

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT

5.1 Substantial Shareholders/Promoters

5.1.1 Particulars and Shareholdings

Based on the Register of Substantial Shareholders as at 14 June 2002 (being the latest practicable date prior to the printing of this Prospectus), the substantial shareholders (with 5% or more shareholding, directly and indirectly) of the Company after the Public Issue and Offer for Sale are as follows:

Name	Nationality / Place of Incorporation	Principal Activity / Designation	No. of TRCS Ordinary Shares Held After the Offer for Sale & Public Issue			
			Direct	%	Indirect	%
Dato' Hj Sufri bin Hj Mohd Zin	Malaysian	Executive Chairman / Managing Director	15,575,000	22.25	32,400,000 ⁽¹⁾	46.29
TRC Capital Sdn Bhd	Malaysia	Investment Holding	16,200,000	23.14	-	-
Kolektif Aman Sdn Bhd	Malaysia	Investment Holding	16,200,000	23.14	-	-

Note:-

(1) Deemed interested by virtue of his substantial shareholdings in TRC Capital Sdn Bhd and Kolektif Aman Sdn Bhd.

5.1.2 Profile of TRC Capital Sdn Bhd

TRC Capital Sdn Bhd is a company incorporated in Malaysia under the Companies Act, 1965 on 30 November 1996, having an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM30 comprising 30 ordinary shares of RM1.00 each. TRC Capital Sdn Bhd's principal activity is investment holding company.

The directors and their respective shareholdings in TRC Capital Sdn Bhd as at 14 June 2002 are as follows:

Name of Director/Shareholders	Nationality/Place of Incorporation	Total No. of RM1.00 Ordinary Shares Held			
		Direct	%	Indirect	%
Dato' Hj Sufri bin Hj Mohd Zin	Malaysian	29	96.66	-	-
Mohd Raffee bin Jalil	Malaysian	1	3.34	-	-

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.1.3 Profile of Kolektif Aman Sdn Bhd

Kolektif Aman Sdn Bhd is a company incorporated in Malaysia under the Companies Act, 1965 on 18 February 2000, having an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM30 comprising 30 ordinary shares of RM1.00 each. Kolektif Aman Sdn Bhd's principal activity is investment holding company.

The directors and their respective shareholdings in Kolektif Aman Sdn Bhd as at 14 June 2002 are as follows:

Name of Director/Shareholders	Nationality/Place of Incorporation	Total No. of RM1.00 Ordinary Shares Held			
		Direct	%	Indirect	%
Dato' Hj Sufri bin Hj Mohd Zin	Malaysian	29	96.66	-	-
Mohd. Raffee bin Jalil	Malaysian	1	3.34	-	-

5.1.4 Directorships and Major Shareholdings in All Other Public Companies For the Past Two Years

Dato' Hj Sufri bin Hj Mohd Zin and Mohd Raffee bin Jalil have no directorship and shareholdings in any other public company for the past two (2) years.

TRC Capital Sdn Bhd and Kolektif Aman Sdn Bhd have no shareholdings in any other public company for the past two (2) years.

5.1.5 Changes in substantial shareholders/promoters for the past three (3) years

The changes of the substantial shareholders/promoters in TRCS and TRC for the past three (3) years are as follows:

TRCS

Major Shareholder/ Promoter	Date	Direct Shareholdings in TRCS Before Changes	Addition/ (Disposal)	Direct Shareholdings in TRCS after Changes
Abdul Aziz bin Mohamad	29.08.2000	1	(1)	-
Mohd Raffee bin Jalil	29.08.2000	1	(1)	-
Muhamad Shahaizi bin Abdul Hai	29.08.2000	-	1	1
	29.03.2002	1	(1)	-
Mohd Fozi bin Matori	29.08.2000	-	1	1
	29.03.2002	1	(1)	-
Dato' Hj Sufri bin Hj Mohd Zin	27.03.2002	-	17,168,288	17,168,288
	06.06.2002	17,168,288	1,731,712	18,900,000
Mohd Raffee bin Jalil	27.03.2002	-	2,452,612	2,452,612
	06.06.2002	2,452,612	247,388	2,700,000
Kolektif Aman Sdn Bhd	27.03.2002	-	14,715,676	14,715,676
	29.03.2002	14,715,676	1	14,715,677
	06.06.2002	14,715,677	1,484,323	16,200,000
TRC Capital Sdn Bhd	27.03.2002	-	14,715,676	14,715,676
	29.03.2002	14,715,676	1	14,715,677
	06.06.2002	14,715,677	1,484,323	16,200,000

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

TRC

Major Shareholder/ Promoter	Date	Direct Shareholdings in TRC Before Changes	Addition/ (Disposal)	Direct Shareholdings in TRC after Changes
Dato' Hj Sufri bin Hj Mohd Zin	31.07.1999	8,314,290	(415,725)	7,898,565
	10.10.2000	7,898,565	(2,648,565)	5,250,000
	27.03.2002	5,250,000	(5,250,000)	-
Mohd Raffee bin Jalil	31.07.1999	-	-	750,000
	27.03.2002	750,000	(750,000)	-
Hjh Fatimah bte Mohamad	31.07.1999	6,685,710	(334,275)	6,351,435
	10.10.2000	6,351,435	(6,351,435)	-
Kolektif Aman Sdn Bhd	10.10.2000	-	4,500,000	4,500,000
	27.03.2002	4,500,000	(4,500,000)	-
TRC Capital Sdn Bhd	10.10.2000	-	4,500,000	4,500,000
	27.03.2002	4,500,000	(4,500,000)	-
TRCS	27.03.2002	-	15,000,000	15,000,000

5.2 Directors

5.2.1 Particulars and Shareholdings

Name	Designation	No. of TRCS Ordinary Shares Held After the Offer for Sale & Public Issue			
		Direct	%	Indirect	%
Dato' Hj Sufri bin Hj Mohd Zin	Executive Chairman/ Managing Director	15,575,000	22.25	32,400,000 ⁽¹⁾	46.29
Abdul Aziz bin Mohamad	Executive Director	100,000 ⁽²⁾	0.14	-	-
Noor Asiah bte Mahmood	Independent Non- Executive Director	500,000 ⁽²⁾	0.71	-	-
Rahman bin Ali	Independent Non- Executive Director	-	-	-	-
Noor Zilan bin Mohamed Noor	Non-Independent Non-Executive Director	200,000 ⁽²⁾	0.29	-	-

Notes:-

(1) Deemed interested by virtue of his substantial shareholdings in TRC Capital Sdn Bhd and Kolektif Aman Sdn Bhd.

(2) Based on their respective allocation under the employee share allocation

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (*Cont'd*)

5.2.2 Profile of Directors

Dato' Hj Sufri bin Hj Mohd Zin, aged 45, was appointed as Managing Director of TRCS on 29 March 2002 and subsequently redesignated as Executive Chairman / Managing Director on 13 May 2002. He is also currently the Managing Director of TRC. He graduated from the Institute of Teknologi MARA ("ITM") in 1982 with a Diploma in Business Studies. He started his career as a banker with Bank Bumiputera Malaysia Bhd in 1982. His inherent perseverance and unique business acumen led him into the building and construction industry in 1984. Presently, he is also the Director of TRCD, TRCCI, TRC Capital Sdn Bhd and Kolektif Aman Sdn Bhd. Furthermore, he has been a member of the Persatuan Kontraktor-Kontraktor Melayu Malaysia (cawangan Wilayah Persekutuan) since 1988 and the Road Engineering Association of Asia and Australasia (REAAA) since 1992.

Encik Abdul Aziz bin Mohamad, aged 43, was appointed as an Executive Director of TRCS on 29 March 2002. He joined TRC as a Senior Contract Executive in 1994 and later was promoted to Deputy General Manager (Contracts) in 1997. He graduated from Trent Polytechnic in Nottingham, England in 1983. He is a Quantity Surveyor by profession and a member of the Institution of Surveyors, Malaysia. He started his career as an Assistant Quantity Surveyor in England with Rider Hunt and Partners in 1982. He later joined JKR Kuala Lumpur in 1983 as a Quantity Surveyor where he administered the contractual aspects of projects. Among his many projects with JKR were the Greater Kuantan Water Supply Scheme, the Reconstruction of Rural Roads (Package B), the Sekolah Menengah Sains, Pekan, Pahang and the construction of the Police headquarters (PHH) Kuantan, Pahang. Later in 1990 while serving as a Senior Quantity Surveyor, he was part of the project team for the construction of the new hospital in Kuantan.

Puan Noor Asiah bte Mahmood, aged 48, was appointed as Director of TRCS on 13 May 2002. She obtained a certificate of Aviation from the Pan Am School of Aviation in Miami and also a Business Management certificate from the Hawaiian School of Tourism. She started her career as a Public Relation Officer in Malaysian Airlines System and subsequently held the position of an Assistant Sales Manager of Hotel Equatorial (M) Sdn Bhd. She is currently a Managing Director of SMAS Travels Sdn Bhd. She is also a director of numerous other companies including SMAS Rent a Car Sdn Bhd, SMASCOM & Design Sdn Bhd, Gelombang Jaya Sdn Bhd, Mastek Sdn Bhd and Travtrade Souvineers Sdn Bhd.

Encik Rahman bin Ali, aged 45, was appointed as Director of TRCS on 13 May 2002. He graduated from the University of Malaya in 1982 with a Degree in Accounting. He is currently a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as a credit officer with Bank Bumiputera Malaysia Berhad in 1982. He left the bank in 1986 to set up his own management consultancy company under the name of Advance Management Services in 1986 before becoming a Branch Manager with a public accounting firm, Sahir and Co. in 1990. In 1994, he set up his own accounting firm by the name A. Rahman & Associates and later became a partner of Omar Arif, A. Rahman & Associates in 1996.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

Encik Noor Zilan bin Mohamed Noor, aged 42, was appointed as a Director of TRCS on 13 May 2002. He graduated from ITM in 1983 with a Diploma in Law. He then joined United Malayan Banking Corporation as a Trainee Executive Officer before pursuing for further studies in the United Kingdom in 1984 and graduated from City of London Polytechnics with LLB (Hons) majoring in Business Law in 1987. Subsequently, he went on to read Law at Lincoln's Inn and was called to the English Bar in 1988 and upon his return to Malaysia he was then called and admitted to the Malaysian Bar in 1989 as an Advocate and Solicitor. He then worked as a Legal Assistant before starting his own law firm in 1991 and is now a Senior Partner with an established law firm in Kuala Lumpur specialising in the area of Corporate Law, Banking, Building and Construction Law apart from the litigation field both civil and criminal.

5.2.3 Directorships And Major Shareholdings In All Other Public Companies For The Past Two Years

Save as disclosed below, none of the directors hold any directorship and major shareholdings in other public companies for the past two (2) years:-

Name Of Directors	Name Of Company	Designation	Date Appointed / (Resigned)	No. Of Shares Held				Principal Activities
				Direct	%	Indirect	%	
Noor Asiah bte Mahmood	Lien Hoe Bhd	Independent Director	19.05.88/ (10.01.02)	-	-	-	-	Construction

5.2.4 Directors' Remuneration and Benefits

For financial year ended 31 December 2001, a total of RM295,120 was paid to Directors of TRCS for services rendered to the Company and its subsidiary companies. For the financial year ending 31 December 2002, the amount payable to the Directors for services rendered to the Company and its subsidiary companies is estimated to be RM1,100,000.

5.3 Audit Committee

The main functions of the Audit Committee will fall within the ambit of the KLSE Main Board Listing Requirements. The members of the Audit Committee are as follows:-

Name	Designation	Directorship
Noor Asiah bte Mahmood	Chairman	Independent Non-Executive Director
Rahman bin Ali	Member	Independent Non-Executive Director
Dato' Haji Sufri bin Haji Mohd Zin	Member	Executive Chairman / Managing Director

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (*Cont'd*)

5.4 Key Management/Technical Team of the TRCS Group

5.4.1 Profile of the Key Management/Technical Team

The day to day management of TRCS Group is entrusted to the Executive Chairman/Managing Director, Dato' Haji Sufri bin Haji Mohd Zin who is assisted by Encik Abdul Aziz bin Mohamad and the following key management staff:

Encik Mohd Raffee bin Jalil, aged 37, joined TRC as a General Manager in June 1993. He graduated from the University of Washington with a Bachelor of Science in Civil Engineering in 1987. He started his career as a Flood Surveyor for the Japanese International Corporation Agency (JICA) in 1987. He later joined LLN as Trainee Engineer in 1988 before joining Ireka-Uspa J.V. in 1989 as Site Engineer. He then continue with Uspa Construction Sdn Bhd as Project Engineer before joining TRC in June 1993.

Encik Muhamad Shahaizi bin Abdul Hai, aged 43, joined TRC as a Project Manager in 1995 and was later promoted to General Manager (Operations). He holds a Bachelor of Science Degree in Civil Engineering. He started his career as a Technical Support Engineer in Jabatan Kerja Raya ("JKR") in 1984. He was with JKR for a period of 10 years holding various positions. He left JKR in 1994 to join Sharma and Zakaria Sdn Bhd as a Senior Engineer. His last position held in JKR was as Civil Engineer.

Ir Terrence Chuai Teck @ Chai Teck, aged 49, is a graduate of the University of Strathclyde, Scotland with a First Class Honour Degree in Civil Engineering in 1981. He joined TRC as a Project Co-ordinator in 1993 and was later reassigned to the post of Senior Project Co-ordinator in 1996. He started his career as a Technical Assistant in JKR and was subsequently promoted to Resident Engineer in 1983 and later to District Engineer, a position which he held for 7 years before joining TRC in 1993. Due to his valuable contribution to nation building and in recognition of his service, he was awarded the PJK and PMC titles while he was still in the Civil Service.

Mr Yeoh Sook Keng, aged 43, is the Head of Corporate Services of TRC. He obtained a Bachelor of Commerce Degree majoring in Accounting, Finance and Systems from the University of New South Wales in 1981. He is a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as a Bank Officer in 1981 and was subsequently promoted to Accountant in 1984, a position that he held until 1986. He later joined Asia Commercial Finance (M) Bhd for 4 years where his last position held was a Manager in the Loan Supervision Department before he left to join Paramount Corporation as a Group Internal Auditor in 1991. He later joined Lingui Development Bhd as a Deputy General Manager of the Internal Audit Division in 1994 before his appointment with TRC in 1996.

Mr Richard Khoo Teng San, aged 36, joined TRC in 1991 as a Senior Engineer and was later promoted to a Chief Project Co-ordinator. He holds a Bachelor of Engineering Degree in Civil Engineering. He started his career as a Site Engineer with Mat Taib bin Husin Sdn Bhd in 1989 and later joined W.A Fairhurst & Partners, U.K. as a Design Engineer in 1990 before his appointment with TRC.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

Mr Loh Leh Wong, aged 44, joined TRC in 1996 as a Senior Contract Manager. He obtained his Bachelor of Science Degree in Quantity Surveying from Trent Polytechnic in Nottingham. He is a member of Royal Institution of Chartered Surveyor, Institution of Surveyors Malaysia and Registered Member of Board of Surveyors Malaysia. He started his career as an Assistant Quantity Surveyor with Bucknall Austin & Partner (England) in 1983. Upon returning home in 1985 he joined Group Survey Four Sarawak as a Project Quantity Surveyor. He later joined Yung Kong Construction Sdn Bhd in 1988 as a Project Manager. Prior to joining TRC in 1996, he was a Managing Partner of Akron Construction. With the experience & contractual knowledge acquired, he was promoted to Senior Contract Manger in charge of East Malaysia Operation in 2001.

Ir Ng Chek Pin, aged 49, joined TRC in 1994 as a Senior Design Engineer. He is currently also a Management Representative for Quality Management System ISO 9001 : 2000. He graduated from the University of Malaya with a Bachelor of Engineering Degree in Civil Engineering in 1977. He is a fellow of the Institution of Engineers, Malaysia and a Registered Professional Engineer with the Board of Engineers, Malaysia. He spent the first 3 years of his career with JKR as an Engineer and subsequently joined a civil and structural engineering consultancy firm as a Designer and later as Principal Engineer before his appointment with TRC.

Ir Tan Khoon Kian, aged 38, joined TRC as a Construction Manager in 1996. He obtained his Bachelor of Engineering (Civil) Class IIA Honours from the University of Adelaide, South Australia in 1986. He has also obtained his Master in Business Administration degree in 1997 from Heriot-Watt University, Edinburgh through a distant learning programme. He is a registered member of Board of Engineers Malaysia and is also a corporate member of the Institute of Engineers Malaysia. Ir Tan Khoon Kian started his carrier with Gibb Australia in Canberra, Australia as a junior design engineer from 1987 to 1989. Upon returning home in 1989, he joined Building Consultant as a civil and structural design engineer designing various infrastructure works for industrial estate, roads, wharf and buildings. He later joined PS Konsultant as assistant resident engineer and then resident engineer in the supervision of numerous road and building projects (Penrissen Road, Sarawak Security Building). He joined TRC in 1996 and has at to date successfully implemented numerous technical demanding and prestigious projects such as roads, airport and hospital.

Ir Chen Yuk Seong, aged 42, joined TRC in 2000 as a Project Coordinator. He graduated from the University of Liverpool, England with a Bachelor of Engineering degree. He is currently a member of the Institute of Engineer (MIEM) and a Professional Engineer with the Board of Engineers Malaysia (PE). He started his career with Promet Construction Sdn Bhd in 1983 as a Site Engineer before joining Pembinaan Dintan Sdn Bhd in 1986 and Pilecon (Brunei) Sdn Bhd in 1988 as a Project Manager and Project Engineer respectively. He later pursue his career with Siah Brothers Construction Sdn Bhd in 1989 as a Project Manger before becoming an Operation Manager with Transfield Projects (M) Sdn Bhd in 1991.

Encik Mohd Nazari bin Rahman, aged 38, joined TRC in 1994 as a Purchasing Officer and was later promoted to a Purchasing Manager. He graduated from the Institut Teknologi Mara, 1986 with a Diploma in Building. He started his career with KAB Construction & Engineering Sdn Bhd in 1986 as a Purchasing Officer before joining Perspec Prime (M) Sdn Bhd in 1992 as a Buyer.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

Encik Henry Harry Anak Jinep, aged 35, joined TRC in 1996 as a Deputy Contracts Manager. He graduated from the Glasgow Coledonian University, Scotland, United Kingdom with a First Class Honour degree in Bachelor of Science, Quantity Surveying in 1996. He started his career as a Technical Site Clerk in Antah Transact Sdn Bhd in 1988 and later in the same year he joined the company to pursue his career with Pakatan International Sdn Bhd as a Quantity Surveyor in 1994.

Encik Mohd Noorshahran bin Md Salleh, aged 36, joined TRC in 1993 as a Project Engineer and was subsequently reassigned to the post of Senior Engineer. He holds a Bachelor of Science Degree in Civil Engineering. He started his career as a Junior Site Engineer with Ireka Construction Berhad for the North-South Inter Urban Toll Expressway in 1990. He later joined Hume Spun Piles Sdn Bhd before his appointment with TRC.

Encik Noryani bin Md Nor, aged 36, joined TRC in 1994 as a Site Engineer and was subsequently reassigned to the post of Senior Engineer in 1996. He holds a Bachelor of Science Degree in Civil Engineering. He started his career as a Site Engineer in 1989. From 1990 to 1994, he was Site Engineer in a couple of construction companies namely United Engineers (M) Bhd and Road Builders (M) Sdn Bhd.

Encik Abd Razak Mohd Yusoff, aged 37, joined TRC as a Senior Executive in 1994, and was subsequently reassigned to the post of Planning Co-ordinator in 1996. He holds a Bachelor of Science Degree in Urban Planning. He started his career as a Research Assistant with Universiti Teknologi MARA and then Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd before his appointment with TRC.

Encik Hadzori bin Umar, aged 37, joined TRC as a Senior Engineer in December 1999. He holds a Bachelor of Science in Civil Engineering from the University of The Pacific-Stockton, California. He started his career as a Site Agent of Lotfi Construction Sdn Bhd in 1987. He later joined Timur Barat Batu Sdn Bhd in 1988 as a Project Manager and subsequently Taka Developmeent (M) Sdn Bhd in 1993 also as a Project Manager before his appointment with TRC.

Encik Mohamad Sarip bin Ahmad, aged 41, joined TRC as a Senior Surveyor in 1993. He obtained his First Diploma in Land Surveying in 1981 from ITM before obtaining his Second Diploma in Civil Engineering from Bedford College in 1984. Prior to joining TRC, he was under the employment of Wan Mohamed and Khoo Sdn Bhd as Senior Technical Assistant (Survey).

Encik Abdul Aziz bin Mohamed, aged 31, joined TRC as a Company Secretary in April 2002. He graduated from International Islamic University Malaysia in 1995 with a Bachelor of Laws. He started his career in October 1996 as Legal Executive cum Assistant to Company Secretary with Johore Tenggara Oil Palm Berhad ("JTOP") immediately after completing his nine months chambering with Messrs Hisham, Sobri & Kadir (Advocate & Solicitors). In August 1999, he was promoted as Company Secretary of JTOP before joining Halim Mazmin Berhad ("HMB") in August 2001. He left HMB in March 2002.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.4.2 Shareholdings of the Management Team

Name	Designation	No. of TRCS Ordinary Shares Held After the Restructuring and Flotation Scheme ⁽¹⁾			
		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Mohd Raffee bin Jalil	General Manager	2,525,000	3.61	-	-
Muhamad Shahaizi bin Abdul Hai	General Manager (Operation)	80,000 ⁽¹⁾	0.11	-	-
Yeoh Sook Keng	Head of Corporate Services	80,000 ⁽¹⁾	0.11	-	-
Richard Khoo Teng San	Chief Project Co-ordinator	80,000 ⁽¹⁾	0.11	-	-
Loh Leh Wong	Senior Contract Manager	80,000 ⁽¹⁾	0.11	-	-
Ir Terrence Chuai Teck @ Chai Teck	Senior Project Co-ordinator	80,000 ⁽¹⁾	0.11	-	-
Ir Ng Chek Pin	Senior Design Engineer	50,000 ⁽¹⁾	0.07	-	-
Mohd Noorshahran Bin Md Salleh	Senior Engineer	25,000 ⁽¹⁾	0.04	-	-
Mohamad Sarip bin Ahmad	Senior Surveyor	25,000 ⁽¹⁾	0.04	-	-
Ir Tan Khoon Kian	Construction Manager	50,000 ⁽¹⁾	0.07	-	-
Noryani Bin Md Nor	Senior Engineer	25,000 ⁽¹⁾	0.04	-	-
Hadzori bin Umar	Senior Engineer	15,000 ⁽¹⁾	0.02	-	-
Ir Chen Yuk Seong	Project Co-ordinator	40,000 ⁽¹⁾	0.06	-	-
Henry Harry Anak Jinep	Deputy Contract Manager	40,000 ⁽¹⁾	0.06	-	-
Abd Razak Mohd Yusoff	Planning Co-ordinator	25,000 ⁽¹⁾	0.04	-	-
Mohd Nazari bin Rahman	Purchasing Manager	25,000 ⁽¹⁾	0.04	-	-
Abdul Aziz bin Mohamed	Company Secretary	10,000 ⁽¹⁾	0.01	-	-

Note:-

(1) Based on their respective entitlements as eligible employees

5.5 Declarations from the Directors and Management Team

No director, senior executive officer or person nominated to become a director or senior executive officer is or has been involved in any of the following events:

- (i) a petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was or is a partner or any corporation of which he was or is a director or senior executive officer;
- (ii) a conviction in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) being the subject of any order, judgement or ruling of any court, tribunal or government body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS & KEY MANAGEMENT (Cont'd)

5.6 Family Relationship

Save for En. Muhamad Shahaizi bin Abdul Hai who is the brother-in-law of En. Abdul Aziz bin Mohamad, there are no family relationships among the Directors and key management staff as mentioned above.

5.7 Management Agreement

None of the Directors and key management of the Company has any current or proposed service contracts with the Company or any of its subsidiary companies, which are not terminable by notice without payment of compensation.

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6. APPROVALS AND CONDITIONS

6.1 Approvals and Conditions

Approvals for the Public Issue and Offer For Sale have been received from the FIC on 19 February 2001 and 26 February 2002, MITI on 27 February 2001 and 20 February 2002 and the SC on 29 January 2002 respectively. The conditions imposed by all the authorities and the status of compliance are set out as follows:-

	Date of Approval	Details of Conditions Imposed	Status of Compliance
FIC	19 February 2001	1. TRCS is to obtain the approval of MITI	TRCS obtained the approval of MITI on 27 February 2001 and 20 February 2002
	26 February 2002	1. The conditions imposed are as per FIC's letter dated 19 February 2001	Met
MITI	27 February 2001	1. TRCS to obtain the approval of SC and FIC	TRCS obtained the approvals of FIC and SC on 19 February 2001 and 26 February 2002, and 29 January 2002 respectively.
	20 February 2002	1. MITI will recognise the existing 72.14% Bumiputera shareholdings on condition that 45% of the enlarged share capital of the company cannot be sold or transferred without the prior written approval from MITI	To be complied
SC	29 January 2002	<p>1. A moratorium is imposed on the disposal of shares by the major shareholders/promoters of TRCS namely Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd whereby they are not allowed to sell, transfer or assign their shares of 31,500,000 ordinary shares of RM1.00 each representing 45% of the enlarged share capital for a period of one (1) year from the date of admission to the Main Board of the KLSE. Thereafter, they are allowed to sell, transfer or assign, in every subsequent year, up to a maximum of 1/3 per annum of their shareholdings in TRCS which are placed under moratorium.</p> <p>The moratorium condition is also imposed on the ultimate shareholders of Kolektif Aman Sdn Bhd and TRC Capital Sdn Bhd, whereby each of the ultimate shareholders are required to provide an undertaking that they will not sell, transfer or assign their shareholdings in the said companies throughout the moratorium period.</p>	Letters of undertaking dated 11 June 2002 have been provided.

6. APPROVALS AND CONDITIONS (Cont'd)

	Date of Approval	Details of Conditions Imposed	Status of Compliance
		<p>2. The promoters and directors of TRCS shall not be involved in any new business that will give rise to a conflict of interest situation with the existing business of TRCS.</p> <p>They are required to make full disclosure of their related involvement or conflict of interests, if any, that may arise and compete with the business of TRCS in the prospectus of TRCS. In this regard, they are also required to provide a detailed explanation on how the conflict of interest situation between the new TRCS Group and the other companies will be resolved in the prospectus of TRCS.</p> <p>3. TRCS is not allowed to venture into or be involved in any new activities or business which are not related to its core business for a period of three (3) years after its admission to the Main Board of the KLSE.</p> <p>4. TRCS is required to make full disclosure on any business transactions with related parties/substantial shareholders and directors of TRCS in the prospectus. Any future business transactions between the TRCS Group and related parties/substantial shareholders and directors must be based on "arms length" and not based on terms unfavourable to the TRCS Group. In this regard, the Audit Committee of TRCS is required to monitor the terms of the business and the Board of Directors of TRCS is to report on any such transactions, if any, in the annual report of TRCS.</p> <p>5. TRCS is required to disclose and provide a written confirmation to the SC that as at the date of the issuance of prospectus, TRCS has sufficient contracts-in-hand to sustain reasonable level of profits for at least three (3) years after listing</p> <p>6. TRCS is required to fully comply with the relevant requirements for listing as stipulated under Chapter 7, 10, 11 and 25 of the SC Guidelines</p> <p>7. TRCS is required to comply with the conditions imposed by FIC and MITI.</p>	<p>Letter of undertaking dated 20 June 2002 has been provided.</p> <p>Complied and disclosed in Section 7.1 of this Prospectus.</p> <p>Letter of undertaking dated 11 June 2002 has been provided.</p> <p>Complied and disclosed in Section 7.1 of this Prospectus.</p> <p>Letter of undertaking dated 20 June 2002 has been provided.</p> <p>To be complied</p> <p>To be complied</p>

6. APPROVALS AND CONDITIONS (Cont'd)

	Date of Approval	Details of Conditions Imposed	Status of Compliance
		<p>8. Conditions to be complied for the utilisation of proceeds are as follows:</p> <p>(i) SC's approval must be obtained for any changes to the original utilisation of proceeds if the said utilisation involves any utilisation other than for the core business of TRCS;</p> <p>(ii) The approval of shareholders must be obtained for any changes of 25% or more in the said utilisation of proceeds. If the change is less than 25%, the appropriate disclosure must be made to the shareholders of TRCS;</p> <p>(iii) Any extension of time from the timing determined by TRCS for the utilisation of proceeds must be approved by a final resolution of the Board of Directors of TRCS and disclosure must be made to the KLSE; and</p> <p>(iv) The appropriate disclosure on the status of the utilisation of proceeds must be made in the quarterly reports of TRCS and annual report of TRCS until the said utilisation is completed.</p>	Will be complied

6.2 Moratorium on Disposal of Shares

The SC have placed a moratorium on the shareholdings of the promoters of TRCS as follows:-

Shareholders	No. of ordinary shares of RM1.00 each held pursuant to the listing	% of enlarged issued and paid-up share capital	No. of shares of RM1.00 each placed under moratorium	% of enlarged issued and paid-up share capital
TRC Capital Sdn Bhd	16,200,000	23.14	15,750,000	22.50
Kolektif Aman Sdn Bhd	16,200,000	23.14	15,750,000	22.50
Total	32,400,000	46.28	31,500,000	45.00

The above shareholders, who collectively own a total of 32,400,000 ordinary shares of RM1.00 each representing 46.28% of the enlarged issued and paid-up share capital of TRCS pursuant to the listing, have been imposed with a moratorium on the sale of their shares proportionately according to their respective shareholdings for one (1) year from the date of admission of TRCS on the official list of the Main Board of the KLSE.

Thereafter, the above shareholders will be allowed to sell, transfer or assign only up to a maximum of one-third per annum (on a straight line basis) of their respective shareholding under moratorium, such permission to sell being cumulative so that the restriction on sale, transfer or assign shall cease to apply upon expiry of the fourth year after the date of admission of TRCS on the official list of the Main Board of the KLSE.

6. APPROVALS AND CONDITIONS (Cont'd)

The restriction, which has been fully accepted by the aforesaid shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the aforesaid shareholders which are under moratorium to ensure that TRCS' registrar do not register any transfer not in compliance with the restriction imposed by the SC and KLSE.

The remarks to be endorsed on these share certificates are as follows:

“The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission (“Moratorium Period”). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction.”

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7. RELATED PARTY TRANSACTION/CONFLICT OF INTEREST

7.1 Related Party Transaction

7.1.1 Promotions of any assets acquired/to be acquired within two years preceding the date of Prospectus

Save as disclosed below, none of the Directors nor substantial shareholders of the Company has any interest, direct or indirect, in the Acquisition of TRC, and none of the Directors has any interest, directly or indirectly in the promotion of or in any assets acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to the Company or any of its subsidiary companies within the two (2) years preceding the date of this Prospectus.

The following Directors and substantial shareholders of the Company were deemed to have an interest in the Acquisition of TRC as follows:-

Name of Directors and substantial shareholders	Nature of Relationship
Dato' Hj Sufri bin Hj Mohd Zin	He was a substantial shareholder of TRC. Currently, he is a director of TRC, TRCCI, TRCD and AB. In addition, he is also a substantial shareholder of AB.
Mohd Raffee bin Jalil	He was a substantial shareholder of TRC.
TRC Capital Sdn Bhd	The company was a substantial shareholder of TRC.
Kolektif Aman Sdn Bhd	The company was a substantial shareholder of TRC.

7.1.2 Directors and Substantial Shareholders' Interest in AB

Projects secured from AB currently contribute approximately 35.71% of the Group's contracts value in hand as at 14 June 2002 and is expected to contribute 18.42% and 28.78% to the Group's turnover and 16.30% and 25.21% to the Group's gross profit for the financial year 2002 and 2003 respectively.

TRC holds 40% equity interest in AB, Dato' Hj Sufri bin Mohd Zin who is a substantial shareholder of TRCS holds 51% interest in AB and Abdul Aziz bin Mohamad who is an Executive Director of TRCS holds the remaining 9% equity interest in AB. The issue of a conflict of interest is largely mitigated pursuant to the Development Agreement and Supplementary Development Agreement executed between Tebrau Bay Sdn Bhd (formerly known as KPRJ Nusantara Sdn Bhd) and AB on 19 May 1999 and 25 February 2000 respectively. Kumpulan Prasarana Rakyat Johor Sdn Bhd ("KPRJ") who is the registered landowner of the properties identified under the Development Agreement, has executed a Power of Attorney for KPRJ Nusantara Sdn Bhd to manage and develop the said properties. KPRJ is a wholly-owned subsidiary of the Johor State Government.

Section 5.01 and 5.02 of the Supplementary Development Agreement stipulates the requirement for mutual agreements between Tebrau Bay Sdn Bhd and AB in relation to the administration of the development of the project. As such, Dato' Hj Sufri bin Mohd Zin either personally or as a representative of AB is not empowered to make any decisions unilaterally without agreement of Tebrau Bay Sdn Bhd in relation to the project. Likewise, decisions made at the TRCS Group would require the approval of the Board of Directors of TRCS Group and not the sole authority of Dato' Hj Sufri bin Mohd Zin. In addition, the Audit Committee of the Group, comprising two (2) Independent Non-Executive Directors would help in providing the check and balance of any transactions entered into by the related parties.

7. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST (Cont'd)

7.1.3 Transactions between the Group and the Promoters/Directors

Save as disclosed below, as at the date of this Prospectus there have been no transactions between the Group and the Promoters or directors of the Group:-

- (i) A corporate guarantee was granted by TRC to Bank Rakyat Malaysia Berhad (“Bank Rakyat”) for AB to secure banking facilities of up to RM22.0 million of which RM8.528 million is currently outstanding as at 14 June 2002.

Steps will be taken by TRC upon listing to discharge the corporate guarantee. Bank Rakyat vide their letter dated 12 April 2001 has approved the discharge subject to substitution of securities in the form of shares in TRCS by the Promoters.

7.2 Interest in Similar Business

Save as disclosed below, none of the Directors or a substantial shareholder and/or Key Management are interested, directly or indirectly in any business carrying on a similar trade as the Company and its subsidiary companies:-

- (i) Dato’ Hj Sufri bin Hj Mohd Zin has a substantial shareholding in AB, as disclosed in Section 4.5.4; and
- (ii) Abdul Aziz bin Mohamad has a substantial shareholding in AB as disclosed in Section 4.5.4.

7.3 Declaration by the Advisers

Save as disclosed below, Aseambankers hereby confirms that there is no conflict of interest in its capacity as the Adviser, Managing Underwriter and Placement Agent for the Public Issue and Offer for Sale:-

- (i) As part of a syndicated credit facility of which Aseambankers acts as the Manager and Agent, a performance bond guarantee was extended to the TRCS Group amounting to RM13.410 million of which approximately RM13.405 million is outstanding as at 14 June 2002. In addition, Aseambankers has also directly extended a performance bond guarantee amounting to RM500,000 to the TRCS Group of which the full amount is still outstanding as at 14 June 2002; and
- (ii) Malayan Banking Berhad, the holding company of Aseambankers, has extended various banking facilities to TRCS Group, which include, amongst others, overdraft facility, bank guarantee facility and revolving credit, amounting to RM45.8 million of which approximately RM33.056 million is outstanding as at 14 June 2002.

Messrs Lee Choon Wan & Co. has given the confirmation that there is no conflict of interest in their capacity as Solicitors for the Public Issue and Offer for Sale.

Messrs Kumpulan Naga has given the confirmation that there is no conflict of interest in their capacity as Auditors and Reporting Accountants respectively for the Public Issue and Offer for Sale.

Abner (S.E.Asia) Sdn Bhd has given the confirmation that there is no conflict of interest in their capacity as Independent Market Research Consultant for the Public Issue and Offer for Sale.

KGV-Lambert Smith Hampton (M) Sdn Bhd has given the confirmation that there is no conflict of interest in their capacity as Valuers for the Public Issue and Offer for Sale.

8. OTHER INFORMATION ON TRCS GROUP**8.1 Major Registration/Licences and Permits Obtained**

Company	Authority	Type	Expiry Date	Conditions	Status of Compliance
TRC	Pusat Khidmat Kontraktor ("PKK")	Bumiputera	30 December 2002	<p>Conditions Precedent:</p> <p>1. the company shall guarantee that all times that the following criteria is fulfilled:</p> <p>(a) at least 51% of the company's shareholding is owned by Bumiputeras</p> <p>(b) individual Bumiputeras' shareholding shall exceed that of non-Bumiputeras' shareholding</p> <p>(c) at least 51% of the company's Board of Directors are held by Bumiputeras</p> <p>(d) The positions of Chief Executive Officer, Managing Director and key posts of the company are held by Bumiputeras</p> <p>(e) The company's organisation chart and management function shall reflect the control by Bumiputeras</p> <p>(f) Not to sub-contract the whole works or hand-over the management of a contract to other parties</p> <p>(g) Guarantees the participation of Bumiputeras as an active shareholder and plays a principal role in the management of the company as stated in sub-para (a) –(f)</p>	Met Met Met Met Met Met Met
TRC	PKK	Class A	30 December 2003	<p>The registration with PKK shall be cancelled if:</p> <p>(a) any of the shareholders in the company has a shareholding of more than 5% or RM50,000-00 (whichever is the lesser) with any other companies which has been registered with PKK in the same scope of work</p> <p>(b) any members of the management of the company or the employees with technical qualification are actively involved in any other company that has been registered with PKK in the same scope of work</p>	Met Met
TRC	Petroleum Nasional Berhad	Bumiputera Building (Class SB2) Civil Engineering & Maintenance (Class SC2)	30 September 2002	No conditions attached.	Not Applicable

8. OTHER INFORMATION ON TRCS GROUP (Cont'd)

Company	Authority	Type	Expiry Date	Conditions	Status of Compliance
TRC	CIDB	Grade G7 (Category B & CE)	27 November 2003	No conditions attached	Not Applicable
TRC	Malaysia Airports Berhad	Class 71720	21 February 2004	No conditions attached	Not Applicable
TRC	Unit Pendaftaran Kontraktor ("UPK") Negeri Sarawak	Class A	4 January 2004	<ol style="list-style-type: none"> UPK shall be informed of any changes to the company's structure involving the equity, shareholding, status and/or the name of the company in order to obtain the approval of the Pihak Berkuasa Kewangan Negeri. UPK shall be informed of any other changes to the company's information within 30 days from the date of the change. 	Met Met
TRC	UPK Negeri Sarawak	Bumiputera	4 January 2004	<p>The classification for Bumiputera status is based upon the Surat Pekeliling Perbendaharaan dated 19 June 1974 that is:</p> <ol style="list-style-type: none"> the company's majority (at least 51%) shareholders shall consist of Bumiputeras; and the majority (at least 51%) of employees from the management level shall be Bumiputeras; and the majority (at least 51%) of the employees of the company are Bumiputeras; The Bumiputeras must play an important and active role in the business of the company such as project management, representing the company in site meetings, executing of official letters, tender documents and cheques on behalf of the company 	Met Met
TRC	Putrajaya Holdings Sdn Bhd	Class CTR-T008	Indefinite		Not Applicable
TRC	Malaysia Shipyard And Engineering Sdn Bhd	Class SI0544	Indefinite		Not Applicable

8. OTHER INFORMATION ON TRCS GROUP (Cont'd)**8.2 Summary of Landed Properties**

The following are the properties owned by the TRCS Group:-

Registered / Beneficial Owner	Location	Tenure	Description of existing use	Approx. Age of buildings	Land area/built up area	Net Book Value @ 31 December 2001 RM	Open Market Value as appraised by the Valuer RM	Date of Valuation	Open Market Value as approved by the SC RM	Approved surplus/ (deficit)* RM
TRC	Developer's Shoplot Lot No. 27 Commerce Square Bintulu Park City Off Jalan Tun Ahmad Zaidi Bintulu Town District Sarawak	57-year leasehold expiring 30.03.2055	3- storey shop/ office	4 years	1,319.8 sq. ft/ 3,959.6 sq. ft	407,455	415,000	16 September 2000	415,000	(89,700)
TRC	Lot No. 886 Mukim of Ampangan District of Seremban Negeri Sembilan	Freehold	Unconverted land	-	13.948 acres	(2)	905,000	21 September 2000	905,000	96,675
TRC	Lot No. 3626 Section 16 Kuching Central Land District Sarawak	60-year leasehold expiring 18.04.2059	4-storey shop/office	3 years	2,214.2 sq.ft/ 8,856.8 sq. feet	946,347	965,000	15 September 2000	965,000	305,082
TRC	Lot No. PT 60849 to PT 60860 Mukim and District of Klang Selangor	Freehold	Industrial land	-	154,587.0 sq. ft	4,640,000	6,645,000	18 September 2000	4,640,000	3,239,970
TRC	Lot Nos. PT 9598 to PT 9734 (Subdivided Lots of Parent Lot No 492) Mukim of Ulu Klang District of Gombak	Freehold	Residential land	-	327,976.0 sq.ft	13,025,000	13,025,000	15 September 2000	13,025,000	638,465

8. OTHER INFORMATION ON TRCS GROUP (Cont'd)

Registered /Beneficial Owner	Location	Tenure	Description of existing use	Approx. Age of buildings	Land area/built up area	Net Book Value @ 31 December 2001 RM	Open Market Value as appraised by the Valuer RM	Date of Valuation	Open Market Value as approved by the SC RM	Approved surplus/ (deficit)* RM
TRC	Lot No. PT 19447 Mukim of Ampangan District of Seremban Negeri Sembilan	99-year leasehold expiring on 18.09.2095	Residential land	-	9,516 acres	552,325	570,000	21 September 2000	570,000	6,481
TRC	Lot No. PT 9259 Mukim of Setapak District of Gombak Selangor	Freehold	4-storey shop/office	11 years	1,760.0 sq. ft/ 7,040.0 sq. ft	858,052	1,220,000	23 September 2000	1,000,000	(534,627)
TRC	Lot Nos. PT 8904 and Part of PT 8905 Mukim and District of Klang Selangor	99-year leasehold expiring on 25.08.2068 and 23.08.2069 respectively	Unconverted land	-	5,469 acres	1,908,192 ⁽³⁾	1,680,000	15 September 2000	1,680,000	(1,152,461)
TRC	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	11 years	1,760.0 sq.ft (each)	428,500	525,000	26 August 2000	460,000	161,367
TRC	Kondominium Kirana Jalan Pinang Kuala Lumpur	Freehold	Apartment	1 year	3,681.3 sq. ft	1,803,521	1,862,500 ⁽¹⁾	-	-	-
Total						24,569,392	27,812,500		23,660,000	2,671,252

8. OTHER INFORMATION ON TRCS GROUP (Cont'd)

Notes:-

- * *As disclosed in Section 4.3.1 (b), the revaluation surplus was derived from the revaluation of the landed properties as approved by the SC less the net book value of the landed properties as at 31 October 2000.*
- (1) *The property was purchased on 5 June 2000 and the book value for the financial year ended 31 December 2000 is RM1,862,500.*
- (2) *The subject property was compulsorily acquired by the government under Gazette Notification WKNS.627/30.8.2001 dated 30 August 2001. The compensation received was RM1,887,130.*
- (3) *The net book value is higher than the open market value because the net book value has included RM280,000 paid to Selangor government as land premium in 2001 and is capitalised.*

8.3 Acquisition of properties during the two (2) years preceding the date of this Prospectus

None of the properties were acquired in the 2 years preceding the date of this Prospectus.

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9. FINANCIAL INFORMATION

9.1 Proforma Consolidated Profit and Dividend Records

The following table sets out a summary of the proforma TRCS Group's financial performance for the past five (5) financial years ended 31 December 2001 on the assumption that the Group structure has been in existence throughout the period under review.

Year ended 31 December	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Turnover	360,798	278,068	108,813	149,576	258,367
Consolidated profit before depreciation, interest and taxation	30,910	25,061	24,109	25,676	35,922
Depreciation	(8,295)	(8,470)	(7,857)	(7,869)	(7,763)
Consolidated profit before interest and taxation	22,615	16,591	16,252	17,807	28,159
Interest	(10,293)	(9,331)	(6,111)	(5,288)	(7,275)
Consolidated profit before taxation, exceptional item and minority interests	12,322	7,260	10,141	12,519	20,884
Exceptional items	-	-	-	-	-
Share of profit/(loss) of associated company	-	-	(148)	(261)	13
Consolidated profit before taxation and minority interests	12,322	7,260	9,993	12,258	20,897
Taxation	(3,012)	(1,432)	147	(3,776)	(6,751)
Consolidated profit after taxation but before minority interest	9,310	5,828	10,140	8,482	14,146
Minority interests	-	-	-	-	-
Consolidated profit after taxation and minority interest	9,310	5,828	10,140	8,482	14,146
No. of ordinary shares assumed in issue after the Acquisition of TRC but prior to the Rights Issue ('000)	49,052	49,052	49,052	49,052	49,052
Gross EPS (sen)	25.12	14.80	20.37	24.99	42.60
Net EPS (sen)	18.98	11.88	20.67	17.29	28.84
No. of ordinary shares assumed in issue after the Acquisition of TRC, Rights Issue, Public Issue and Offer For Sale ('000)	70,000	70,000	70,000	70,000	70,000
Fully diluted Gross EPS (sen)	17.60	10.37	14.28	17.51	29.85
Fully diluted net EPS (sen)	13.30	8.33	14.49	12.12	20.21
Dividend rate (%)	-	-	-	-	-

Please refer to the Accountant's Report as annexed in Section 10 of this Prospectus for further details on the proforma Group's performance

9. FINANCIAL INFORMATION (Cont'd)

9.2 Segmental Analysis of Revenue and Profits

Analysis of turnover by companies

	<----- Year ended 31 December ----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
TRC	340,079	272,475	108,087	143,423	246,950
TRCCI	22,104	5,273	3,593	5,282	10,735
TRCD	2,555	4,129	3,956	3,800	4,993
AB	-	-	-	-	-
	364,738	281,877	115,636	152,505	262,678
Less: Proforma consolidation adjustments	(3,940)	(3,809)	(6,823)	(2,929)	(4,311)
Proforma Consolidated Turnover	360,798	278,068	108,813	149,576	258,367

Analysis of profit after taxation and minority interests by companies

	<----- Year ended 31 December ----->				
	1997	1998	1999	2000	2001
	RM'000	RM'000	RM'000	RM'000	RM'000
TRC	8,320	6,280	10,854	8,696	13,641
TRCCI	879	(533)	(692)	(43)	192
TRCD	111	81	126	92	300
AB	-	-	(148)	(261)	13
	9,310	5,828	10,140	8,484	14,146
Less: Proforma consolidation adjustments	-	-	-	(2)	-
Proforma Consolidated PAT and MI	9,310	5,828	10,140	8,482	14,146

9.3 Impact of Interest Rates on Operating Profit

The impact of interest rates on operating profit is minimal as the Group has a low gearing level for the five (5) financial years ended 31 December 2001. The interest cover as compared to operating profit before depreciation, interest and taxation ranged between 2.69 times and 4.94 times.

The following table sets out the interest expense and profits before depreciation, interest and taxation for the past five (5) financial years ended 31 December 2001.

	<----- Year ended 31 December ----->				
	1997	1998	1999	2000	2001
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest expense	10,293	9,331	6,111	5,288	7,275
Profit before depreciation, interest and taxation	30,910	25,061	24,109	25,676	35,922
Interest coverage (times)	3.00	2.69	3.95	4.86	4.94

9. FINANCIAL INFORMATION (Cont'd)

Overview of Turnover and Profit Before Taxation***Financial Year Ended 31 December 1997***

For the financial year ended 1997, the TRCS Group achieved a turnover of RM360.8 million, an increase of approximately RM178 million or 97.43% over the previous year's turnover. The increase is attributable to the bustling domestic economic activity in the first half of 1997, characterized by an increased demand for infrastructure and civil works and the successful procurement of some major construction projects in the fourth and first quarter of 1996 and 1997 respectively such as construction of Bakun access road (approximately RM97 million), Bakun Resettlement Scheme (approximately RM52.8 million), construction of Teachers' Training College at Kota Samarahan, Sarawak (approximately RM68.4 million) and the Westport Rail Link Project (approximately RM268.1 million).

The profit before taxation for the financial year ended 1997 has decreased from RM13.4 million in 1996 to RM12.3 million. The decrease was due to the Group embarking on a capital expansion programme, which resulted in higher depreciation cost and the high cost of borrowings especially during the second half of 1997, which coincided with the regional economic downturn. This inadvertently resulted in a squeeze on TRCS Group's profit margin.

Financial Year Ended 31 December 1998

The turnover for the financial year ended 1998 declined to RM278.1 million from RM360.8 million, an decrease of approximately RM82.7 million or 22.9%. The decreased is mainly attributable to the slowdown in the construction sector brought about by the regional economic crisis and keen competition in the industry. Similarly the profit before taxation for the financial year ended 1998 has also decreased by RM5 million or 40.65% to RM7.3 million from the previous year of RM12.3 million. Furthermore, the decrease in profit before taxation is attributable to the decrease in turnover, higher depreciation and borrowing cost.

Financial Year Ended 31 December 1999

For the financial year ended 1999, the Group achieved a turnover of RM108.8 million, a decrease of RM169.3 million or 60.9% from the previous year as a result of the effects of the regional crisis continued to affect the construction sector. Despite the decrease in turnover, the Group managed to achieve an increase in profit before taxation of RM2.7 million or 36.99% to RM10.0 million primarily due to the success of the Group in securing and completing new higher margin projects and reign in projects costs and overheads through various effective cost cutting measures.

Financial Year Ended 31 December 2000

The turnover for the financial year ended 2000 increased to RM149.6 million from RM108.8 million achieved in the previous year, an increase of RM40.8 million or 37.5%. The increase is primarily due to the recovery in the economy as a result of government's fiscal expansion policy which led to increased opportunity within the construction sector and which the Group managed to procure a number of major construction projects such as the roadwork from Simpang Pulai-Lojing-Gua Musang-Kuala Berang Package 4A and 4B and upgrading of road from Betong Kayu Malam Package A, Sarawak which has contributed approximately RM22.22 million and RM31.31 million respectively to the turnover. Correspondingly, the profit before taxation for the financial year ended 2000 also increased to RM12.3 million from RM10.0 million in the previous year, an increase of RM2.3 million or 23.0%.

9. FINANCIAL INFORMATION (*Cont'd*)

Financial Year Ended 31 December 2001

For the financial year ended 2001, the Group achieved a turnover of RM258.4 million, an increase of RM108.8 million or 72.7% from the previous year. The increase in turnover is largely due to the Group securing the following projects:-

- Penempatan Semula di Kampung Sungai Pau, Sik, Kedah (approximately RM67.5 million);
- East Malaysia Hospitals – Keningau Package 4 (approximately RM78.8 million)
- Merekabentuk, Membina and Menyiapkan Projek Lebuhraya Pantai Timur Fasa 1 dari Karak-Kuantan ke Sempadan Pahang / Terengganu (Package 1E1) (approximately RM28.4 million)

As for the profit before taxation, the Group achieves RM20.9 million as compared to the previous year of RM12.3 million, an increase of RM8.6 million or 69.92%.

9.4 Directors' Declaration on Financial Performance

As at 14 June 2002, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on financial performance, position and operations of the TRCS Group;
- (ii) material commitment for capital expenditure;
- (iii) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the TRCS Group; and
- (iv) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

9.5 Working Capital, Borrowings, Contingent Liabilities and Material Commitment

Working Capital

The Directors of the TRCS Group are of the opinion that after taking into account the cashflow projections and banking facilities available, the Group will have adequate working capital for its foreseeable future requirements.

Borrowings

As at 14 June 2002 (being the last practicable date of which, such amounts could be calculated prior to the printing of this Prospectus), the total bank facilities of the Group amounted to RM257.2 million, out of which RM168.2 million has been utilised.

9. FINANCIAL INFORMATION (Cont'd)

Save as disclosed below, the Group does not have any other loan capital outstanding or created but unissued, mortgages or charges outstanding.

Interest Bearing Borrowings as at 14 June 2002	Facility Limit (RM'000)	Outstanding (RM'000)
Short Term	129,300	70,363
Long Term	52,762	39,258
	<u>182,062</u>	<u>109,621</u>
	Facility Limit (RM'000)	Outstanding (RM'000)
Non-Interest Bearing Borrowings as at 14 June 2002	<u>75,132</u>	<u>58,566</u>

In addition to the above, the Group also has a foreign exchange facility with RHB Bank Bhd amounting to RM10 million as at 14 June 2002.

Contingent Liabilities

Save as disclosed below, as at 14 June 2002 (being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus), there are no material contingent liabilities incurred by the Company or its subsidiary companies.

	Amount (RM' million)
Corporate guarantee granted by TRC to Bank Rakyat for AB to secure banking facilities	22.0
Total	<u><u>22.0</u></u>

As at 14 June 2002, RM8.528 million is currently outstanding. Upon listing of the Company, the promoters shall pledge their shares in TRCS to Bank Rakyat to replace the corporate guarantee. The arrangement has been approved by Bank Rakyat vide their letter dated 12 April 2001.

Material Commitments

Save as disclosed below, as at 14 June 2002 (being the latest practicable date at which such amounts could be calculated prior to the printing of this Prospectus), there are no material commitments incurred or known to be incurred by TRCS or its subsidiary companies, which may have a substantial impact on the result or the financial position of the Company.

	Amount (RM' million)
Approved and contracted for:	
Machinery	3.0
Approved but not contracted for:	
Machinery	3.0
Total	<u><u>6.0</u></u>

9. FINANCIAL INFORMATION *(Cont'd)*

9.6 Consolidated Profit Forecast

The Directors of TRCS forecast that, in the absence of unforeseen circumstances, the Group results for the financial year ending 31 December 2002 are as follows:-

	Forecast RM'000
Turnover	363,869
Consolidated Profit Before Taxation And Minority Interests	30,096
Taxation	<u>(8,427)</u>
Consolidated Profit After Taxation but Before Minority Interests	21,669
Minority Interests	<u>-</u>
Consolidated Profit After Taxation and Minority Interests	<u><u>21,669</u></u>
Weighted average number of ordinary shares in issue* ('000)	47,513
Enlarged issued and paid-up share capital ('000)	70,000
Gross EPS (sen)	63.34
Net EPS (sen)	45.61
Fully diluted gross EPS** (sen)	42.99
Fully diluted net EPS** (sen)	30.96
Gross PE multiple based on the Issue/Offer Price of RM1.60 per share (times)	2.53
Net PE multiple based on the Issue/Offer Price of RM1.60 per share (times)	3.51
Fully diluted gross PE multiple based on the Issue/Offer Price of RM1.60 per share** (times)	3.72
Fully diluted net PE multiple based on the Issue/Offer Price of RM1.60 per share** (times)	5.17

* *The weighted average number of shares in issue is calculated on the basis of the Acquisition of TRC and Rights Issue are completed in March 2002 and June 2002 respectively whilst the Public Issue and Offer For Sale are completed in August 2002.*

** *Calculated based on the enlarged issue and paid-up share capital of 70,000,000 ordinary shares of RM1.00 each.*

The principal assumptions upon which the consolidated profit are forecast has been made are set out in the report as prepared by the Reporting Accountants is set out in Section 9.7 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)

9.7 Reporting Accountants' Letter on the Consolidated Profit Forecast for the Financial Year Ending 31 December 2002
(Prepared for inclusion in this Prospectus)

Private and Confidential

24 June 2002

The Board of Directors
TRC Synergy Berhad
Wisma TRC
217 & 218 Jalan Negara 2,
Taman Melawati,
53100 Ulu Klang,
Selangor Darul Ehsan.

Gentlemen

TRC SYNERGY BERHAD
CONSOLIDATED PROFIT FORECAST FOR THE YEAR ENDING 31
DECEMBER 2002

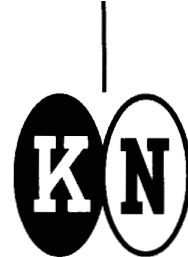
We have reviewed the accounting policies and the calculations for the consolidated profit forecast of TRC Synergy Berhad ("TRCS" or "the Company") and its subsidiary companies ("TRCS Group" or the "Group"), for which the Directors of TRC Synergy Berhad are solely responsible, as set out in the Prospectus to be dated 28 June 2002 in connection with the offer for sale of 3,500,000 existing ordinary shares of RM1.00 each in TRCS to entitled employees of TRCS Group by the existing shareholders of TRCS at an offer price of RM1.60, Public Issue of 16,000,000 new ordinary shares of RM1.00 each of TRCS at an issue price of RM1.60; and the Listing of and quotation for, the entire issued and paid-up capital of TRCS on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE")

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumption made by the Directors as set out in the Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by the TRCS Group.

Yours faithfully

KUMPULAN NAGA
Firm Number: AF 0024
Chartered Accountants (M)

T. NAGARAJAN
Approval Number: 824/04/04(J)



CHARTERED ACCOUNTANTS
Assurance and Advisory Business Services (AABS)

KUMPULAN NAGA

Co. No: AF-0024

25M, Jalan Thambi Abdullah Satu,
Jalan Tun Sambanthan (Brickfields),
50470 Kuala Lumpur, Malaysia.
Tel: 603-2274 6359, 2274 6577, 2274 6360
2273 1724, 2273 1702
Fax: 603-2273 1710, 2272 2207
E-mail: kn@vip.com.my
E-mail: keconomy@pd.jaring.my

9. FINANCIAL INFORMATION (Cont'd)

**CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING
31 DECEMBER 2002**

The Directors of TRC Synergy Berhad forecast that, in the absence of unforeseen circumstances, the consolidated results for the financial year ending 31 December 2002, will be as follows:

	2002 (Forecast) RM'000
Turnover	363,869
Profit before taxation	30,096
Taxation	(8,427)
Profit after taxation	21,669
Number of shares assumed in issue ('000)	70,000
Gross EPS (sen)	42.99
Net EPS (sen)	30.96
Net PE multiple based on the Issue/Offer Price of RM1.60 per TRCS shares (times)	5.17

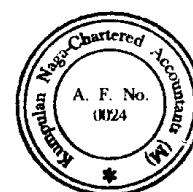


9. FINANCIAL INFORMATION (Cont'd)

BASES AND ASSUMPTIONS

The principal bases and assumptions upon which the consolidated profit forecast have been prepared are set out below:

1. The Public Issue will be completed and the proceeds arising there from of RM 25,600,000 will be received by 30 August 2002.
2. There will be no significant and material changes to the existing structure of the proposed Group except for the proposed acquisition of Trans Resources Corporation Sdn. Bhd.
3. The consolidated profit forecast has been prepared on bases and accounting principles consistent with those previously adopted in the presentation of the audited financial statement.
4. There will be no changes in the accounting policies currently adopted by the Group.
5. There will be no material changes in the management of the Group.
6. There will be no material adverse changes to the Malaysian and world economic and political environment in which the proposed Group, its suppliers and customers operate.
7. There will be no material adverse changes in the present legislations and Government regulations including tariffs, duties, levies and taxes affecting the activities or the market in which the proposed Group operates.
8. There will be no major breakdown or disruption in the construction facilities, industrial disputes or any other abnormal factors, which will adversely affect the operations of the proposed Group.
9. There will not be any material fluctuations in inflation rates and exchange rates of foreign currencies against the Ringgit Malaysia from the current prevailing rates.
10. Existing financial facilities will remain available to the Group with no significant changes in the currently prevailing interest rates. The proposed Group will also be able to obtain additional financing facilities at interest rates approximating those currently available to the proposed Group.
11. The proposed scheme will be successfully implemented and all shares allotted at the proposed issue price and will be fully paid up.
12. There will be no significant changes in the principal activities, accounting policies, management policies, operating policies and management of the proposed Group.
13. There will be no material unfavourable conditions that will adversely affect the implementation of the proposed scheme and the operations of the proposed Group.
14. There will be no material shortage in the availability of labour and raw materials.
15. The raw materials normally used by the proposed Group will be available at prevailing market prices.



9. FINANCIAL INFORMATION (Cont'd)

16. The tax liability will be at the prevailing tax rate and all tax incentives claimed, will be approved by the Inland Revenue Board. The corporate tax rate for the forecast year is assumed to be at 28%.
17. Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future.
18. Capital expenditure programmes will be implemented and incurred as scheduled and there will be no material investments or disposals other than those planned.
19. There will be no delay in the commencement of new development projects and the progress of property development projects undertaken by the proposed Group will be as scheduled.
20. Approvals, licenses and other authorisation from the relevant authorities for the proposed Group's property development projects will be obtained as planned.
21. There will be no unfavourable conditions affecting the property market and construction industry and the proposed Group's property development and construction projects will commence as planned.
22. The various stages of completion of property development projects in the forecast will be achieved. There will be no subsequent variation in the forecast of the property development projects.
23. Collection of progress billings and payments of expenses and development expenditure will be as scheduled.



9. FINANCIAL INFORMATION (Cont'd)

9.8 Directors' Analysis of Profit Forecast for the Financial Year Ending 31 December 2002

Incorporating the effects of the Public Issue, the Group's consolidated turnover is expected to be approximately RM363.87 million, representing an increase of RM105.50 million or 40.8% over the turnover for the financial year ended 31 December 2001. This is mainly attributable to some major projects secured by the TRCS Group and the recognition of full years' turnover for the following projects secured in 2001:-

		Contract Value RM
(i)	Putrajaya Roadwork Package R11	81,715,388
(ii)	Putrajaya Roadwork Package P4	54,699,223
(iii)	Project Penempatan Semula di Sg. Pau, Sik, Kedah	67,506,399

The Group is expected to achieve a consolidated PAT of approximately RM21.67 million, representing an increase of RM7.52 million or 53.2% over the PAT for the financial year ended 31 December 2001 corresponding with the expected increase in turnover. The increase is also attributable to the higher profit margin for some new projects secured by the TRCS Group eg. Pembinaan Jalan Pantai Baru dari Tanjung Kidurong-Suai-Bakam, Sarawak.

The Group is expected to benefit from the prime pumping measures taken by the Government. In accordance with the 8MP, the Government has allocated RM27 billion for infrastructure and utilities sectors. The Group's future plans of diversifying into upstream and downstream activities to create synergy and efficiency would have a further positive impact on its turnover and profitability.

For the financial year ending 31 December 2002, the on-going projects such as Putrajaya Roadwork Package R11, Putrajaya Roadwork Package P4 and Pembinaan Jalan Pantai Baru dari Tanjung Kidurong-Suai-Bakam, Sarawak which will proceed in full swing in year 2002 will provide a major boost to the Group's turnover and profitability,

Proceeds from the Public Issue and Rights Issue will help to reduce the Group's gearing and with the banking facilities available, the Directors of TRCS are of the opinion that the Group will have adequate working capital for its foreseeable future requirements.

The Directors of TRCS have reviewed and considered the reasonableness of the bases and assumptions used in arriving at the consolidated profit forecast for the financial year ending 31 December 2002 and to the best of their knowledge and belief and are of the opinion that the consolidated profit forecast for the financial year ending 31 December 2002 to be true and fair in the light of the future prospects of the industry, future plans and strategies to be adopted by TRCS and TRCS's level of liquidity and working capital requirements.

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9. FINANCIAL INFORMATION (Cont'd)

9.9 Sensitivity Analysis

9.9.1 Variations in Turnover

Forecast for Financial Year Ending 31 December 2002										
	Turnover RM'000	Direct Cost RM'000	PBT RM'000	%	PAT RM'000	%	Gross Profit Margin %	%	Net Profit Margin %	%
As Forecast (net of MI)	363,869	333,773	30,096	-	21,669	-	8.27	-	5.96	-
Up 10%	400,256	333,773	66,483	120.90	47,868	120.91	16.61	8.34	11.96	6.00
Up 5%	382,062	333,773	48,289	60.45	34,768	60.45	12.64	4.37	9.10	3.14
Down 10%	327,482	333,773	(6,291)	(120.90)	(6,291)	(129.03)	-	-	-	-
Down 5%	345,676	333,773	11,903	(60.45)	8,570	(60.45)	3.44	(4.83)	2.48	(3.48)

The sensitivity analysis is prepared based on forecast assumptions set out in Section 9.7 herein and assuming all other things remain unchanged except for 5% and 10% upward and downward variations in the turnover.

As shown in the table, when turnover is revised upward by 5% and 10%, PBT is expected to increase by 60.45% and 120.90% respectively. On the other hand, when turnover is revised downward by 5%, PBT is expected to decrease by 60.45%. A 10% decrease in turnover will result in a loss before tax of RM6.291 million.

9.9.2 Variations in Direct Cost

Forecast for Financial Year Ending 31 December 2002										
	Turnover RM'000	Direct Cost RM'000	PBT RM'000	%	PAT RM'000	%	Gross Profit Margin %	%	Net Profit Margin %	%
As Forecast	363,869	333,773	30,096	-	21,669	-	8.27	-	5.96	-
Up 10%	363,869	367,150	(3,281)	(110.90)	(3,281)	(115.14)	-	-	-	-
Up 5%	363,869	350,462	13,407	(55.45)	9,653	(55.45)	3.68	(4.59)	2.65	(3.31)
Down 10%	363,869	300,396	63,473	110.90	45,701	110.90	17.44	9.17	12.56	6.6
Down 5%	363,869	317,084	46,785	55.45	33,685	55.45	12.86	4.59	9.26	3.3

The sensitivity analysis is prepared based on forecast assumptions set out in Section 9.7 herein and assuming all other things remain unchanged except for 5% and 10% upward and downward variations in the direct cost.

As shown in the table, a 10% increase in direct cost is expected to incur a loss before tax of RM3.281 million. A 5% increase in direct cost is expected to reduce the PBT by 55.45%. On the contrary, if the direct cost is revised downward by 5% and 10%, PBT is expected to increase by 55.45% and 110.90% respectively.

9. FINANCIAL INFORMATION (Cont'd)

From the above analysis, it can be concluded that the performance of the Group is sensitive to the variation in turnover and direct cost. The Group, however, has taken precautionary measures that are within its control to minimise the variation, amongst other, the following:-

- The Group has invested in a big fleet of machineries worth more than RM50 million to minimise the risk of fluctuation in machineries rental rate.
- In line with the Group's subsidiary, TRC achieving the ISO 9001 : 2000, it has implemented a comprehensive budgetary control system for early detection and remedial action to address cost variation.
- The Group has diversified upstream into manufacturing of concrete products to contain cost and improve efficiency.

9.10 Dividend Forecast

It is the policy of the Directors of TRCS in recommending dividends to allow shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the Group.

Barring unforeseen circumstances, the Directors of TRCS expect to declare a proposed tax exempt dividend of 5% for the financial year ending 31 December 2002 based on the enlarged issued and paid-up share capital of 70,000,000 ordinary shares of RM1.00 each.

Based on the Issue/Offer Price of RM1.60 per share, the gross dividend yield per share would be approximately 3.13% and the net dividend cover is 6.19 times based on the earnings for the financial year ending 31 December 2002.

The intended appropriation of the consolidated profit forecast after taxation in respect of the respective financial year ending 31 December 2002 would be as follows:

For the year ending 31 December 2002	Forecast RM'000
Consolidated profit before taxation and minority interests	30,096
Less: Taxation	(8,427)
Consolidated profit after taxation but before minority interests	21,669
Minority interest	-
Consolidated profit after taxation and minority interests	21,669
Proposed dividend (tax exempt)	(3,500)
Retained profit for the year	18,169
Gross dividend per share (sen)	5.0
Net dividend per share (sen)	5.0
Gross dividend yield based on the Issue/Offer Price of RM1.60 per share (%)	3.13
Net dividend yield based on the Issue/Offer Price of RM1.60 per share (%)	3.13
Net dividend cover (times)	6.19

The declaration, amount and payment of dividends are subject to the approval by the shareholders of TRCS on recommendation of the Board of Directors. TRCS currently expects to pay dividends on an annual basis but has not established (and does not expect to establish) any fixed percentage of earnings allocated for the payment of dividends. Any variation from the forecast dividend would depend on TRCS's results of operations, financial conditions, cash requirements and other factors deemed relevant by the Board of Directors.

9. FINANCIAL INFORMATION (Cont'd)

9.11 Proforma Consolidated Balance Sheet As At 31 December 2001 (Prepared for inclusion in this Prospectus)

TRC SYNERGY BERHAD PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2001

The Proforma Consolidated Balance Sheet of TRC Synergy Berhad as set out below are provided for illustrative purposes only to show the effects of the incorporation of the acquisition of TRC, the Rights Issue and the Public Issue on the balance sheet of TRC Synergy Berhad as at 31 December 2001.

	Audited Account as At 31 December 2001 RM'000	After the Acquisition of TRC Sdn Bhd RM'000	After Rights Issue RM'000	After Public Issue RM'000
Fixed Assets		64,902	64,902	64,902
Associated Companies		5,203	5,203	5,203
Investment		254	254	254
Development Expenditure		276	276	276
Deferred Expenditure	696	696	696	-
Current Assets	-	172,304	172,304	172,304
Current Liabilities	709	166,411	161,463	137,367
Net Current (Liabilities)/Assets	(709)	5,893	10,841	34,937
	(13)	77,224	82,172	105,572
Financed By				
Share Capital	*	49,052	54,000	70,000
Share Premium	-	5,396	5,396	12,796
(Accumulated Loss)/ unappropriated profit	(13)	14,131	14,131	14,131
Shareholders funds	(13)	68,579	73,527	96,927
Non Current Liabilities	-	8,645	8,645	8,645
	(13)	77,224	82,172	105,572
Net Tangible Assets per Ordinary Share of RM1.00 each (RM)	NM	1.38	1.35	1.38

Footnote:

NM: Not Meaningful

* : RM2.00



9. FINANCIAL INFORMATION (Cont'd)**TRC SYNERGY BERHAD****NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2001**

The Proforma Consolidated Balance Sheet have been prepared for illustrative purposes only on the assumption that the following had already been effected on 31 December 2001.

1. The Proforma Consolidated Balance Sheets has been prepared on bases and accounting principles consistent with those previously adopted in the presentation of the audited financial statement.
2. Acquisition of Trans Resources Corporation Sdn Bhd and its subsidiaries for a consideration of RM54,448,781 satisfied by the issue of 49,052,252 new ordinary shares of RM1.00 each in TRC Synergy Berhad, at an issue price of RM1.11 per share credited as fully paid.
3. The Rights Issue of 4,947,746 new ordinary shares in RM1.00 each in TRC Synergy Berhad, at an issue price of RM1.00 per share are fully subscribed by the shareholders of TRC Synergy Berhad.
4. The proceeds from the Public Issue totaling RM25,600,000 will be utilized as follows :-

Repayment of short term financing	13,900
Redemption of land	8,000
Working capital	1,500
Estimated expenses for the listing exercise	2,200
	25,600
	25,600

The proceeds from the Offer for Sale and the related expenses will accrue to the Offerors and no part of the proceeds is receivable by TRC Synergy Berhad.

Expenses for the listing exercise totaling approximately RM2.2 million are to be written off against the Share Premium Account.



9. FINANCIAL INFORMATION (Cont'd)

9.12 Reporting Accountants' Letter on the Proforma Consolidated Balance Sheet As At 31 December 2001

Private and Confidential

24 June 2002

The Board of Directors
TRC Synergy Berhad
Wisma TRC
217 & 218 Jalan Negara 2,
Taman Melawati,
53100 Ulu Klang,
Selangor Darul Ehsan.

Gentlemen

**TRC SYNERGY BERHAD
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2001**

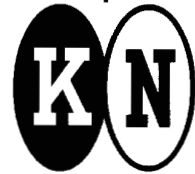
We have reviewed the Proforma Consolidated Balance Sheet of TRC Synergy Berhad and its subsidiary and associated companies ("TRCS Group") as at 31 December 2001 together with the accompanying notes, for which the Directors are solely responsible, as set out in the Prospectus to be dated 28 June 2002 in connection with the offer for sale of 3,500,000 existing ordinary shares of RM1.00 each in TRCS to entitled employees of TRCS Group by the existing shareholders of TRCS at an offer price of RM1.60, Public Issue of 16,000,000 new ordinary shares of RM1.00 each of TRCS at an issue price of RM1.60; and the Listing of and quotation for, the entire issued and paid-up capital of TRCS on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

In our opinion, the Proforma Consolidated Balance Sheet of TRC Synergy Berhad as at 31 December 2001, which is provided for illustrative purposes only, have been properly compiled on the bases set out in the notes thereon.

Yours faithfully

KUMPULAN NAGA
Firm Number: AF 0024
Chartered Accountants (M)

T. NAGARAJAN
Approval Number: 824/04/04(J)



CHARTERED ACCOUNTANTS
Assurance and Advisory Business Services (AABS)

KUMPULAN NAGA

Co. No: AF-0024

25M, Jalan Thambi Abdullah Satu,
Jalan Tun Sambanthan (Brickfields),
50470 Kuala Lumpur, Malaysia.
Tel: 603-2274 8359, 2274 6577, 2274 6360
2273 1724, 2273 1702
Fax: 603-2273 1710, 2272 2207
E-mail: kn@vip.com.my
E-mail: keconomy@pd.janng.my