

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 March 2025

	Current quarter ended 31/3/25 RM	Comparative quarter ended 31/3/24 RM	3 months cumulative to 31/3/25 RM	3 months cumulative to 31/3/24 RM
Revenue	129,347,896	92,706,792	129,347,896	92,706,792
Cost of sales	(118,565,194)	(84,508,913)	(118,565,194)	(84,508,913)
Gross Profit	10,782,702	8,197,879	10,782,702	8,197,879
Other income	552,938	358,710	552,938	358,710
Realised foreign currency exchange loss	(715)	(1,019)	(715)	(1,019)
Unrealised foreign currency exchange gain	189,593	1,134,424	189,593	1,134,424
Administrative expenses	(7,873,172)	(7,332,296)	(7,873,172)	(7,332,296)
Distribution expenses	(6,000)	-	(6,000)	-
Allowance for expected credit loss on trade and other receivables	(367,167)	-	(367,167)	-
Operating Profit	3,278,179	2,357,698	3,278,179	2,357,698
Finance income	2,463,098	2,693,922	2,463,098	2,693,922
Finance costs	(1,242,713)	(1,676,861)	(1,242,713)	(1,676,861)
Share of profit of associate	545,270	410,018	545,270	410,018
Share of profit/(loss) of joint venture	1,717,029	(959,783)	1,717,029	(959,783)
Profit before tax	6,760,863	2,824,994	6,760,863	2,824,994
Income tax expenses	(1,395,526)	(2,617,753)	(1,395,526)	(2,617,753)
Profit for the financial period	5,365,337	207,241	5,365,337	207,241
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	601,745	(2,410,102)	601,745	(2,410,102)
Other comprehensive income/(loss) for the financial period net of tax	601,745	(2,410,102)	601,745	(2,410,102)
Total comprehensive income/(loss) for the financial period	5,967,082	(2,202,861)	5,967,082	(2,202,861)
Profit for the financial period attributable to:				
Owners of the Company	5,333,370	147,127	5,333,370	147,127
Non-controlling interests	31,967	60,114	31,967	60,114
Profit for the financial period	5,365,337	207,241	5,365,337	207,241
Total comprehensive income/(loss) attributable to:				
Owners of the Company	5,925,160	(2,274,364)	5,925,160	(2,274,364)
Non-controlling interests	41,922	71,503	41,922	71,503
Total comprehensive income/(loss) for the financial period	5,967,082	(2,202,861)	5,967,082	(2,202,861)
EPS attributable to Owners of the Company:				
Basic (sen)	1.13	0.03	1.13	0.03
Diluted (sen)	1.13	0.03	1.13	0.03

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024)

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Financial Position as at 31 March 2025

	As at 31/3/2025 RM	As at 31/12/2024 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	11,957,516	11,957,516
Property, plant & equipment	190,386,838	191,045,762
Inventories	23,674,771	23,553,868
Investment in associates	5,200,303	4,655,033
Investment in joint venture	31,837,750	32,015,280
Other investments	66,000	66,000
Deferred tax assets	3,144,976	2,840,936
Right-of-use assets	13,383,764	14,031,157
	<u>279,651,918</u>	<u>280,165,552</u>
CURRENT ASSETS		
Inventories	33,703,613	29,352,104
Contract cost assets	2,709,438	1,315,314
Trade & other receivables	219,974,810	314,607,700
Contract assets	17,416,859	18,402,058
Deposits, cash & bank balances	388,040,249	328,539,873
Current tax asset	238,824	1,016,030
	<u>662,083,793</u>	<u>693,233,079</u>
TOTAL ASSETS	<u>941,735,711</u>	<u>973,398,631</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	240,456,670	240,456,670
Treasury shares	(2,459,625)	(2,459,625)
Reserves	22,879,757	22,287,967
Retained earnings	281,070,981	275,737,611
Equity attributable to Owners of the Company	<u>541,947,783</u>	<u>536,022,623</u>
Non-controlling interests	8,891,641	8,849,719
Total Equity	<u>550,839,424</u>	<u>544,872,342</u>
NON-CURRENT LIABILITIES		
Borrowings	2,434,867	2,929,710
Deferred tax liabilities	4,613,795	4,605,159
	<u>7,048,662</u>	<u>7,534,869</u>
CURRENT LIABILITIES		
Provision	14,310,478	17,387,228
Borrowings	89,023,117	88,210,155
Trade & other payables	157,017,697	187,655,243
Contract liabilities	116,907,825	121,226,925
Current tax liabilities	6,588,508	6,511,869
	<u>383,847,625</u>	<u>420,991,420</u>
Total Liabilities	<u>390,896,287</u>	<u>428,526,289</u>
	<u>941,735,711</u>	<u>973,398,631</u>
Net assets per share attributable to the Owners of the Company (RM)	1.15	1.14

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024)

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2025

	Attributable to Owners of the Company		Non-distributable		Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve		
	RM	RM	RM	RM	RM	RM
At 1 January 2025	240,456,670	(2,459,625)	39,297,862	(17,009,895)	275,737,611	536,022,623
Foreign currency translation difference for foreign operations	-	-	-	591,790	-	591,790
Other comprehensive income for the financial period	-	-	-	591,790	-	591,790
Profit for the financial period	-	-	-	-	5,333,370	5,333,370
Total comprehensive income for the financial period	-	-	-	591,790	5,333,370	5,925,160
At 31 March 2025	240,456,670	(2,459,625)	39,297,862	(16,418,105)	281,070,981	541,947,783
At 1 January 2024	240,456,670	(2,459,625)	39,297,862	(1,808,445)	268,819,757	544,306,219
Foreign currency translation difference for foreign operations	-	-	-	(2,421,491)	-	(2,421,491)
Other comprehensive (loss)/income for the financial period	-	-	-	(2,421,491)	-	(2,421,491)
Profit for the financial period	-	-	-	-	147,127	147,127
Total comprehensive (loss)/income for the financial period	-	-	-	(2,421,491)	147,127	(2,274,364)
At 31 March 2024	240,456,670	(2,459,625)	39,297,862	(4,229,936)	268,966,884	542,031,855

The Foreign Currency Translation Reserve represents currency translation differences on foreign currency net investments.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024)

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Cash Flows for the quarter ended 31 March 2025

	3 months ended 31/3/2025 RM	3 months ended 31/3/2024 RM
Cash flows from operating activities		
Profit before tax	6,760,863	2,824,994
Adjustments for :		
Allowance for expected credit loss on trade and other receivables	367,167	-
Amortisation of investment in joint venture	322,585	-
Amortisation of right-of-use asset	557,700	434,034
Depreciation of property, plant & equipment	1,695,364	1,994,242
Interest expense	1,390,189	2,159,306
Interest income	(1,711,292)	(1,727,200)
Fair value gain on money market fund	(434,288)	(648,439)
Dividend income from money market fund	(317,517)	(318,284)
Share of profit of associate	(545,270)	(410,018)
Share of (profit)/loss of joint venture	(1,717,029)	959,783
Gain on disposal of property, plant & equipment	(302,829)	(210,906)
Unrealised gain on foreign currency exchange	(189,593)	(1,134,424)
Property, plant & equipment written off	1	-
Operating profit before working capital changes	5,876,051	3,923,088
Working capital changes :-		
Changes in inventories	(4,472,412)	691,861
Changes in contract assets/liabilities	(3,120,013)	(34,013,655)
Changes in contract cost assets	(1,394,124)	29,750
Changes in receivables	94,425,730	26,569,329
Changes in payables	(39,673,711)	(21,639,165)
Cash generated from/(used in) operating activities	51,641,521	(24,438,792)
Tax paid	(1,625,550)	(1,629,912)
Tax refund	791,758	-
Interest paid	(12,617)	(4,227)
Interest received	1,711,292	1,727,200
Net cash generated from/(used in) operating activities	52,506,404	(24,345,731)
Cash flows from investing activities		
Purchase of property, plant & equipment	(209,899)	(1,175,504)
Purchase of right-of-use asset	(273,454)	(2,324,772)
Proceeds from disposal of property, plant & equipment	302,850	261,037
Distribution of profit from joint venture	1,663,207	1,540,700
Net cash generated from/(used in) investing activities	1,482,704	(1,698,539)
Cash flows from financing activities		
Withdrawal of pledged deposits	688,295	3,587,665
Net proceeds from short term borrowings	7,200,201	3,797,496
Repayment of long term borrowings	-	(9,244,200)
Interest paid	(1,377,572)	(1,814,919)
Net cash generated from/(used in) financing activities	6,510,924	(3,673,958)
Net increase/(decrease) in cash and cash equivalents	60,500,032	(29,718,228)
Effects of foreign exchange rate changes	402,520	(147,175)
Effects of changes in fair value of money market funds	751,805	966,723
Cash and cash equivalents at beginning of period	200,500,324	286,871,036
Cash and cash equivalents at end of period	262,154,681	257,972,356
Cash and cash equivalents at end of period comprise :		
Cash and bank balances	142,715,030	94,934,145
Short-term deposits with licensed banks	8,000,000	45,500,000
Fixed deposits with licensed banks	14,757,551	13,565,558
Money market funds placed with fund managers	96,732,649	104,956,791
Bank overdrafts	(50,549)	(984,138)
	262,154,681	257,972,356

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024)

TRC SYNERGY BERHAD
Company No. 199601040839 (413192-D)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31ST MARCH 2025**
(The figures have not been audited)

Explanatory Notes

1. Accounting policies

The Group has prepared the unaudited interim financial statements in accordance with the requirements of Malaysian Financial Reporting Standards ('MFRS') 134: "Interim Financial Reporting" issued by Malaysian Accounting Standard Board ('MASB') and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Malaysia').

The unaudited interim financial statements should be read in conjunction with audited financial statements of the Group for the financial year ended 31 December 2024. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2024.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited annual financial statements for the financial year ended 31 December 2024, except for the adoption of the following Amendments to MFRSs:

		<u>Effective date</u>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-Dependent Electricity)	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group and the Company.

2. *Status of Financial Statements Qualification*

The auditors' report on the financial statements for the year ended 31 December 2024 was not subject to any qualification.

3. *Seasonal or Cyclical Factors*

The Group's operations were not significantly affected by seasonal and cyclical factors for the financial period under review.

4. *Items affecting assets, liabilities, equity, net income or cash flows that are unusual to the nature, size or incidence*

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date.

5. *Changes in Estimates*

There were no changes in estimates that have a material effect in the current quarter.

6. *Changes in Share Capital and Loan Stocks*

There were no changes in share capital and loan stocks for the quarter ended 31 March 2025.

7. *Dividend paid*

No dividend was paid in the current quarter.

8. *Segment Reporting*

Operating segment information for the current quarter is as follows:

	Construction	Property	Hotel	Others	Elimination	Total
	activities	development	operations			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	122,671	171	6,506	-		129,348
Inter-segment revenue	3,354	-	-	-	(3,354)	-
	126,025	171	6,506	-	(3,354)	129,348
Results						
Segment operating profits/(loss)	5,735	(862)	66	(1,632)	(29)	3,278
Share of profit of associate						545
Share of profit of joint venture						1,717
Finance income						2,463
Finance costs						(1,242)
Profit before tax						6,761
Income tax expenses						(1,396)
Profit for the financial period						5,365

9. *Valuation of property, plant & equipment*

The valuations of land and buildings have been brought forward without amendment as there was no revaluation been carried out in this quarter.

10. *Subsequent Events*

There were no material events subsequent to the end of the current quarter.

11. *Changes in the composition of the Group*

There were no changes in the composition of the Group for the quarter ended 31 March 2025.

12. *Contingent Liabilities and Assets*

There were no material changes in contingent liabilities and assets for the Group as at the date of this announcement.

13. *Capital Commitment*

There was no capital commitment for the purchase of property, plant and equipment and right-of-use asset for the quarter ended 31 March 2025.

14. *Related Party Transactions*

There was no material related party transaction during the quarter ended 31 March 2025.

15. *Review of performance of the Company and its Principal Subsidiaries*

The Group recorded a profit before tax of RM6,760,863 in the current quarter as compared with a profit before tax of RM2,824,994 in the corresponding quarter.

Higher revenue and hence higher gross profit had contributed largely to the higher profit before tax being reported for the current quarter. New projects that were secured in the corresponding quarter had contributed more to the Group in this quarter as the projects progressed actively to their full swing subsequent to the work commencement in the corresponding quarter.

Besides, substantial share of the profit of joint venture as opposed to a share of loss in the corresponding quarter had also enabled the Group to report a much higher profit before tax in the current quarter.

On the contrary, a much lower unrealized foreign currency exchange gain, marginally higher administrative expenses and an allowance for expected credit loss on trade and other receivables had negated the favorable impact of the abovementioned brought about to the Group's performance.

16. *Material changes in the Profit before tax for the Current Quarter as compared with the Immediate Preceding Quarter*

The Group recorded a profit before tax of RM6,760,863 in the current quarter as compared with a profit before tax of RM5,105,799 recorded in the immediate preceding quarter.

Despite a higher revenue being reported in the immediate preceding quarter, a substantially lower gross profit was recorded which was largely due to the provision for unavoidable costs of meeting the obligations under the construction contract of an on-going project in the immediate preceding quarter.

Further, the Group had allowed for a higher allowance for expected credit loss on trade and other receivable in the immediate preceding quarter,

The abovementioned negative effect to the Group's performance had been mitigated by the higher realized and unrealized foreign currency exchange gain and higher share of profit of associate and joint venture recognized in the immediate preceding quarter.

17. *Prospects*

The Bank Negara Malaysia (BNM) projected that GDP growth in 2025 will remain resilient, growing between 4.5% and 5.5% (**Ministry of Finance, 16 May 2025**), despite global uncertainties surrounding the latest US reciprocal tariff of 24% on all exported goods to the United States.

This economic growth is supported by resilient domestic demand and continued trade expansion, favourable labour market conditions, moderate inflation, and continued monetary policy easing across the major countries.

The construction sector is expected to grow by 12.0% in 2025 (**MIDF Research, The Star 18 April 2025**), driven by ongoing public infrastructure projects, including the East Coast Rail Link (ECRL), the Rapid Transit System Link (RTS Link) between Johor Bahru and Singapore, and the Pan Borneo Highway in Sabah. Under the Madani 2025 budget, the government has allocated a budget of RM86 billion for development expenditure, which includes RM10.3 billion for the Penang Light Rail Transit (LRT) project, RM6.1 billion for the Northern Coastal Highway in Sarawak, RM5.6 billion for the Sabah-Sarawak Link Road Phase 2, RM4.4 billion for the Pan Borneo Sabah Phase 1B, and RM4 billion for the Sungai Perak Raw Water Transfer project, which is expected to be rolled out this year (**The Edge Malaysia, 14 Jan 2025**). Additionally, the construction of data centres is expected to further improve the non-residential buildings subsector.

With a solid economic backdrop, the Group Construction Division remains unwavering in its commitment to the timely execution and completion of its existing projects, while continuing to actively participate in government or quasi-government agency tender exercises to be rolled out under the Madani 2025 budget, to replenish its current order book of RM800 million.

17. *Prospects - continued*

The residential property market is also expected to experience steady growth in 2025, with demand for affordable housing remaining particularly strong. The residential subsector is anticipated to benefit from new housing projects, particularly in the affordable housing segment, where government initiatives aimed at promoting homeownership and offering personal tax relief for first-time homebuyers are expected to stimulate demand for housing.

With the stable and resilient property market supported by positive demand and investor confidence, the Group Property Division has decided to commence construction of Ara Sentral Phase 2 in 1Q 2025, primarily focusing on the basement structure up to the podium level. The launch of Phase 2 is scheduled for 2Q 2026. Phase 2 comprises 134 retail units and 992 service apartment units (764 units for open market and 232 units for affordable housing) with an expected Gross Development Value of more than RM600 million.

With the Ara Sentral Phase 2, the property development sector is expected to remain fully occupied for the next five years, thereby boosting and enhancing the Group's revenue and earnings.

Therefore, with its existing order book and the positive outlook for new projects to be rolled out by the government, as well as the positive outlook for the residential subsector, the Group is expected to maintain a strong performance in FY2025. Through our prudent and resilient financial management, along with a robust balance sheet, we further reinforce this outlook. This balanced approach indicates our ability to undertake major projects and replenish our order book in the future.

18. *Variance of Actual Profit against Estimated Profit*

The disclosure requirement for this section is not applicable to the Group.

19. Income tax

The tax expenses comprise the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31.3.2025 RM'000	Preceding Year Corresponding Quarter 31.3.2024 RM'000	Current Year To Date 31.3.2025 RM'000	Preceding Year Corresponding Period 31.3.2024 RM'000
Current tax				
Current year	1,800	1,399	1,800	1,399
Deferred tax				
Current year	(385)	1,646	(385)	1,646
Prior year	(19)	(428)	(19)	(428)
	<u>1,396</u>	<u>2,617</u>	<u>1,396</u>	<u>2,617</u>

The effective tax rate for the current quarter is lower than the statutory tax rate due to the recognition of deductible timing differences and unabsorbed tax losses as deferred tax assets.

20. Profit on sale of investments and properties

There were no sales of unquoted investments or properties by the Group in the current quarter.

21. Quoted Securities

The Company did not hold any quoted securities for the quarter ended 31 March 2025.

22. Status of Corporate Proposal

There was no outstanding corporate proposal.

23. **Group Borrowings and Debt Securities**

Total borrowings of the Group as at 31 March 2025 are as follows:-

Security	Type	Amount (RM'000)
Secured	Short Term	89,023
Secured	Long Term	2,435
Unsecured	Long Term	-

Currency exposure profile of borrowings is as follows:-

Currency	Secured Short Term RM'000	Secured Long Term RM'000
Malaysian Ringgit	13,383	2,435
Australian Dollar	75,640	-

24. **Off Statement of Financial Position Financial Instruments**

There were no off statement of financial position financial instruments as at the date of this announcement.

25. **Material Litigation**

There is no material litigation pending as at 31 March 2025.

26. **Dividends**

The directors have not recommended the payment of any dividend for the quarter ended 31 March 2025.

27. **Earnings/(Loss) per share**

The basic earnings per share was calculated based on the profit for the financial period attributable to Owners of the Company of RM5,333,370 (2024: RM147,127) and on the weighted average number of ordinary shares in issue of 471,288,703 (2024: 471,288,703) shares.

The fully diluted earnings per share for the period have been computed using a weighted average number of shares of 471,288,703 (2024: 471,288,703).

28. *Notes to Statement of Comprehensive Income*

	First quarter		Cumulative 3 months	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
	RM'000	RM '000	RM'000	RM'000
Depreciation of property, plant and equipment	1,695	1,994	1,695	1,994
Amortisation of right-of-use asset	558	434	558	434
Amortisation of investment in joint venture	323	-	323	-
Loss on disposal of investment property	-	-	-	-
Property, plant & equipment written off	-	-	-	-
Gain on disposal of property, plant & equipment	(303)	(211)	(303)	(211)
Gain on disposal of right-of-use asset	-	-	-	-
Fair value (gain)/loss on investment properties	-	-	-	-