

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Comprehensive Income for the quarter ended 31 December 2020

	Current quarter ended 31/12/20 RM	Restated Comparative quarter ended 31/12/19 RM	12 months cumulative to 31/12/20 RM	Restated 12 months cumulative to 31/12/19 RM
Revenue	286,771,707	196,636,190	753,773,006	845,698,267
Cost of sales	(264,059,408)	(188,928,483)	(697,820,683)	(790,273,844)
Gross Profit	22,712,299	7,707,707	55,952,323	55,424,423
Other income	1,198,843	1,850,826	2,005,159	3,543,690
Realised Foreign Currency Exchange Loss	(3,048)	-	(4,129)	-
Unrealised Foreign Currency Exchange Gain/(Loss)	3,536,543	833,867	8,150,610	(2,092,316)
Administrative expenses	(14,929,319)	(17,600,477)	(34,409,976)	(42,242,194)
Distribution expenses	(452,482)	(682,525)	(452,482)	(682,525)
Operating Profit/(Loss)	12,062,836	(7,890,602)	31,241,505	13,951,078
Finance income	1,193,852	13,450,083	5,429,176	18,541,830
Finance costs	(4,018,399)	(5,422,010)	(9,324,581)	(9,416,810)
Share of profits of Associates	415,641	(1,489,411)	1,286,111	1,445,318
Share of profits of Joint Venture	2,979,512	2,379,710	8,946,124	2,458,416
Gain on disposal of a subsidiary company	3,989	-	3,989	-
Profit before taxation	12,637,431	1,027,770	37,582,324	26,979,832
Taxation	(1,669,646)	426,953	(10,226,723)	(9,019,927)
Profit for the year	10,967,785	1,454,723	27,355,601	17,959,905
Other comprehensive Income, net of tax				
Revaluation gain on property, plant & equipment	-	6,078,070	-	6,078,070
Foreign currency translation differences for foreign operations	399,237	696,426	564,617	463,478
Other comprehensive Income for the period net of tax	399,237	6,774,496	564,617	6,541,548
Total comprehensive income for the year	11,367,022	8,229,219	27,920,218	24,501,453
Profit attributable to:				
Owners of the parent	10,433,019	1,060,810	26,941,416	17,202,362
Non-controlling interests	534,766	393,911	414,185	757,543
Profit for the year	10,967,785	1,454,723	27,355,601	17,959,905
Total comprehensive income attributable to:				
Owners of the parent	10,830,405	7,845,834	27,503,060	23,754,081
Non-controlling interests	536,617	383,385	417,158	747,372
Total comprehensive Income for the year	11,367,022	8,229,219	27,920,218	24,501,453
EPS attributable to owners of the parent:				
Basic (sen)	2.21	0.22	5.69	3.58
Diluted (sen)	2.21	0.22	5.69	3.58

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2019)

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Financial Position as at 31 December 2020

	As at 31/12/20 RM	Restated As at 31/12/19 RM
ASSETS		
NON-CURRENT ASSETS		
Investment properties	10,665,339	10,525,948
Property, Plant & Equipment	220,561,125	220,513,468
Inventories	12,065,045	11,930,203
Investment in Associates	1,144,587	4,456,011
Investment in Joint Venture	44,293,308	35,002,567
Other investments	66,000	66,000
Other receivables	25,392,350	28,438,700
Deferred tax assets	350,254	2,357,643
Right-of-use asset	256,644	449,126
	<u>314,794,652</u>	<u>313,739,666</u>
CURRENT ASSETS		
Inventories	161,350,871	184,088,837
Contract costs	15,389,651	-
Trade & other receivables	359,601,498	331,376,725
Contract assets	27,463,954	19,768,582
Cash & bank balances	269,822,803	293,852,652
Current tax asset	971,601	1,082,804
	<u>834,600,378</u>	<u>830,169,600</u>
TOTAL ASSETS	<u>1,149,395,030</u>	<u>1,143,909,266</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	240,456,670	240,456,670
Treasury Shares	(2,459,625)	-
Other reserves	11,674,807	11,113,163
Retained earnings	185,451,010	163,693,772
Equity attributable to owners of the Parent	<u>435,122,862</u>	<u>415,263,605</u>
Non-controlling Interests	7,332,743	6,915,585
Total Equity	<u>442,455,605</u>	<u>422,179,190</u>
NON-CURRENT LIABILITIES		
Provision	41,393,930	44,927,206
Borrowings	103,034,052	97,955,997
Deferred tax liabilities	5,818,392	8,444,261
	<u>150,246,374</u>	<u>151,327,464</u>
CURRENT LIABILITIES		
Provision	5,949,544	481,604
Borrowings	140,897,773	121,679,585
Trade & other payables	264,082,439	301,867,391
Contract liabilities	142,537,522	142,277,023
Current tax liabilities	3,225,773	4,097,009
	<u>556,693,051</u>	<u>570,402,612</u>
Total Liabilities	<u>706,939,425</u>	<u>721,730,076</u>
	<u>1,149,395,030</u>	<u>1,143,909,266</u>
Net assets per share (RM)	0.93	0.88

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2019)

TRC SYNERGY BERHAD
Condensed Consolidated Statement of Changes in Equity for the year ended 31 December 2020

	Attributable to owners of the parent		Non-controlling Interests		Total Equity			
	Non-distributable		Interests					
	Share Capital RM	Treasury Shares RM	Asset Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Sub-Total RM	Non-controlling Interests RM	Total Equity RM
At 1 January 2020 - as previously stated	240,456,670	-	6,566,691	(697,077)	167,154,719	413,501,003	5,819,740	419,320,743
Prior year adjustment	-	-	5,223,549	-	(3,460,949)	1,762,600	1,095,845	2,858,445
At 1 January 2020 - as restated	240,456,670	-	11,810,240	(697,077)	163,693,770	415,263,803	6,915,585	422,179,188
Dividend	-	-	-	-	(5,184,176)	(5,184,176)	-	(5,184,176)
Share-Buy-Back	-	(2,459,625)	-	-	-	(2,459,625)	-	(2,459,625)
Foreign currency translation difference for foreign operations	-	-	-	561,644	-	561,644	2,973	564,617
Other comprehensive income for the year	-	-	-	561,644	-	561,644	2,973	564,617
Profit for the year	-	-	-	-	26,941,416	26,941,416	414,195	27,355,601
Total comprehensive income for the year	-	-	-	561,644	26,941,416	27,503,060	417,158	27,920,218
At 31 December 2020	240,456,670	(2,459,625)	11,810,240	(135,433)	185,451,010	435,122,862	7,332,743	442,455,605
At 1 January 2019 - as previously stated	240,456,670	-	3,812,128	(1,170,726)	158,181,633	401,279,705	5,132,520	406,412,225
Prior year adjustment	-	-	1,920,042	-	(2,560,778)	(640,736)	1,035,693	394,957
At 1 January 2019 - as restated	240,456,670	-	5,732,170	(1,170,726)	155,620,855	400,638,969	6,168,213	406,807,182
Dividend	-	-	-	-	(9,129,445)	(9,129,445)	-	(9,129,445)
Foreign currency translation difference for foreign operations	-	-	-	473,649	-	473,649	(10,171)	463,478
Revaluation gain on plant, property and equipment	-	-	6,078,070	-	-	6,078,070	-	6,078,070
Other comprehensive income for the year	-	-	6,078,070	473,649	-	6,551,719	(10,171)	6,541,548
Profit for the year	-	-	-	-	17,202,362	17,202,362	757,543	17,959,905
Total comprehensive income for the year	-	-	-	473,649	17,202,362	23,754,081	747,372	24,501,453
At 31 December 2019	240,456,670	-	11,810,240	(697,077)	163,693,772	415,263,605	6,915,585	422,179,190

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 2019)

TRC SYNERGY BERHAD

Condensed Consolidated Statement of Cash Flows for the quarter ended 31 December 2020

	12 months ended 31/12/2020 RM	Restated 12 months ended 31/12/2019 RM
Cash flows from operating activities		
Profit before tax	37,582,324	26,979,832
Adjustments for :		
Amortisation of leasehold land	6,985	6,985
Allowance for expected credit loss	3,046,350	5,434,289
Amount due from an associate company written off	-	2,828,196
Depreciation of property, plant & equipment	17,101,125	15,121,714
Interest expense	7,646,918	7,461,407
Interest income	(5,428,916)	(16,586,426)
Share of results of Associates	(1,286,111)	(1,445,318)
Share of results of Joint Venture	(8,946,124)	(2,458,416)
Exchange reserve arising due to retranslation of financial statements in foreign currency	(2,703,703)	1,435,813
Impairment of investment in an associate company	1,875,777	1,889,745
Fair value gain on investment properties	-	(1,188,255)
Fair value loss on investment properties	-	1,289,779
Gain on disposal of property, plant & equipment	(353,849)	(1,459,165)
Unrealised (gain)/ loss on foreign currency exchange	(8,150,610)	2,092,316
Loss on disposal of an associate company	322,777	-
Provision of land cost	-	53,895,026
Notional Finance Costs	2,165,447	-
Investment written off	-	78,000
Property, plant & equipment written off	18,016	581,567
Operating profit before working capital changes	42,896,406	95,957,089
Working capital changes :-		
Inventories	22,737,965	(85,193,930)
Contract costs	(15,389,651)	-
Receivables	(30,408,919)	93,347,795
Payables	(37,524,453)	52,569,876
Cash (used in)generated from operating activities	(17,688,652)	156,680,830
Interest paid	(7,646,918)	(7,461,407)
Taxation paid	(8,848,590)	(18,177,315)
Tax refund	-	303,847
Interest received	5,428,916	8,100,210
Net cash (used in)/generated from operating activities	(28,755,244)	139,446,165
Cash flows from investing activities		
Purchase of property, plant & equipment	(4,153,675)	(41,396,806)
Investment properties	(139,391)	-
Proceeds from disposal of property, plant & equipment	382,697	2,758,608
Net cash used in investing activities	(3,910,369)	(38,638,198)
Cash flows from financing activities		
Fixed deposits	11,124,860	(6,857,921)
Repayment of short term borrowings	19,873,468	(54,548,540)
Proceeds from/(Repayment of) long term borrowings	(2,930,163)	37,506,822
Dividend paid	(5,184,176)	(9,129,445)
Payment of Share-Buy-Back	(2,459,625)	-
Net cash generated from/(used in) financing activities	20,424,364	(33,029,084)
Net (decrease)/increase in cash and cash equivalents	(12,241,249)	67,778,883
Effects of foreign exchange rate changes	(8,427)	(1,124)
Cash and cash equivalents at beginning of year	101,185,566	33,407,807
Cash and cash equivalents at end of year	88,935,890	101,185,566
Cash and cash equivalents at end of year comprise :		
Cash and bank balances	47,911,031	51,230,633
Fixed deposits with licensed banks	52,911,356	51,788,190
Short term deposit with licensed bank	5,488,911	16,197,433
Bank overdrafts	(17,375,408)	(18,030,690)
	88,935,890	101,185,566

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2019)

TRC SYNERGY BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31st DECEMBER 2020

(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 2019. 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 2019.

The accounting policies and methods of computation 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 2019 except for the adoption of the following amendments to MFRSs during the financial year:

Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 And MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Disclosures-Interest Rate Benchmark Reform
Amendment to MFRS 16	Covid-19-Related Rent Concessions

**MFRS123: Borrowing Costs relating to over time transfer of constructed good
(Agenda Decision 4 (“AD4”))**

In March 2019, IFRS Interpretations Committee (“IFRS”) concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets.

On 20 March 2019, the Malaysian Accounting Standards Board allowed the affected entities to apply changes in accounting policies to their financial statements in relation to AD4 beginning on or after 1 July 2020.

The Group opts for early adoption of AD4 during the financial year and has reflected the impact for the financial year ended 31 December 2020.

The adoption of the above 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 2019 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 other than the followings:-

	Fourth quarter		Cumulative 12 months	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM	RM	RM	RM
Realised loss on foreign currency exchange	(3,048)	-	(4,129)	-
Unrealised gain/ (loss) on foreign currency exchange	<u>3,536,543</u>	<u>833,867</u>	<u>8,150,610</u>	<u>(2,092,316)</u>

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 December 2020.

7. *Dividend paid*

The Company paid a single tier dividend of 1.10 sen per share amounting to RM5,184,176 in respect of the financial year ended 31 December 2019 on 18 August 2020.

8. *Segment Reporting*

Segment revenue and profit before taxation were as follows:

GROUP (BY ACTIVITIES)	TURNOVER RM'000	NET PROFIT/(LOSS) RM'000
Investment holding and the provision of corporate, administrative and financial support services.	3,841	773
Construction works	795,451	27,918
Project development management services and property development	87,407	11,206
Manufacturing and dealing in concrete piles and ready-mixed concrete	8,786	770
Hotel operations	17,953	(12,780)
Oil & Gas	-	(6)
Share of profits of Associates	913,438	27,881
Share of profits of Joint Venture	-	1,286
Gain on disposal of a subsidiary company	-	8,946
	-	4
Intra-group items	913,438 (159,665)	38,117 (535)
	753,773	37,582

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

Subsequent to the financial year end, Swan Synergy Development Pty Ltd, a wholly-owned subsidiary of TRC (Aust) Pty Ltd, (a wholly-owned subsidiary of the Company), had ceased business operation and cancelled its Business Registration with effect from 1 February 2021. The Notice of Cancellation of Business Registration from the Australian Business Register dated 23rd February 2021 was received by the Company on 3rd March 2021.

Further, the Company's wholly-owned subsidiary, Trans Resources Corporation Sdn Bhd ("TRC") had on 19 March 2021 terminated the Sale and Purchase of Shares Agreement dated 2 December 2020 entered between TRC and Marie Joanna Buma ("the Purchaser")("the S&P").

The S&P was terminated due to the Purchaser's failure to make her first instalment payment amounting to RM1,244,400 before 31 December 2020 (the original first payment due date pursuant to the S&P) and the subsequent extension of two (2) months' time until 28 February 2021 (the extended first payment due date).

The termination was made pursuant to Clause 6 of the S&P and in consequential thereto, ETPJV will remain as a subsidiary of TRC. See also Note 11 on Changes in the composition of the Group.

11. Changes in the composition of the Group

The Company's wholly-owned subsidiary, TRC (Aust) Pty Ltd ('TRCA') had on 26 October 2020 entered into a Sale and Purchase of Shares Agreement with K. H. Leong Nominees Pty Ltd for disposal by TRCA of the 100% equity interest held in Pretty Sally Holdings Pty Ltd ('PSH') for a cash consideration of AUD880,000 (RM2,584,560). PSH ceased to be an associate company of TRCA after the disposal.

Also, the Company's wholly-owned subsidiary, Trans Resources Corporation Sdn Bhd ("TRC") had on 1 December 2020 disposed seven (7) ordinary shares in the capital of Hexide Engineering Services Sdn Bhd ('HESSB') (formerly known as Liputan Sutera Sdn Bhd) representing 70% of TRC's interest in the capital of HESSB to unrelated parties at a consideration of RM7 only. HESSB became an associate company to TRC subsequent to the disposal.

Further, TRC had on 2 December 2020 entered into a Sale and Purchase Agreement with Marie Joanna Buma ("the Purchaser") for disposal of TRC's 100% equity interest held in Endaya TRC PK JV Sdn Bhd ("ETPJV") comprising five million one hundred thousand (5,100,000) ordinary shares in ETPJV for a cash consideration of

RM6,222,000. ETPJV shall cease to be a subsidiary of the Group subsequent to the disposal. See also Note 10 on Subsequent Events.

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 for the year ended 31 December 2020.

14. *Recurrent Related Party Transactions*

The Group's recurrent related party transactions are as follows:-

	Fourth quarter		Cumulative 12 months	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM	RM	RM	RM
Transactions with a company related to a Director				
-Supply of construction materials	2,016,512	-	4,998,959	-

Related Party Transactions have been entered into in the ordinary course of business based on normal commercial terms and at arm's length. The total amount transacted for the year under review is within the Shareholders' mandate obtained on 29 July 2020.

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

The Group recorded a net profit of RM12,637,431 in the current quarter as compared with a net profit of RM1,027,770 in the corresponding quarter.

The financial performance for the two quarter are less comparable due to the prior year adjustments were made in the current quarter. See note 28 on Prior Year Adjustments for more information.

For 12 months cumulative to 31/12/2020, the Group reported a net profit of RM37,582,324 as compared with last year's of RM26,979,832. The higher profit reported in the current financial year was attributable to a substantially higher unrealized forex gain recognized and a much higher share of profits of Joint Venture reported this year as compared to year 2019.

On the contrary, the effect of the recognition of unrealized forex loss and a lower share of the profits of Joint Venture in year 2019 was partially compensated by a higher finance income reported resulting from the prior year adjustments made as disclosed under note 28, Prior Year Adjustments.

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

The Group recorded a net profit of RM12,637,431 in the current quarter as compared with a net profit of RM8,328,277 recorded in the immediate preceding quarter.

Higher gross profit, unrealized forex gain and share of Joint Venture profit had contributed to the higher net profit reported in the current quarter despite a higher administrative expenses and finance costs recorded in the current quarter. Included in the administrative expenses was an amortization of Interest in Joint Venture amounting to RM2,421,858 and a notional finance cost of RM2,165,447 that relates to the provision and a long-term receivable during the quarter.

17. *Prospects for the current financial year*

For fourth quarter of 2020, Malaysia Gross Domestic Product (“GDP”) recorded a negative growth of 3.4% year-on-year (YoY) versus a lower contraction of 2.6% YoY in the third quarter, largely attributed to re-imposition of Movement Control Order (“MCO”) on a number of states.

Amid the uncertainties both economically and financially in the global and local markets caused by the on-going outbreak of Covid-19 pandemic, the Group has been exercising extra prudence in both operational and financial aspects, to ensure we weather through the immense headwinds while continue to display resilience during this market downturn.

Barring any further unforeseen circumstances, the Group remains cautiously optimistic in delivering positive financial performance.

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>	
	<u>Current Year Quarter</u> 31.12.2020 RM'000	<u>Preceding Year Corresponding Quarter</u> As restated 31.12.2019 RM'000	<u>Current Year To Date</u> 31.12.2020 RM'000	<u>Preceding Year Corresponding Period</u> As restated 31.12.2019 RM'000
Current taxation	1,045	1,060	8,290	10,583
Prior year under provision	3	9	44	129
Deferred taxation	621	(1,495)	1,892	(1,692)
	<u>1,669</u>	<u>(426)</u>	<u>10,226</u>	<u>9,020</u>

The effective tax rate for the year is marginally higher than the statutory tax rate. Besides certain expenses being disallowed for tax purpose, the non-availability of group relief from other loss making companies in the Group has also resulted a higher effective tax rate reported in the current year under review.

20. Profit on sale of investments and properties

On 26 October 2020, the Company's wholly-owned subsidiary, TRC (Aust) Pty Ltd disposed of its 100% equity interest in an associate company with a loss of RM322,776.

Also, the Company's wholly-owned subsidiary, Trans Resources Corporation Sdn Bhd had on 1 December 2020 disposed 70% of its interest in a subsidiary with a gain of RM3,989. See Note 11.

21. Quoted Securities

The Company did not hold any quoted securities for the quarter ended 31 December 2020.

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 December 2020 are as follows:-

Security	Type	Amount ('000)
Secured	Short Term	140,898
Secured	Long Term	103,034
Unsecured	Long Term	-

Currency exposure profile of borrowings is as follows:-

Currency	Secured Short Term RM'000	Secured Long Term RM'000
Malaysian Ringgit	139,671	1,831
Australian Dollar	1,227	101,203

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*

Trans Resources Corporation Sdn Bhd ('TRC') the wholly-owned subsidiary of the Company had commenced arbitration proceedings (as the 1st Claimant) to resolve its disputes with The Brunei Economic Development Board ('BEDB').

TRC's claims against BEDB for payment of amounts which are wrongfully deducted by BEDB from sums due to TRC under the Contract and compensation for losses suffered by TRC as a result of certain acts and/or omissions of BEDB.

The arbitration proceedings are still ongoing.

26. *Dividends*

The directors have not recommended the payment of any dividend for the quarter ended 31 December 2020.

27. *Earnings/(Loss) per share*

The basic earnings per share was calculated based on the net profit for the year attributable to owners of the parent of RM26,941,416 (2019: Restated Profit RM17,202,362) and on the weighted average number of ordinary shares in issue of 473,286,253 (2019: 480,497,103) shares.

The fully diluted earnings per share for the year have been computed using a weighted average number of shares of 473,286,253 (2019: 480,497,103).

28. *Prior Year Adjustments*

During the current quarter, the Group has effected the following prior year adjustments:-

1. Provision of land cost for on-going development project and the related amortization cost on the long-term payable of the land cost;
2. Expensed off items not eligible to be capitalized as property development cost and capitalization of renovation cost as property, plant & equipment;
3. Adopting the same revaluation model as the Group by recognizing the revaluation surplus of the newly constructed hotel building by a foreign subsidiary and deferred tax impact during year ended 31 December 2019 and recognition of deferred tax effect on revaluation surplus recognized on property, plant & equipment and investment properties by other subsidiaries in previous years;
4. Understatement of contract assets related to a subsidiary disposed in previous years;
5. Correction for omission of costs in previous financial year together with the tax effect;
6. Correction of Non-controlling interest's share of a prior year adjustment made in the previous year;
7. Omission of entry in settlement of bank borrowings from bank balance;
8. Understatement of revenue and deferred tax expense resulting from intercompany profit elimination being omitted in the computation of percentage of completion;
9. Expected credit loss provision on amount receivable from an associate company;
10. Under-provision of tax expense in previous year due to omission in setting off the tax credit with tax payable;
11. Over statement of property development costs and retained earnings due to over deferment of the unrealized profit recognised; and
12. Reclassification from investment property to property, plant and equipment as it held for use as office and occupied by the Group.

The financial effects of the abovementioned prior year adjustments and changes in certain comparative figures to conform with the current year's presentation are as follows:-

**Statement of Comprehensive Income
For the financial year ended 31 December 2019**

	As previously stated RM'000	Prior Year Adjustment RM'000	As restated RM'000
Revenue	848,794	(3,096)	845,698
Cost of sales	(786,916)	(3,357)	(790,273)
Administrative expenses			
	(39,612)	(2,630)	(42,242)
Distribution expenses			
	-	(683)	(683)
Finance income	8,100	10,442	18,542
Finance costs	(7,461)	(1,955)	(9,417)
Taxation	(9,459)	439	(9,020)
Other Comprehensive Income – Revaluation gain on Property, Plant & Equipment	(2,775)	(3,303)	(6,078)

Statement of Financial Position as at 31 December 2019

	As previously stated RM'000	Prior Year Adjustment RM'000	As restated RM'000
Investment properties	20,826	(10,300)	10,526
Property, Plant & Equipment	205,295	15,218	220,513
Inventories	135,859	48,230	184,089
-Current Asset			
Trade & other receivables	336,448	(5,071)	331,377
Contract assets	9,265	10,503	19,768
Cash & bank balances	299,159	(5,307)	293,852
Other reserves	(5,890)	(5,223)	(11,113)
Retained earnings	(167,155)	3,461	(163,694)
Non-controlling interest	(5,820)	(1,096)	(6,916)
Provision			
-Non-Current	-	(44,927)	(44,927)
Deferred tax liabilities	(2,416)	(6,028)	(8,444)
Provision-Current	-	(482)	(482)
Borrowings-Current	(126,986)	5,307	(121,679)
Trade & other payables	(298,496)	(3,371)	(301,867)
Contract liabilities	(141,434)	(843)	(142,277)
Current tax liabilities	(4,027)	(70)	(4,097)