expected credit losses		(15,233)	(12,186)	(9,140)
Total		25,913	27,287	30,296
Current				
Receivables from contracts with customers				
Third parties	(b)	224,437	199,339	222,422
Construction contracts:				
Retention sums		111,756	105,572	100,426
		336,193	304,911	322,848
Other receivables				
Amounts due from associates	(c)	8,825	8,944	9,052
Allowance for expected credit losses		(2,216)	(2,248)	-
		6,609	6,696	9,052
Deposits		4,613	4,796	9,910
Prepayments		2,772	2,241	1,230
Other receivables		17,301	26,232	18,514
Goods and Services Tax ("GST") receivable		1,488	1,488	4,205
		32,783	41,453	42,911
Total		368,976	346,364	365,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Group	
	2020 RM'000	2019 RM'000 (Restated)
At 1 January	14,434	9,140
Net remeasurement of loss allowance	3,047	5,294
Exchange difference	(32)	-
At 31 December	17,449	14,434

		Company	
		2020 RM'000	2019 RM'000 (Restated)
Current			
Other receivables			
Amount due from subsidiaries	(d)	166,808	165,368
Allowance for expected credit losses		(2,860)	(2,860)
		163,948	162,508
Deposits		2	2
Prepayments		-	3
GST recoverable		1,488	1,488
Other receivables		14	16
		165,452	164,017

The movements in loss allowance for amount due from subsidiaries:

	Company	
	2020 RM'000	2019 RM'000
At 1 January	2,860	2,332
Net remeasurement of loss allowance	-	528
At 31 December	2,860	2,860

(a) Other receivables (Non-current)

Included in other receivables is an amount owing by Brunei Economic Development Board ("BEDB") amounting to RM39,628,000 (31.12.2019: RM39,473,000; 1.1.2019: RM39,436,000) which is unsecured and interest free, refer to note 47 for more details.

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Receivables from contracts with customers

Receivables from contracts with customers are non-interest bearing and are receivable generally on 30 to 90 (31.12.2019 and 1.1.2019: 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group		
	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Ageing analysis of trade receivables			
Neither past due nor impaired	204,511	231,787	241,538
1 to 30 days past due not impaired	72,500	52,165	17,446
31 to 60 days past due not impaired	35,108	5,528	14,777
61 to 90 days past due not impaired	10,390	4,823	28,773
Over 90 days past due not impaired	13,684	10,608	20,314
	336,193	304,911	322,848
Impaired	-	-	-
	336,193	304,911	322,848

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.

(c) Amounts due from associates

Amounts due from associates are unsecured, non-interest bearing advances and are repayable 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	
	2020 RM'000	2019 RM'000 (Restated)
At 1 January - as previously stated	(58)	(1,248)
Prior year adjustments	(5,545)	(4,380)
Reclassification	2,402	2,402
At 1 January - as restated	(3,201)	(3,226)
Recognised in profit or loss	(819)	1,893
Recognised in other comprehensive income	-	(1,868)
Exchange differences	(52)	-
At 31 December	(4,072)	(3,201)

	←	Group	→
	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Represented by:			
Deferred tax assets	1,299	2,402	854
Deferred tax liabilities	(5,371)	(5,603)	(4,080)
	(4,072)	(3,201)	(3,226)

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	→
	31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Deductible/(Taxable) temporary differences:			
- Unabsorbed tax losses	143	1,940	568
- Unabsorbed capital allowance	110	299	-
- Excess of capital allowance claimed over accumulated depreciation on property, plant and equipment	(2,839)	(3,147)	(1,816)
- Revaluation surplus on properties	(3,544)	(3,544)	(1,802)
- Changes on fair value of investment properties	(335)	(335)	(249)
- Future deductible development cost	159	-	-
- Accruals	981	312	-
- Deferred revenue	1,248	1,300	73
- Others	5	(26)	-
	(4,072)	(3,201)	(3,226)

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

	Company	
	2020	2019
	RM'000	RM'000
At 1 January	329	281
Recognised in profit or loss	(216)	48
At 31 December	113	329

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

	Company	
	2020	2019
	RM'000	RM'000
Unabsorbed tax losses	18	19
Unabsorbed capital allowance	95	294
Excess of accumulated depreciation on property, plant and equipment over capital allowance claimed	-	16
	113	329

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

	Group	
	2020	2019
	RM'000	RM'000
Unabsorbed tax losses	4,043	6,151

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

	Group	
	2020	2019
	RM'000	RM'000
Year of assessment:		
Expiring in 2022	3,519	5,629
Expiring in 2023	524	522
	4,043	6,151

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14. RIGHT-OF-USE ASSET

	Group	
	2020 RM'000	2019 RM'000
The Group as a lessee		
Cost		
At 1 January	577	-
Additions	-	577
At 31 December	577	577
Accumulated amortisation		
At 1 January	128	-
Charge for the year	192	128
At 31 December	320	128
Net carrying amount	257	449
Right-of-use asset - Property	257	449

The lease of property is typically made for periods of 3 years. The lessors do 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 RM11,265,000 and RM394,000 (2019: RM10,200,000 and RM394,000) respectively.

15. CONTRACT ASSETS/LIABILITIES

		Group		
		31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Contract assets				
- Property development contracts	(a)	16,402	-	-
- Construction contracts	(b)	37,483	30,769	84,673
		53,885	30,769	84,673
Less: Expected credit loss allowance		(138)	(140)	-
		53,747	30,629	84,673
Contract liabilities				
- Construction contracts	(b)	154,153	141,903	75,049
- Advances received from customers	(c)	17,410	47,062	74,511
		171,563	188,965	149,560

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(CONT'D)

15. CONTRACT ASSETS/LIABILITIES (CONT'D)

(a) Property development contracts

	Group 2020 RM'000	Group 2019 RM'000 (Restated)
At 1 January	-	-
Consideration payables to customers	468	-
Revenue recognised during the year	86,919	3,580
Progress billings issued during the year	(70,985)	(3,580)
At 31 December	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 2020 RM'000	Group 2019 RM'000 (Restated)
At 1 January - as previously stated	(132,169)	(10,064)
Prior year adjustments	10,053	12,523
Reclassification	10,842	7,165
At 1 January - as restated	(111,274)	9,624
Revenue recognised during the year	453,761	706,912
Revenue recognised that was included in the contract liabilities at the beginning of the year	141,903	75,049
Progress billings issued during the year	(601,200)	(902,719)
Expected credit loss allowance	-	(140)
Exchange differences	2	-
At 31 December	(116,808)	(111,274)

	Group 31.12.2020 RM'000	Group 31.12.2019 RM'000 (Restated)	Group 1.1.2019 RM'000 (Restated)
Represented by:			
Contract assets	37,483	30,769	84,673
Contract liabilities	(154,153)	(141,903)	(75,049)
Expected credit loss allowance	(138)	(140)	-
	(116,808)	(111,274)	9,624

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(CONT'D)

15. CONTRACT ASSETS/LIABILITIES (CONT'D)

(b) Construction contracts (cont'd)

The movements in loss allowance for contract assets:

	Group	
	2020 RM'000	2019 RM'000 (Restated)
At 1 January	140	-
Net remeasurement of loss allowance	-	140
Exchange difference	(2)	-
At 31 December	138	140

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 right 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	
	Note	2020 RM'000	2019 RM'000
Contract cost assets			
Costs to fulfil contracts with customers	(a)	18,382	-
Costs to obtain contracts with customers	(b)	1,108	-
		19,490	-

(a) Costs to fulfil contracts with customers

	Group	
	2020 RM'000	2019 RM'000
At 1 January	-	-
Transfer from property development costs (note 7)	93,070	1,330
Cost recognised in profit or loss	(74,688)	(1,330)
At 31 December	18,382	-

16. CONTRACT COST ASSETS (CONT'D)

(b) Costs to obtain contracts with customers

	Group	
	2020 RM'000	2019 RM'000
At 1 January	-	-
Costs incurred during the year	2,224	-
Cost recognised in profit or loss	(1,116)	-
At 31 December	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	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Cash on hand and at banks	48,294	51,231	427	4,068
Deposits:				
- Money market funds placed with fund managers	5,489	16,197	-	-
- Fixed deposits with licensed banks	218,416	226,425	2,801	8,961
Total	272,199	293,853	3,228	13,029

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.

Fixed deposits are placed for varying periods of between one and twelve (2019: 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 1.50% - 3.10% (2019: 2.20% - 3.35%) per annum.

Included in cash at banks of the Group are amounts of RM7,897,000 (2019: RM1,101,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1991 and are restricted from use in other operations.

Deposits with other financial institutions of the Group and the Company amounting to RM153,242,000 (2019: RM166,120,000) and RM1,801,000 (2019: RM7,961,000) respectively are pledged as securities for borrowing facilities as disclosed in note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
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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	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Cash and bank balances	48,294	51,231	427	4,068
Money market funds placed with fund managers	5,489	16,197	-	-
Fixed deposits with licensed banks	65,174	60,305	1,000	1,000
Bank overdrafts (note 22)	(17,375)	(18,031)	-	-
Total cash and cash equivalents	101,582	109,702	1,427	5,068

18. SHARE CAPITAL

	Group/Company	
	Share capital Units	Share capital RM'000
Issued and fully paid-up ordinary shares		
2020		
At 1 January/31 December	480,497,103	240,457
2019		
At 1 January/31 December	480,497,103	240,457

19. TREASURY SHARES

	Group/Company			
	Number of shares		At cost	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
At 1 January	-	-	-	-
Shares buy back	9,208	-	2,460	-
At 31 December	9,208	-	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 July 2020, the Company obtained shareholders' approval on the renewal of authority for the Company to purchase up to 10% of the share capital of the Company. During the year, the Company repurchased 9,208,000 own shares and thereafter, none of the treasury shares held was cancelled, sold or used for other purposes permitted under the Companies Act 2016.

As at 31 December 2020, the Company held 9,208,000 shares as treasury shares out of its total issued and paid up share capital.

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FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

20. OTHER RESERVES

	Foreign currency translation reserve RM'000 (Restated)	Asset revaluation reserve RM'000 (Restated)	Total RM'000 (Restated)
At 1 January 2020 - as previously stated	(698)	6,588	5,890
Prior year adjustments	-	5,258	5,258
At 1 January 2020 - as restated	(698)	11,846	11,148
Foreign currency translation difference in foreign operations	72	-	72
At 31 December 2020	(626)	11,846	11,220

	Foreign currency translation reserve RM'000 (Restated)	Asset revaluation reserve RM'000 (Restated)	Total RM'000 (Restated)
At 1 January 2019 - as previously stated	(1,171)	3,812	2,641
Prior year adjustments	-	1,920	1,920
At 1 January 2019 - as restated	(1,171)	5,732	4,561
Foreign currency translation difference in foreign operations	473	-	473
Revaluation gain on property, plant and equipment	-	6,114	6,114
At 31 December 2019	(698)	11,846	11,148

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

22. BORROWINGS

		Group 2020 RM'000	Group 2019 RM'000 (Restated)
Non-current			
Secured:			
Market rate loan	(x)	96,823	89,503
Finance lease liabilities (note 25)	(iii)	6,141	8,176
Unsecured:			
Lease liability (note 26)		70	277
		103,034	97,956
Current			
Secured:			
Bankers' acceptance	(ii)(a)	17,346	11,697
Bank overdrafts (note 17)	(i)	17,375	18,031
Revolving credit	(vi)	28,141	25,000
Revolving loan	(v)	28,965	28,965
Invoice financing	(ii)(c), (viii)	26,662	12,774
Promissory note financing	(ii)(b), (vii)	-	1
Trust receipt	(ii)(d), (ix)	17,378	16,543
Finance lease liabilities (note 25)	(iii)	4,656	8,477
Unsecured:			
Lease liability (note 26)		207	192
		140,730	121,680
Total borrowings		243,764	219,636

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

	Group 2020 RM'000	Group 2019 RM'000 (Restated)
At 1 January	201,136	215,242
Cash flows:		
Net drawdown/(repayment) of loan	15,718	(16,210)
Interest paid	(6,201)	(6,519)
Non-cash:		
Finance cost	6,201	6,519
Exchange differences	7,750	(852)
Purchase of property, plant and equipment via finance lease	1,508	2,956
At 31 December	226,112	201,136

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

22. BORROWINGS (CONT'D)

(i) Bank overdrafts

The bank overdrafts of the subsidiaries are subject to interest at rates ranging from 0.50% to 2.0% (2019: 0.50% to 2.0%) per annum above the banks' base lending rates. The interest rates charged by the banks range from 6.07% to 8.39% (2019: 7.31% to 8.54%) per annum.

(ii) Multi trade line

a. Bankers acceptance

The bankers' acceptance are subject to commissions at rates of approximately 0.70% - 1.0% (2019: 0.70% - 1.0%) per annum and interest rates of 0.70% - 1.0% (2019: 0.7% - 1.0%) per annum above the banks' cost of funds.

b. Promissory note financing

The promissory note financing is subject to interest rate of 0.70% (2019: 0.70%) per annum above the bank's effective cost of funds.

c. Invoice financing

The invoice financing is subject to interest rates of 0.85% to 1.50% (2019: 0.85% to 1.50%) per annum plus bank's cost of funds and commission at 0.50% (2019: 0.50%) per annum.

d. Trust receipt

The trust receipt is subject to interest rate currently at 0.75% (2019: 0.75%) for each month or part thereof.

The above facilities, (i) and (ii) are secured by:

(a) Existing Open All Monies Facilities Agreement;
(b) Legal Deed of Assignment of Contract Proceeds;
(c) Letter of Irrevocable Instruction by the subsidiary;
(d) Certain fixed deposits of the subsidiary; and
(e) A corporate guarantee by the Company.

(iii) Obligations under finance leases

These obligations are secured by a corporate guarantee from the Company and a charge over the leased assets (note 5). The average discount rate implicit in the leases ranges from 2.31% - 3.25% (2019: 2.35% - 4.27%) per annum.

(iv) Other short term trade facilities - factoring

The Group has not utilised the factoring facility during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

22. BORROWINGS (CONT'D)

(v) Revolving loan

The revolving loan is subject to interest rate of 0.55% - 0.85% (2019: 0.55% -0.85%) per annum above the bank's cost of funds.

The revolving loan is secured by:

(a) Corporate Guarantee from the Company;
(b) Blanket Counter Indemnity from the subsidiary;
(c) Trade Financing General Agreement;
(d) Letter of Negative Pledge from the subsidiary;
(e) Letter of Undertaking from the Company;
(f) Time Deposit totalling up to RM8.4 million; and
(g) Master Deed of Assignment of contract proceeds.

(vi) Revolving credit

The revolving credit is subject to interest rate of 0.55% - 0.85% (2019: 0.55% - 0.85%) per annum above the bank's cost of funds.

The revolving credit is secured by:

(a) Corporate Guarantee from the Company;
(b) Trade Financing General Agreement;
(c) Master Trust Receipt Agreement;
(d) Irrevocable and unconditional letter of instruction;
(e) Irrevocable letter of payment notification;
(f) Assignment of performance bonds;
(g) Pledge of fixed deposit of RM50 million by way of sinking fund;
(h) Legal assignment of contract proceeds; and
(i) Letter of Set - Off.

(vii) Promissory note financing

The promissory note financing is secured by:

(a) Existing Open All Monies Facilities Agreement;
(b) Corporate guarantee from the Company;
(c) Existing letter of set off over 1st party fixed deposits;
(d) Upfront placement of fixed deposits of the subsidiary; and
(e) Two parties Deed of Assignment of Contract Proceeds.

(viii) Invoice financing

The invoice financing is secured by:

(a) Existing Letter of Set - Off;
(b) Existing All Monies Corporate Guarantee;
(c) Existing Letter of Negative Pledge;
(d) Upfront placement of fixed deposit of RM1 million upon receipt of advance payment from the Contract Awarder. Thereafter the balance of RM1,755,250 is to be placed by way of sinking fund;
(e) Corporate Guarantee by the Company;
(f) Trade Financing General Agreement;
(g) Master Trust Receipt Agreement;
(h) Irrevocable and unconditional letter of instruction; and
(i) Irrevocable letter of payment notification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

22. BORROWINGS (CONT'D)

(ix) Trust receipt

The trust receipt is secured by:

(a) Corporate guarantee from the Company;
(b) Blanket Counter Indemnity;
(c) Third party Blanket Counter Indemnity;
(d) Facilities agreement;
(e) The deposit of 10% of facilities amount;
(f) Letter of Set-Off, Letter of undertaking and Letter of Negative Pledge;
(g) Legal assignment of contract proceeds;
(h) Irrevocable Letter of Instruction; and
(i) Irrevocable Letter of Authorisation.

(x) Market rate loan

The Corporate Market Loan is set for expiry in September 2025 (2019: June 2024). It is a pure interest servicing loan and subject to change in interest rate every 3 months at interest rate of 1.25% above bank bill swap bid rate. The interest rates charged by the bank is 2.55% (2019: 2.55%) per annum.

The above facility is secured by:

(a) All present and after acquired properties of a subsidiary incorporated in Australia;
(b) Term deposit of the Company;
(c) Standby Letter of Credit of AUD 3,000,000 (approximately RM9,302,000) given by the Company in favour of a subsidiary; and
(d) Corporate guarantee of AUD 33,228,037 (approximately RM103,024,000) given by the Company to a subsidiary.

The covenants imposed by the bank require the loan to value ratio to not exceed 50% - 52% and the interest cover ratio is not less than 1.25 to 2.5 times.

23. PROVISION

Provision of the Group is analyse as follow:

	Group	
	2020 RM'000	2019 RM'000 (Restated)
Non-current	41,394	44,927
Current	5,950	482
	47,344	45,409

Movement of provision for land cost:

	2020 RM'000	2019 RM'000 (Restated)
At 1 January	45,409	-
Non-cash:		
Provision during the year	-	53,895
Effect of discount	-	(10,442)
Unwinding of discount	1,935	1,956
At 31 December	47,344	45,409

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(CONT'D)

24. TRADE AND OTHER PAYABLES

	Group 31.12.2020 RM'000	Group 31.12.2019 RM'000 (Restated)	Group 1.1.2019 RM'000 (Restated)
Trade payables			
Third parties	168,382	200,609	184,037
Related party	1,424	-	-
Accruals	67,251	55,930	23,984
	237,057	256,539	208,021
Other payables			
Other payables	19,429	11,347	30,783
Accruals	5,632	4,309	2,679
	25,061	15,656	33,462
Total	262,118	272,195	241,483

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 (2019: 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 owing 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.

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

	Company 2020 RM'000	Company 2019 RM'000 (Restated)
Other payables		
Amounts due to subsidiaries	16,061	17,608
Other payables	421	421
Accruals	259	204
Total other payables	16,741	18,233

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

	Company 2020 RM'000	Company 2019 RM'000 (Restated)
At 1 January	17,608	-
Cash flows:		
Net (repayment to)/advance from subsidiaries	(1,547)	17,608
At 31 December	16,061	17,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
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25. FINANCE LEASE LIABILITIES

	Group	
	2020	2019
	RM'000	RM'000
Future minimum lease payments:		
Not later than one year	4,990	9,033
Later than one year but not later than two years	6,450	8,563
Total future minimum lease payments	11,440	17,596
Less: Future finance charges	(643)	(943)
Present value of finance lease liabilities	10,797	16,653
Analysis of present value of finance lease liabilities:		
Not later than one year (note 22)	4,656	8,477
Later than one year but not later than two years (note 22)	6,141	8,176
	10,797	16,653

26. LEASE LIABILITY

	Group	
	2020	2019
	RM'000	RM'000
Amount due within 12 months (note 22)	207	192
Amount due after 12 months (note 22)	70	277
	277	469

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

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	469	-
Non-cash:		
Addition	-	577
Lease liability interest	36	44
Discount received	(38)	-
Cash flow:		
Payment during the year	(190)	(152)
At 31 December	277	469

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

27. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Revenue from contracts with customers				
(i) Recognised over time				
- Construction contracts	595,664	781,961	-	-
- Property development	83,376	-	-	-
- Hotel services	6,364	13,320	-	-
- Rendering of services	300	-	123	1,857
- Servicing of motor vehicles	333	160	-	-
- Project management fee	356	-	-	-
- Management fees from subsidiaries	-	-	3,724	3,574
(ii) Recognised at a point in time				
- Sales of construction materials and others	61,175	42,330	-	-
- Sales of completed properties	3,543	3,580	-	-
	751,111	841,351	3,847	5,431
Other revenue				
Rental of motor vehicles and heavy machineries	2,743	5,112	-	-
Dividend income	-	-	-	13,000
	753,854	846,463	3,847	18,431

As of 31 December 2020, the aggregate amount of the transaction price allocated to remaining performance obligations is RM2,125,590,000 (2019: RM2,394,983,000). 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	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Construction contract	546,273	719,926	-	-
Purchase of construction materials and others	61,000	40,880	-	-
Property development	74,688	-	-	-
Cost of completed properties	2,298	2,829	-	-
Rental of motor vehicles and heavy machineries	2,151	5,133	-	-
Servicing of motor vehicles	277	61	-	-
Hotel services	12,299	21,806	-	-
Cost of services rendered	236	-	123	1,763
	699,222	790,635	123	1,763

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

29. OTHER INCOME

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Gain on disposal of property, plant and equipment	354	1,459	-	-
Fair value gain on investment properties	-	1,188	-	-
Rental of premises	708	717	794	794
Lease discount received	38	-	-	-
Miscellaneous	969	180	-	-
Gain on disposal of a subsidiary	4	-	-	-
Net unrealised gain on foreign exchange	8,305	-	-	-
	10,378	3,544	794	794

30. FINANCE INCOME

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Short term deposit interest	230	770	3	-
Fixed deposit interest	5,937	7,263	71	293
Interest on overdue account	-	53	-	-
Interest income - others	107	14	2	2
Effect of discount on provision	-	10,442	-	-
	6,274	18,542	76	295

31. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Bank overdraft interest	1,160	898	-	-
Finance lease interest	185	73	-	-
Interest on borrowings	5,183	5,613	-	-
Lease liability interest	36	44	-	-
Commitment fee and others	833	833	2	2
Unwinding of discount on provision	1,935	1,956	-	-
	9,332	9,417	2	2

NOTES TO THE FINANCIAL STATEMENTS

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32. PROFIT BEFORE TAX

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

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Auditors' remuneration				
- statutory audit	572	266	85	30
- overprovision in prior year	(30)	(12)	-	-
Other non-audit services				
- current year	5	18	5	18
- under provision in prior year	-	11	-	11
Allowance for expected credit loss				
- subsidiaries	-	-	-	528
- other receivables	3,047	5,294	-	-
- contract assets	-	140	-	-
Depreciation of property, plant and equipment	16,956	15,129	58	393
Property, plant and equipment written off	15	582	-	-
Short-term lease expenses for premises, vehicle, heavy machinery and equipment	11,075	10,048	394	394
Amortisation of partnership interest	2,422	644	-	-
Impairment loss of investment in an associate	1,876	1,890	-	-
Amount due from an associate written off	-	2,828	-	-
Net unrealised loss on foreign exchange	-	2,054	-	1,869
Loss on disposal of an associate	323	-	-	-
Amortisation of right-of-use assets	192	128	-	-
Investment written off	-	78	-	-
Fair value loss on investment properties	-	1,290	-	-

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries, allowance and other emolument	68,530	75,520	2,323	5,115
Social security contributions	475	507	4	4
Defined contribution plan	5,512	6,321	265	452
	74,517	82,348	2,592	5,571

Included in employee benefits expenses of the Group and of the Company are executive directors' remuneration amounting to RM4,911,000 (2019: RM4,277,000) and RM422,000 (2019: RM347,000) respectively as further disclosed in note 34.

NOTES TO THE FINANCIAL STATEMENTS

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34. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Executive directors' remuneration				
- Salaries, allowances and bonus	4,507	3,960	389	330
- Other emoluments	404	317	33	17
	4,911	4,277	422	347
Non-executive directors' remuneration				
- Fees	369	401	369	401
- Allowances and other emolument	211	202	211	202
	580	603	580	603

35. INCOME TAX EXPENSES

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Malaysian taxation				
Current tax				
Current year	8,180	10,590	18	51
Underprovision in prior years	43	129	7	8
	8,223	10,719	25	59
Malaysian taxation				
Deferred tax				
Current year	772	(672)	215	(48)
(Over)/Under provision in prior years	(248)	-	1	-
	524	(672)	216	(48)
Foreign taxation				
Deferred tax				
Current year	295	(1,177)	-	-
Overprovision in prior years	-	(44)	-	-
	295	(1,221)	-	-
Total income tax expenses	9,042	8,826	241	11

Current income tax is calculated at the statutory tax rate of 24% (2019: 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% (2019: 30%) and subsidiaries in Cambodia and Brunei are at 20% and 18.5% (2019: 20% and 18.5%) respectively.

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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	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Profit before tax	26,436	23,516	757	10,334
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	6,345	5,643	182	2,480
Effect of different tax rates in other countries	(382)	(782)	-	-
(Over)/Under provision in prior years	(205)	85	8	8
Tax effects of:				
- non-taxable income	(4,044)	(3,562)	(1)	(3,120)
- non-deductible expenses	7,834	6,194	52	643
Changes in fair value of investment properties	-	(40)	-	-
Deferred tax assets not recognised	-	1,288	-	-
Utilisation of deferred tax assets not recognised previously	(506)	-	-	-
Income tax expenses for the year	9,042	8,826	241	11

36. EARNINGS PER SHARE

Basic and diluted earnings per share of the Group is calculated by dividing 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.

	2020	2019 (Restated)
Profit attributable to owner of the Company (RM'000)	27,260	17,829
Weighted average number of ordinary shares in issue ('000)	473,286	480,497
Basic and diluted earnings per share (sen)	5.76	3.71

NOTES TO THE FINANCIAL STATEMENTS

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37. DIVIDENDS

	Group/Company	
	2020	2019
	RM'000	RM'000
First and final single tier dividend in respect of the year ended 31 December 2019 of 1.10 sen per ordinary share	5,184	-
First and final single tier dividend in respect of the year ended 31 December 2018 of 1.90 sen per ordinary share	-	9,129
	5,184	9,129

At the forthcoming AGM, a provisional single tier dividend in respect of the year ended 31 December 2020 of 1.00 sen per ordinary share on 471,288,703 ordinary shares (net of treasury shares) amounting to a dividend payable of RM4,712,887 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 2021.

38. CASH PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Purchase of property, plant and equipment	4,184	44,354	-	-
Less: Financed by finance lease arrangement	(1,508)	(2,956)	-	-
Cash paid during the year	2,676	41,398	-	-

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.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the year.

NOTES TO THE FINANCIAL STATEMENTS

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39. RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Transactions with subsidiaries				
Dividend income	-	-	-	13,000
Supply of labour	-	-	123	1,857
Management fees received/receivables	-	-	3,724	3,574
Rental of premises	-	-	394	394
Rental received/receivables	-	-	794	794
Transaction with associates				
Interest charges	-	365	-	-
Transaction with related party in which a director's close family member has financial interests				
Supply of construction materials	4,999	-	-	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Compensation of key management personnel:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
(i) Directors				
Salaries, allowances and bonus	4,507	3,960	389	330
Other emoluments	404	317	33	17
(ii) Other key management personnel				
Salaries, allowances and bonus	6,500	9,001	1,267	2,748
Other emoluments	634	1,126	153	261

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.

NOTES TO THE FINANCIAL STATEMENTS

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40. CAPITAL COMMITMENT

The Group has the following commitments for the acquisition of the property, plant and equipment:

	2020 RM'000	2019 RM'000
Approved and contracted for:		
Plant and machinery	-	35

41. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

Group	At amortised cost 31.12.2020 RM'000	31.12.2019 RM'000 (Restated)	1.1.2019 RM'000 (Restated)
Financial assets			
Trade and other receivables	390,629	369,922	390,620
Deposits, cash and bank balances	266,710	277,656	230,465
	657,339	647,578	621,085
Financial liabilities			
Trade and other payables	262,118	272,195	241,483
Borrowings	243,764	219,636	247,096
	505,882	491,831	488,579

Group	At fair value through profit or loss 31.12.2020 RM'000	31.12.2019 RM'000	1.1.2019 RM'000
Financial assets			
Money market funds placed with fund managers	5,489	16,197	2,576

Company	At amortised cost 2020 RM'000	2019 RM'000
Financial assets		
Other receivables and deposits	163,964	162,526
Deposits, cash and bank balances	3,228	13,029
	167,192	175,555
Financial liabilities		
Trade and other payables	16,741	18,233

(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.

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42. 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.

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	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000 (Restated)
Fixed rate instruments				
Financial liabilities	11,074	17,122	-	-
Floating rate instruments				
Financial assets	218,416	226,425	2,801	8,961
Financial liabilities	232,690	202,514	-	-

Sensitivity analysis for interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

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

(ii) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position with positive fair values.

Contract assets

None of the contract assets at the reporting date is past due. Management does not expect any credit loss based on their assessment at the reporting date except the expected credit loss provided in note 15.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor 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.

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 is managed through credit evaluation and ongoing monitoring of credit quality of the subsidiaries.

Management assessed the credit risk in respect of advances to subsidiaries with reference to the financial capability and probability of default.

Impairment for receivables from subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

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

(iii) Liquidity and cash flow risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2020				
Trade and other payables	262,118	262,118	-	262,118
Borrowings	243,487	143,912	117,099	261,011
	505,605	406,030	117,099	523,129
Lease liability	277	228	76	304
Total	505,882	406,258	117,175	523,433
2019				
Trade and other payables	272,195	272,195	-	272,195
Borrowings	219,167	130,107	109,661	239,768
	491,362	402,302	109,661	511,963
Lease liability	469	228	304	532
Total	491,831	402,530	109,965	512,495

Company	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2020				
Other payables and accruals	16,741	16,741	-	16,741
2019				
Other payables and accruals	18,233	18,233	-	18,233

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
2020				
Financial guarantee contracts	83,265	196,919	30,875	311,059
2019				
Financial guarantee contracts	36,730	236,697	24,935	298,362

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

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

(iv) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposure arising from advances to subsidiaries that are denominated in a currency other than the respective functional currency of the Company. The Group and Company also hold bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily USD Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD") 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**	**BND RM'000**
2020				
Other receivables	-	1,518	-	39,628
Bank balances	228	-	85	-
Other payables	-	-	(470)	-
Net exposure	228	1,518	(385)	39,628
2019				
Other receivables	-	-	-	39,473
Bank balances	197	3	29	-
Other payables	-	-	(21)	-
Net exposure	197	3	8	39,473

Company	**-Denominated in- AUD RM'000**
2020	
Other receivables	-
Bank balances	-
Net exposure	-
2019	
Other receivables	107,027
Bank balances	3
Net exposure	107,030

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

42. 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 and Company'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		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
USD	23	20	-	-
AUD	152	-	-	10,703
SGD	(39)	-	-	-
BND	3,963	3,947	-	-
Increase in profit before tax	4,099	3,967	-	10,703

The sensitivity analysis is unrepresentative of the inherent interest rate risk as the year-end exposure does not reflect the exposure during the year.

43. 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 2020 and 31 December 2019.

The Group and the Company monitors 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 total borrowings (comprising "short term and long term borrowings") and lease liabilities as shown in the statements of financial position. Total capital is calculated as the sum of total equity (exclude reserve) and total debt.

The Group and the Company did not maintain specific policy on the capital management. The Group and the Company include within net cash, loans and borrowings less deposits, cash and bank balances. Capital includes equity attributable to the owners of the Group and the Company less the fair value adjustment reserve.

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Loans and borrowings	243,764	219,636	-	-
Less: Deposits, cash and bank balances	(272,199)	(293,853)	(3,228)	(13,029)
Net cash	(28,435)	(74,217)	(3,228)	(13,029)
Total equity	434,829	415,141	243,814	250,942
Less: Other reserves	(11,220)	(11,148)	-	-
Total capital employed	423,609	403,993	243,814	250,942
Gearing ratio	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
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44. 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 activity
* Property development
* Others - manufacturing and retailing, hotel services and project management fee

Performance is measured based on segment profit before tax, interest, depreciation and amortisation. Segment 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.

Operating segment information for the current year is as follows:

2020	Construction activity RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	595,664	86,919	71,271	-	753,854
Inter-segment revenue	141,501	(483)	7,541	(148,559)	-
	737,165	86,436	78,812	(148,559)	753,854
Results					
Segment results	27,919	1,669	3,248	(3,342)	29,494
Share of profits of associates					1,286
Share of profits of joint venture					8,946
Finance cost					(9,332)
Finance income					6,274
Profit before tax					36,668
Income tax expenses					(9,042)
Profit for the year					27,626

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(CONT'D)

44. SEGMENTAL INFORMATION (CONT'D)

2020	Construction activity RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Other information					
Segment assets	876,186	283,618	448,074	(478,124)	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 liability	615,385	228,610	253,410	(364,173)	733,232
Consolidated total liabilities					733,232
Capital expenditure	3,748	82	354	-	4,184
Depreciation of property, plant and equipment	10,672	427	5,857	-	16,956
Amortisation of right-of-use assets	-	192	-	-	192

2019 (Restated)	Construction activity RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	781,961	3,580	60,922	-	846,463
Inter-segment revenue	159,611	600	26,698	(186,909)	-
	941,572	4,180	87,620	(186,909)	846,463
Results					
Segment results	22,235	572	(181)	(8,235)	14,391
Share of profits of associates					1,445
Share of profits of joint venture					2,458
Finance cost					(9,417)
Finance income					18,542
Profit before tax					27,419
Income tax expenses					(8,826)
Profit for the year					18,593

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FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

44. SEGMENTAL INFORMATION (CONT'D)

	Construction activity RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Other information					
Segment assets	1,042,548	76,883	440,882	(441,965)	1,118,348
Investments in associates	-	-	4,611	-	4,611
Investment in joint venture	-	-	35,003	-	35,003
Consolidated total assets					1,157,962
Segment liability	788,139	36,929	239,615	(328,778)	735,905
Consolidated total liabilities					735,905
Capital expenditure	11,205	-	33,149	-	44,354
Depreciation of property, plant and equipment	11,268	57	3,804	-	15,129
Amortisation of right-of-use assets	-	128	-	-	128

Geographical Segments

	Malaysia RM'000	Australia RM'000	Brunei RM'000	Cambodia RM'000	Total RM'000
2020					
Revenue	745,884	6,364	1,606	-	753,854
Non-current assets	77,969	209,242	193	1,299	288,703
2019 (Restated)					
Revenue	832,853	13,320	290	-	846,463
Non-current assets	85,730	193,822	316	3,164	283,032

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(CONT'D)

44. SEGMENTAL INFORMATION (CONT'D)

Geographical Segments (cont'd)

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

	2020 RM'000	2019 RM'000 (Restated)
Property, plant and equipment	220,263	220,513
Inventories	12,065	11,930
Investment properties	10,526	10,526
Investments in associates	1,299	4,611
Investment in joint venture	44,293	35,003
Right-of-use asset	257	449
	288,703	283,032

The construction activity and property development 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.

45. SIGNIFICANT EVENT DURING THE YEAR

The Coronavirus disease pandemic

The outbreak of COVID-19 in early 2020 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, our 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 2021 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 2021.

46. DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

(a) Disposal of subsidiaries

TRC had on 1 December 2020 disposed seven (7) ordinary shares in the capital of Hexide Engineering Services Sdn Bhd ('HESSB') (formerly known as Liputan Sutera Sdn Bhd) 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 ("the Purchaser") for disposal of TRC's 100% equity interest held in ETPJV Sdn Bhd (formerly known as Endaya TRC PK JV Sdn. Bhd.) ("ETPJV") comprising five million one hundred thousand (5,100,000) ordinary shares in ETPJV for a cash consideration of RM6,222,000. Subsequent to year end, the Sales and Purchase Agreement was terminated due to non fulfilment of condition precedent.

46. DISPOSAL OF SUBSIDIARIES AND ASSOCIATES (CONT'D)

(b) Disposal of associates

On 6 July 2020, the Company's wholly-owned subsidiary, TRC (Aust) Pty Ltd ("TRCA"), disposed its 100% equity interest held in Synergy Living Developments Pty Ltd ("SLB") (formerly known as Synergy Living (Victoria) Pty Ltd), 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.

47. LITIGATION

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). This amount had been taken up as other receivable.

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.

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 directors have assessed the case and to-date a total of RM15,233,000 (BND5,000,000) was provided for expected credit loss. Taking into views of legal experts, the directors are confident to recover the carrying amount in full.

48. SUBSEQUENT EVENT

Cessation of business of a subsidiary

Subsequent to the year end, Swan Synergy Developments Pty Ltd, a wholly-owned subsidiary of TRCA, had ceased business operations and cancelled its Business Registration with effect from 1 February 2021. The Notice of Cancellation of Busines 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.

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49. PRIOR YEARS ADJUSTMENTS AND CHANGES IN COMPARATIVES

In the current year, the Group has effected the following prior years adjustments:

(a) Reclassification of investment property of RM10,300,000 to property, plant and equipment which was held for use as office and occupied by the Group. This was adjusted retrospectively as at 1 January 2019 and had the following impacts:

(i) Reversal of fair value gain recognised as at 1 January 2019 of RM2,853,000, and its cumulative deferred tax impact of RM158,000 and RM286,000 as at 1 January 2019 and 31 December 2019, respectively;
(ii) Cumulative depreciation charged as at 1 January 2019 and 31 December 2019 of RM1,946,000 and RM2,185,000 respectively; and
(iii) Revaluation gain and its deferred tax impact as at 1 January 2019 and 31 December 2019 of RM3,880,000 & RM931,000 and RM4,972,000 & RM1,193,000 respectively.

The resulted net impact on retained earnings and other reserves brought forward as at 1 January 2019 was RM4,641,000 and RM2,949,000 respectively.

(b) As at 1 January 2019, the Group omitted the writing off of investment in associate resulted in the share of loss from associate exceeded its cost of investment by RM155,000.

(c) Correction of overstatement of property development cost and retained earnings cumulatively by RM1,000,000 and RM1,816,000 as at 1 January 2019 and 31 December 2019 respectively that resulted from inappropriate capitalisation of the costs as part of property development costs instead of expensed off to profit and loss.

Also, rectification was made on the understatement of property, plant and equipment by RM1,086,000 as a result of renovation costs was inappropriately capitalised as property development costs. Consequently, deprecation charges amounting to RM217,000 was provided accordingly.

(d) Correction of overstatement of property development cost and retained earnings bought forward as at 1 January 2019 due to the over-deferment of property development cost amounting to RM2,764,000.

(e) Correction made for the underprovision of tax expenses as at 1 January 2019 due to omission in setting off tax asset with tax payable amounting to RM2,823,000.

(f) Rectification of the understatement of contract assets and retained earnings as at 1 January 2019 by RM8,826,000 and RM6,497,000 respectively, together with the deferred tax impact of RM2,329,000 as a result of inter-company profit elimination being omitted when computing the percentage of completion.

On the contrary, with similar reason mentioned above, as at 31 December 2019, overstatement of contract assets and retained earnings brought forward of RM1,861,000 and RM1,712,000 respectively and the understatement of contract liabilities and its deferred tax liability impact amounting to RM469,000 and RM618,000 respectively were also adjusted.

(g) As at 1 January 2019, the omission on the reversal of contract assets recognised of disposed subsidiary at Group level upon disposal of the subsidiary in previous years was rectified as the contract assets and retained earnings brought forward had been overstated by RM3,697,000.

(h) As at 1 January 2019, correction of understatement of non-controlling interest and overstatement of retained earnings by RM1,029,000 due to omission of the prior year adjustment impact on non-controlling interest.

(i) As at 1 January 2019 and 31 December 2019, the Group had inappropriately omitted the deferred tax impact on the revaluation surplus and fair value gain recognised.

Correction has been made to rectify the understatement of deferred tax liabilities cumulatively by RM1,278,000 and RM1,677,000 respectively and the overstatement of retained earnings cumulatively by RM249,000 and RM335,000 respectively, together with the overstatement of other reserves cumulatively by RM1,029,000 and RM1,342,000 respectively.

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49. PRIOR YEARS ADJUSTMENTS AND CHANGES IN COMPARATIVES (CONT'D)

(j) As at 31 December 2019, the Group had uniformed the accounting policy for revaluation model on land and building for one of its foreign subsidiaries. Consequently, the understatement of property, plant and equipment by RM4,115,000, deferred tax liabilities by RM1,294,000 and other reserves by RM2,821,000 were rectified.

(k) As at 31 December 2019, prior year adjustment in relation to the omission of deferred tax impact on accruals recognised by a foreign subsidiary that resulted the understatement of deferred tax assets and overstatement of tax expense by RM44,000 was made.

(l) As at 31 December 2019, the Group had misinterpreted the facts in relation to the long-term provision for land cost of a property development project which its construction commenced during the year ended 31 December 2019. Prior year adjustment was made to correct the understatement of property development costs and provision (of land cost) by RM53,895,000 with net effect of discounting of RM8,486,000.

(m) As at 31 December 2019, the Group had under-provision for expected credit losses of RM2,248,000 and RM140,000 for amount owing by associate and contract assets, respectively.

(n) As at 31 December 2019, the Group had inappropriately omitted certain intra-group project cost that resulted in the understatement of project cost and accruals by RM3,372,000. The tax effect of the under provision by RM77,000 had also been rectified, together with the impact of the share of profit by non-controlling interest amounting to RM67,000.

(o) As at 1 January 2019 and 31 December 2019, the Group had inappropriately omitted to remeasure the other receivables that was denominated in foreign currency. The cumulative overstatement of other receivables and retained earnings by RM1,189,000 and RM1,152,000 respectively had been corrected.

The Group and the Company have also effected certain reclassifications to conform with current's year presentation.

The financial effects of the abovementioned prior year adjustments and changes in certain comparative amounts are as follows:

Impact on Consolidated Statement of Financial Position as at 1 January 2019

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	174,356	9,381	-	183,737
Investment properties	24,342	(10,300)	-	14,042
Investment in associates	4,512	155	-	4,667
Other receivables	31,485	(1,189)	-	30,296
Inventories	102,775	(3,764)	(7,165)	91,846
Trade and other receivables	370,984	(2,823)	(2,402)	365,759
Contract assets	64,985	12,523	7,165	84,673
Other reserves	2,641	1,920	-	4,561
Retained earnings	158,182	(3,346)	-	154,836
Non-controlling interest	5,133	1,029	-	6,162
Deferred tax liabilities	2,102	4,380	(2,402)	4,080
Trade and other payables	315,994	-	(74,511)	241,483
Contract liabilities	75,049	-	74,511	149,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

49. PRIOR YEARS ADJUSTMENTS AND CHANGES IN COMPARATIVES (CONT'D)

Impact on Consolidated Statement of Financial Position as at 31 December 2019

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
Property, plant and equipment	205,295	15,218	-	220,513
Investment properties	20,826	(10,300)	-	10,526
Investment in associates	4,456	155	-	4,611
Other receivables	28,439	(1,152)	-	27,287
Deferred tax assets	2,358	44	-	2,402
Inventories	135,859	48,229	(10,842)	173,246
Trade and other receivables	336,448	(5,071)	14,987	346,364
Contract assets	9,265	10,522	10,842	30,629
Deposits, cash and bank balances	299,159	-	(5,306)	293,853
Other reserves	5,890	5,258	-	11,148
Retained earnings	167,155	(3,619)	-	163,536
Non-controlling interest	5,820	1,096	-	6,916
Provision	-	44,927	-	44,927
Deferred tax liabilities	2,416	5,589	(2,402)	5,603
Borrowings	126,986	-	(5,306)	121,680
Provision	-	482	-	482
Trade and other payables	298,496	3,372	(29,673)	272,195
Contract liabilities	141,434	469	47,062	188,965
Current tax liabilities	4,026	71	-	4,097

Impact on Consolidated Statement of Comprehensive Income for the year ended 31 December 2019

	As previously stated RM'000	Prior year adjustment RM'000	Reclassification RM'000	As restated RM'000
Revenue	848,794	(2,331)	-	846,463
Cost of sales	(786,916)	(3,719)	-	(790,635)
Other income	3,651	-	(107)	3,544
Administrative expenses	(41,812)	(2,593)	107	(44,298)
Distribution expenses	-	(683)	-	(683)
Finance income	8,100	10,442	-	18,542
Finance costs	(7,461)	(1,956)	-	(9,417)
Income tax expense	(9,460)	634	-	(8,826)
Other comprehensive income, net of tax:				
Revaluation gain on property, plant and equipment	2,776	3,338	-	6,114
Profit attributable to:				
Equity holder of the Company	18,104	(275)	-	17,829
Non-controlling interest	697	67	-	764
Total comprehensive income attributable to:				
Equity holder of the Company	21,351	3,065	-	24,416
Non-controlling interest	687	67	-	754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

49. PRIOR YEARS ADJUSTMENTS AND CHANGES IN COMPARATIVES (CONT'D)

Impact on Consolidated Statement of Cash Flow for the year ended 31 December 2019

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Allowance for expected credit loss	3,046	2,388	5,434
Unrealised loss on foreign exchange	2,092	(38)	2,054
Unrealised loss on currency translation differences	1,436	(1,436)	-
Amortisation of right-of-use assets	-	128	128
Amortisation of partnership interest	-	644	644
Depreciation of property, plant and equipment	14,466	663	15,129
Interest expense	7,461	1,956	9,417
Interest income	(8,100)	(10,442)	(18,542)
Provision for land cost	-	53,895	53,895
Changes in inventories	(33,201)	(48,315)	(81,516)
Changes in contract assets/liabilities	-	93,301	93,301
Changes in receivables	90,252	(74,545)	15,707
Changes in payables	49,560	(16,779)	32,781
Interest paid	(7,461)	6,563	(898)
Purchase of property, plant and equipment	(40,312)	(1,086)	(41,398)
(Placement of)/Withdrawal from pledged deposits	(6,858)	8,516	1,658
Repayment of short-term borrowings	(49,242)	(6,679)	(55,921)
Proceed from long-term borrowings	37,507	2,204	39,711
Payment of lease liabilities	-	(152)	(152)
Interest paid	-	(6,519)	(6,519)
Effects of foreign exchange rate changes	(1)	(21)	(22)

Impact on Statement of Financial Position as at 31 December 2019

	As previously stated RM'000	Reclassification RM'000	As Restated RM'000
Other receivables	146,191	(146,191)	-
Trade and other receivables	19	(19)	-
Other receivables, deposits and prepayment	-	164,017	164,017
Current tax asset	18	(18)	-
Other payables and accruals	426	17,807	18,233
Current tax liabilities	25	(18)	7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020
(CONT'D)

49. PRIOR YEARS ADJUSTMENTS AND CHANGES IN COMPARATIVES (CONT'D)

Impact on Statement of Cash Flow for the year ended 31 December 2019

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Changes in receivables	1	(1,490)	(1,489)
Changes in payables	(648)	200	(448)
Other receivables	(348)	348	-
Advances to subsidiaries	-	(16,666)	(16,666)
Advances from subsidiaries	-	17,608	17,608

50. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the board of directors on 19th May 2021.

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 financial statements set out on pages 68 to 154 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 2020 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
19th May 2021

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 financial statements set out on pages 68 to 154 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 19th May 2021

LEE GAIK SIEW
Chartered Accountant
MIA No.: 13839

Before me:

LIST OF PROPERTIES

AS AT 31ST DECEMBER 2020

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/ Build Up Area	Net Book Value 31/12/2020 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	22 years	2,214.2 sq ft/ 8,856.8 sq ft	1,452,563	1/10/2019
2.	Lot No. PT19447 Mukim of Ampangan District of Seremban Negeri Sembilan	99-year leasehold expiring 18/9/2095	Agriculture Land	-	9.516 acres	590,077	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	30 years	1,760.0 sq ft each	919,866	1/10/2019
4.	4 Units of Apartments Idaman Senibong Apartment Taman Bayu Senibong Johor Bahru, Johor	Leasehold expiring 21/1/2097	Apartments	15 1/2 years	Varying from 808.0 sq ft, 815.0 sq ft & 868.0 sq ft	920,000	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	177,090	-
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	12,065,045	-
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	12 years	Varying from 1121sq ft,1209 sq ft, 1319 sq ft,1344 sq ft, 1370 sq ft, 1469 sq ft,1533 sq ft,1775sq ft & 2922.71 sq ft	20,094,567	1/10/2019

LIST OF PROPERTIES
AS AT 31ST DECEMBER 2020
(CONT'D)

No.	Location	Tenure	Description/ Existing Use	Approx. Age of Buildings	Land Area/ Build Up Area	Net Book Value 31/12/2020 RM	Date of Valuation
9.	Geran 314188 Lot 73971 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	Freehold	-	7 years	0.6946 hectares	7,500,000	1/10/2019
10.	588, Swan Street Richmond,Melbourne Australia	Freehold	5-storey hotel with an additional two levels of basement car park	1 1/2 year	3,214 sq meters	162,355,863	25/7/2019
11.	4 units of office building Impian Senibong Residences Taman Bayu Senibong Johor Bahru	Leasehold expiring 21/1/2097	Office Building	3 years	1158 sq ft each	1,303,856	1/10/2019

ANALYSIS OF SHAREHOLDINGS
AS AT 30TH APRIL 2021

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	:	3,778

DISTRIBUTION OF SHAREHOLDINGS
(As at 30th April 2021)

Category	No. of Holders	%	No. of Shares	%
Less than 100	135	3.57	4,820	0.00
100 - 1,000	350	9.26	173,624	0.04
1,001 - 10,000	1,714	45.37	10,238,755	2.13
10,001 - 100,000	1,366	36.16	44,628,685	9.29
100,001 and less than 5% of issued shares	208	5.51	192,086,178	39.98
5% and above of the issued shares	5	0.13	233,365,041	48.57
Total	**3,778**	**100.00**	**480,497,103**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS
(As at 30th April 2021)

		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	-	-

* Deemed interested by virtue of his shareholdings in Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd.

DIRECTORS' INTEREST IN SHARES
(As at 30th April 2021)

		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	10,334,397	2.19	-	-

* Deemed interested by virtue of his shareholdings in Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd

ANALYSIS OF SHAREHOLDINGS
AS AT 30TH APRIL 2021
(CONT'D)

LIST OF 30 LARGEST SHAREHOLDERS
(As at 30th April 2021)

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)	14,039,300	2.98
9.	ABDUL AZIZ BIN MOHAMAD	10,789,536	2.29
10.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHIN MUN	10,000,000	2.12
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	8,607,400	1.83
12.	RICHARD KHOO TENG SAN	7,485,047	1.59
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD (PHEIM)	7,335,400	1.56
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD	6,567,700	1.39
15.	HLB NOMINEES (TEMPATAN) SDN BHD NGIAM BUEY BUEY (CUST. SIN 106787)	4,620,297	0.98
16.	LIM CHIN SENG	3,520,000	0.75
17.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RICHARD KHOO TENG SAN (MY3062)	2,800,200	0.59
18.	LEONG KAM HENG	2,476,868	0.53
19.	TAN SRI DATO' SRI SUFRI BIN MHD ZIN	2,160,000	0.46
20.	MAYBANK NOMINEES (TEMPATA) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	1,937,800	0.41
21.	OOI CHIN SENG	1,921,040	0.41
22.	ABDUL AZIZ BIN MOHAMAD	1,868,681	0.40
23.	HSBC NOMINEES (ASING) SDN BHD DZ PRIVATBANK FOR NPB SICAV-NPB ASIA (EXCL. JAPAN)	1,688,000	0.36
24.	CHIN YU NOMINEES PTY LTD	1,515,744	0.32
25.	KHOO TING HOCK	1,470,000	0.31
26.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LU YIENG LUNG (KUCHING-CL)	1,261,700	0.27
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR L.LAKSHMANAN A/L V.LAKSHMANAN	1,252,200	0.27
28.	LEE CHEE PING	1,200,000	0.25
29.	CHEE SHIH YEE	1,120,400	0.24
30.	CIMBGROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR PROGRESSIVE INSURANCE BERHAD (A/C231)	1,079,700	0.23
	TOTAL	**365,823,449**	**77.62**

NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fourth 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 **Tuesday, the 29th June, 2021** at **10.30 a.m.** for the purpose of transacting the following businesses:-

AGENDA

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 2020.	**(Please refer to Note 2)**
2.	To approve the payment of first and final single tier dividend of 1.0 sen per share for the year ended 31st December 2020. *(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 2020. *(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 2020. *(Please refer to Note 6)*	**Ordinary Resolution 3**
5.	To re-elect YBhg Tun Jeanne binti Abdullah who shall retire as Director of the Company pursuant to Articles 84 of the Company's Articles of Association.	**Ordinary Resolution 4**
6.	To re-elect YBhg Dato' Abdul Aziz bin Mohamad 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 YBhg Dato' Sr. Abdull Manaf Bin Hj Hashim who shall retire as Director of the Company pursuant to Articles 91 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."

NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING
(CONT'D)

10. **Proposed renewal of authority for the company to purchase its own shares** *(Please refer to Note 8)* **Ordinary Resolution 9**

"**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 2020, the audited retained profit of the Company stood at RM5,816,679.95;

(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.

NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING

(CONT'D)

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. **Proposed renewal of shareholders' Mandate for Recurrent Related Party Transactions of a revenue and/or Trading Nature** *(Please refer to Note 9)* **Ordinary Resolution 10**

"**THAT** subject to the provisions of the MMLR, approval be and is hereby given to the Company and its subsidiaries ("TRC Group") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue and/or trading nature of TRC Group with specified classes of Related Parties (as defined in the MMLR and as specified in Section 2.6 of the Company's circular to shareholders dated 31st May 2021 which are necessary for the day-to-day operations and are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of TRC Group on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until :

(a) the conclusion of the next annual general meeting of the Company, at which time the said authority shall lapse, unless renewed by a resolution passed at the general meeting; or

(b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act 2016); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company,

whichever is the earlier;

AND THAT the directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution No. 10.

12. 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 TWENTY FOURTH ANNUAL GENERAL MEETING

(CONT'D)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN, that a first and final dividend of 1.0 sen per share in respect of the financial year ended 31st December 2020 will be paid on 15th July 2021 to shareholders whose names appear on the Company's Register of Depositors on 30th June 2021.

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 2021 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
31st May 2021

Notes:

1. **This is a fully virtual AGM. No shareholders/proxies are allowed to present at the broadcast venue.**

2. **Audited Financial Statements for the Year Ended 31st December 2020**

   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 22nd June 2021 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 19th May 2021 the Board of Directors had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

NOTICE OF TWENTY FOURTH ANNUAL GENERAL MEETING
(CONT'D)

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 2020, the Company has paid RM369,355 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	RM60,000
Chairman to the Audit Committee	RM60,000
Meeting Allowances	RM11,500
Travelling Allowances	RM79,726
TOTAL	**RM211,226**

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 Third Annual General Meeting held on 29th July 2020 and which will lapse at the conclusion of the Twenty Fourth Annual General Meeting to be held on 29th June 2021.

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 July 2020 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 31st May 2021 which is dispatched together with the Notice of the Twenty Fourth Annual General Meeting.

9. Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature (Ordinary Resolution No. 10)

The proposed adoption of the Ordinary Resolution No. 10, if passed will enable TRC Group to enter into recurrent transactions involving interests of Related Parties which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Please refer to the Circular to Shareholders date 31st May 2021 for further information.

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-Fourth 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-Third Annual General Meeting held on 29th July 2020 and which will lapse at the conclusion of the Twenty Fourth Annual General Meeting to be held on 29th June 2021. Hence, no proceeds were raised therefrom.

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TRC SYNERGY BERHAD
199601010839 (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 Fourth 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 **Tuesday, 29th June 2021** at **10.30 a.m.** and at every adjournment thereof.

RESOLUTIONS		FOR	AGAINST
ORDINARY RESOLUTION 1	To approve the payment of first and final single tier dividend of 1.0 sen per share for the year ended 31st December 2020.		
ORDINARY RESOLUTION 2	To approve the payment of Directors' Fees in respect of the financial year ended 31st December 2020.		
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 2020.		
ORDINARY RESOLUTION 4	To re-elect YBhg Tun Jeanne binti Abdullah as Director of the Company.		
ORDINARY RESOLUTION 5	To re-elect YBhg Dato' Abdul Aziz bin Mohamad as Director of the Company.		
ORDINARY RESOLUTION 6	To re-elect YBhg Dato' Sr. Abdull Manaf Bin Hj Hashim 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.		
ORDINARY RESOLUTION 10	To approve the Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature.		

(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 Fourth 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.
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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 22nd June 2021 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
199601010839 (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 7016

www.trc.com.my