

**TRC SYNERGY BERHAD**
**Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 September 2021**

	Current quarter ended 30/9/21 RM	Comparative quarter ended 30/9/20 RM	9 months cumulative to 30/9/21 RM	9 months cumulative to 30/9/20 RM
Revenue	143,891,567	189,982,957	522,015,792	467,001,300
Cost of sales	(124,502,430)	(173,874,037)	(478,642,857)	(433,761,275)
<b>Gross Profit</b>	<b>19,389,137</b>	<b>16,108,920</b>	<b>43,372,935</b>	<b>33,240,025</b>
Other income	248,430	254,330	1,134,530	806,316
Realised foreign currency exchange gain/(loss)	(11)	-	995	(1,081)
Unrealised foreign currency exchange (loss)/gain	(2,860,450)	312,010	(1,291,527)	4,614,067
Administrative expenses	(8,352,697)	(8,730,042)	(27,593,339)	(19,480,657)
Distribution expenses	(99,628)	-	(317,537)	-
<b>Operating Profit</b>	<b>8,324,781</b>	<b>7,945,218</b>	<b>15,306,057</b>	<b>19,178,670</b>
Finance income	920,633	1,273,651	3,281,889	4,235,323
Finance costs	(2,428,655)	(1,713,228)	(7,462,730)	(5,306,182)
Share of profit of associates	129,817	(657,941)	227,064	870,470
Share of profit of joint venture	981,524	1,480,577	7,953,232	5,966,612
<b>Profit before taxation</b>	<b>7,928,100</b>	<b>8,328,277</b>	<b>19,305,512</b>	<b>24,944,893</b>
Taxation	(2,075,621)	(2,657,936)	(4,275,648)	(8,557,077)
<b>Profit for the period</b>	<b>5,852,479</b>	<b>5,670,341</b>	<b>15,029,864</b>	<b>16,387,816</b>
<b>Other comprehensive (Loss)/Income, net of tax</b>				
Foreign currency translation differences for foreign operations	(250,646)	(9,621)	(502,793)	165,380
<b>Other comprehensive (Loss)/ Income for the period net of tax</b>	<b>(250,646)</b>	<b>(9,621)</b>	<b>(502,793)</b>	<b>165,380</b>
<b>Total comprehensive income for the period</b>	<b>5,601,833</b>	<b>5,660,720</b>	<b>14,527,071</b>	<b>16,553,196</b>
<b>Profit attributable to:</b>				
Owners of the parent	5,868,057	5,742,110	14,950,146	16,508,397
Non-controlling interests	(15,578)	(71,769)	79,718	(120,581)
<b>Profit for the period</b>	<b>5,852,479</b>	<b>5,670,341</b>	<b>15,029,864</b>	<b>16,387,816</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	5,620,207	5,739,571	14,439,572	16,672,655
Non-controlling interests	(18,374)	(78,851)	87,499	(119,459)
<b>Total comprehensive Income for the period</b>	<b>5,601,833</b>	<b>5,660,720</b>	<b>14,527,071</b>	<b>16,553,196</b>
<b>EPS attributable to owners of the parent:</b>				
<b>Basic (sen)</b>	1.25	1.22	3.17	3.48
<b>Diluted (sen)</b>	1.25	1.22	3.17	3.48

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2020)

**TRC SYNERGY BERHAD**
**Condensed Consolidated Statement of Financial Position as at 30 September 2021**

	As at 30/9/2021 RM	As at 31/12/2020 RM
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment properties	10,526,426	10,525,948
Property, plant & equipment	204,502,765	220,263,014
Inventories	12,134,008	12,065,045
Investment in associates	1,584,381	1,299,325
Investment in joint venture	47,036,503	44,293,308
Other investments	66,000	66,000
Other receivables	25,557,126	25,912,939
Deferred tax assets	1,188,254	1,298,242
Right-of-use asset	112,282	256,644
	<u>302,707,745</u>	<u>315,980,465</u>
<b>CURRENT ASSETS</b>		
Inventories	136,367,471	143,939,586
Contract cost assets	18,572,249	19,490,266
Trade & other receivables	298,969,988	368,977,525
Contract assets	53,874,896	53,747,366
Deposits, cash & bank balances	320,270,793	272,198,687
Current tax asset	1,108,996	1,014,136
	<u>829,164,393</u>	<u>859,367,566</u>
<b>TOTAL ASSETS</b>	<u><b>1,131,872,138</b></u>	<u><b>1,175,348,031</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	240,456,670	240,456,670
Treasury Shares	(2,459,625)	(2,459,625)
Other reserves	10,709,910	11,220,484
Retained earnings	195,849,126	185,611,867
<b>Equity attributable to owners of the Parent</b>	<u>444,556,081</u>	<u>434,829,396</u>
Non-controlling Interests	7,372,169	7,284,670
<b>Total Equity</b>	<u>451,928,250</u>	<u>442,114,066</u>
<b>NON-CURRENT LIABILITIES</b>		
Provision	40,290,976	41,393,930
Borrowings	109,044,544	103,034,052
Deferred tax liabilities	5,229,572	5,371,458
	<u>154,565,092</u>	<u>149,799,440</u>
<b>CURRENT LIABILITIES</b>		
Provision	6,150,341	5,949,544
Borrowings	110,645,679	140,729,914
Trade & other payables	189,923,429	262,120,886
Contract liabilities	216,515,663	171,563,100
Current tax liabilities	2,143,684	3,071,081
	<u>525,378,796</u>	<u>583,434,525</u>
<b>Total Liabilities</b>	679,943,888	733,233,965
	<u><b>1,131,872,138</b></u>	<u><b>1,175,348,031</b></u>
<b>Net assets per share (RM)</b>	0.96	0.93

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2020)

TRC SYNERGY BERHAD  
Condensed Consolidated Statement of Changes in Equity for the period ended 30 September 2021

	Attributable to owners of the parent		Non-controlling Interests		Total Equity			
	Share Capital	Treasury Shares	Asset Revaluation Reserve	Foreign Currency Translation Reserve		Retained Profits	Sub-Total	Non-controlling Interests
	RM	RM	RM	RM	RM	RM	RM	RM
<b>At 1 January 2021</b>	240,456,670	(2,459,625)	11,844,679	(624,195)	185,611,867	434,829,396	7,284,670	442,114,066
Dividend Share-Buy-Back	-	-	-	-	(4,712,887)	(4,712,887)	-	(4,712,887)
<i>Foreign currency translation difference for foreign operations</i>	-	-	-	(510,574)	-	(510,574)	7,781	(502,793)
<b>Other comprehensive income for the period</b>	-	-	-	(510,574)	-	(510,574)	7,781	(502,793)
<i>Profit for the period</i>	-	-	-	-	14,950,146	14,950,146	79,718	15,029,864
<b>Total comprehensive income for the period</b>	-	-	-	(510,574)	14,950,146	14,439,572	87,499	14,527,071
<b>At 30 September 2021</b>	240,456,670	(2,459,625)	11,844,679	(1,134,769)	195,849,126	444,556,081	7,372,169	451,928,250
<b>At 1 January 2020 - as previously stated</b>	240,456,670	-	6,586,691	(697,077)	167,154,719	413,501,003	5,819,740	419,320,743
Prior year adjustment	-	-	5,257,988	-	(3,618,347)	1,639,641	1,095,845	2,735,486
<b>At 1 January 2020 - as restated</b>	240,456,670	-	11,844,679	(697,077)	163,536,372	415,140,644	6,915,585	422,056,229
Dividend Share-Buy-Back	-	(2,459,625)	-	-	(5,184,176)	(5,184,176)	-	(5,184,176)
<i>Foreign currency translation difference for foreign operations</i>	-	-	-	164,258	-	164,258	1,122	165,380
<b>Other comprehensive income for the period</b>	-	-	-	164,258	-	164,258	1,122	165,380
<i>Profit for the period</i>	-	-	-	-	16,508,397	16,508,397	(120,581)	16,387,816
<b>Total comprehensive income for the period</b>	-	-	-	164,258	16,508,397	16,672,655	(119,459)	16,553,196
<b>At 30 September 2020</b>	240,456,670	(2,459,625)	11,844,679	(532,819)	174,860,593	424,169,498	6,796,126	430,965,624

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 2020)

**TRC SYNERGY BERHAD**
**Condensed Consolidated Statement of Cash Flows for the quarter ended 30 September 2021**

	9 months ended 30/9/2021 RM	Restated 9 months ended 30/9/2020 RM
<b>Cash flows from operating activities</b>		
Profit before tax	19,305,512	24,944,893
Adjustments for :		
Allowance for expected credit loss	-	1,522,800
Amortisation of partnership interest	2,273,684	436,961
Amortisation of right-of-use asset	144,362	144,362
Doubtful debts written off	4,821	-
Depreciation of property, plant & equipment	11,920,762	12,137,934
Interest expense	7,462,730	5,306,182
Interest income	(3,281,889)	(4,235,323)
Share of results of associates	(227,064)	(870,470)
Share of results of joint venture	(7,953,232)	(5,966,612)
Impairment of investment in an associate	-	949,376
Gain on disposal of property, plant & equipment	(236,209)	-
Unrealised (gain)/ loss on foreign currency exchange	1,291,527	(4,614,067)
Property, plant & equipment written off	24	6,737
<b>Operating profit before working capital changes</b>	30,705,028	29,762,773
<b>Working capital changes :-</b>		
Changes in inventories	7,503,152	(3,731,423)
Changes in contract assets/liabilities	44,825,023	3,607,462
Changes in contract cost assets	918,017	(5,148,945)
Changes in receivables	71,764,648	7,056,032
Changes in payables	(71,794,215)	(40,275,991)
<b>Cash generated from/(used in) operating activities</b>	83,921,653	(8,730,092)
Tax paid	(5,368,894)	(2,885,288)
Interest paid	(836,580)	(830,308)
Interest received	3,281,889	4,235,323
<b>Net cash generated from/(used in) operating activities</b>	80,998,068	(8,210,365)
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(660,711)	(1,884,678)
Proceeds from disposal of property, plant & equipment	247,183	-
Payment for share buy back	-	(2,459,625)
Additional investment in associate	(29,997)	-
<b>Net cash flows used in investing activities</b>	(443,525)	(4,344,303)
<b>Cash flows from financing activities</b>		
Placement of pledged deposits	(10,698,222)	(2,006,641)
Net (repayment of)/proceeds from short term borrowings	(16,196,042)	149,845
Proceeds from long term borrowings	10,400,000	-
Payment of lease liability	(155,130)	(106,132)
Dividend paid	(4,712,887)	(5,184,176)
Interest paid	(5,028,308)	(4,475,875)
<b>Net cash used in financing activities</b>	(26,390,589)	(11,622,979)
<b>Net increase/(decrease) in cash and cash equivalents</b>	54,163,954	(24,177,647)
<b>Effects of foreign exchange rate changes</b>	(129,519)	130,048
<b>Cash and cash equivalents at beginning of period</b>	101,580,856	109,701,962
<b>Cash and cash equivalents at end of period</b>	155,615,291	85,654,363
<b>Cash and cash equivalents at end of period comprise :</b>		
Cash and bank balances	71,373,549	48,524,078
Fixed deposits with licensed banks	57,787,539	53,695,271
Short term deposit with licensed bank	27,169,060	5,765,239
Bank overdrafts	(714,857)	(22,330,225)
	155,615,291	85,654,363

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2020)

## TRC SYNERGY BERHAD

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

### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30<sup>th</sup> SEPTEMBER 2021

(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 2020. 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 2020.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited annual financial statements for the financial year ended 31 December 2020. On 1 January 2021, the Group adopted the following new and amended MFRSs mandatory for annual periods beginning on or after 1 January 2021:

		<i>Effective date</i>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, MFRS 9 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022

		<i>Effective date</i>
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above 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 2020 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 following expenses:

	Third quarter		Cumulative 9 months	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM	RM	RM	RM
Realised gain/(loss) on foreign currency exchange	( 11 )	-	995	(1,081)
Unrealised (loss)/ gain on foreign currency exchange	<u>(2,860,450 )</u>	<u>312,010</u>	<u>(1,291,527)</u>	<u>4,614,067</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 30 September 2021.

7. ***Dividend paid***

The Company paid a single tier dividend of 1.00 sen per share amounting to RM4,712,887 in respect of the financial year ended 31 December 2020 on 15 July 2021.

**8. Segment Reporting**

Segment revenue and profit before taxation were as follows:

GROUP (BY ACTIVITIES)	TURNOVER RM'000	PROFIT/(LOSS) BEFORE TAX RM'000
Investment holding and the provision of corporate, administrative and financial support services.	2,719	5,763
Construction works	529,505	11,822
Project development management services and property development	98,680	( 1,143 )
Manufacturing and dealing in concrete piles and ready-mixed concrete	4,801	473
Hotel operations	31,662	( 316 )
Share of profits of Associates	667,367	16,599
Share of profits of Joint Venture	-	227
	-	7,953
Intra-group items	667,367 ( 145,351 )	24,779 ( 5,473 )
	522,016	19,306

**9. Valuation of property, plant & equipment**

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

**10. Subsequent Events**

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

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the quarter ended 30 September 2021.



**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 quarter ended 30 September 2021.

**14. *Recurrent Related Party Transactions***

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

	Third quarter		Cumulative 9 months	
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM	RM	RM	RM
Transactions with a company related to a Director				
-Supply of construction materials	1,660,023	2,982,447	1,660,023	2,982,447

Recurrent 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 period under review is within the Shareholders' mandate obtained on 29 June 2021.

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

The Group recorded a profit before tax of RM7,928,100 in the current quarter as compared with a profit before tax of RM8,328,277 in the corresponding quarter.

The Group reported a marginally lower profit before tax as compared to the corresponding quarter despite a higher gross profit margin was reported in the current quarter.

The effect of the higher gross profit margin was mitigated by the recognition of a large amount of unrealized forex loss in the current quarter as opposed to an unrealized forex gain in the corresponding quarter.

Higher finance costs and a lower share of profit of the joint venture had also contributed to a marginally lower profit before tax being reported in the current quarter.

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

The Group recorded a profit before tax of RM7,928,100 in the current quarter as compared with a profit before tax of RM3,486,362 recorded in the immediate preceding quarter.

Lower gross profit margin, higher administrative expenses despite a lower unrealized forex loss and a substantially higher share of profit of joint venture recorded in the immediate preceding quarter had resulted a lower profit before tax reported in that quarter.

**17. *Prospects for the current financial year***

Following the coronavirus-induced economic headwinds erupted last year, our country had kicked start the year in positive note, with Gross Domestic Products (GDP) growth of 2.7% quarter-on-quarter (q-o-q) in 1Q 2021. However, the growth momentum had since waned, due to re-imposition of various movement controls and lockdowns to curb resurgence of the virus. The enforcement of stricter containment controls had inevitably weighed on business activities and consumer discretionary spending, resultant in q-o-q GDP contraction of 1.9% & 3.6% for 2Q2021 and 3Q2021 respectively, reflecting considerable uncertainties arising from the battle against virus.

Overall Malaysian construction value of works done too had endured a q-o-q decline of 10.2% & 12.2% for 2Q2021 and 3Q2021, with contractors suffered from sub-optimal operating capacity over a prolong period of time amid surging business costs.

Through Construction Industry Vaccination Program (CIVac) initiated by CIDB, construction industry had been allowed to resume works since mid-August with operating capacity tied to the respective company's specific vaccination rate and thankfully, we are now operating in full force.

Premised on the above conditional controls relaxation and barring any unforeseen circumstances, our Group is cautiously optimistic on the prospect for 4Q 2021, as we would continue to strive in implementation of on-going projects by optimizing the resources at our disposal with strict compliant to Standard Operating Procedures (SOPs), whilst pursuing value accretive opportunities within our core expertise in engineering, construction, property development and investment.

**18. *Variance of Actual Profit against Estimated Profit***

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

**19. Income tax**

The tax expenses comprise the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30.9.2021 RM'000	Preceding Year Corresponding Quarter 30.9.2020 RM'000	Current Year To Date 30.9.2021 RM'000	Preceding Year Corresponding Period 30.9.2020 RM'000
Current taxation	2,655	3,093	4,325	7,246
Prior year (over)/ under provision	( 29 )	12	( 29 )	41
Deferred taxation	( 551 )	( 448 )	( 20 )	1,270
	<u>2,075</u>	<u>2,657</u>	<u>4,276</u>	<u>8,557</u>

The lower effective tax rate for the current period is due to the utilization of unabsorbed tax losses of a foreign subsidiary company of the Group.

**20. Profit on sale of investments and properties**

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

**21. Quoted Securities**

The Company did not hold any quoted securities for the quarter ended 30 September 2021.

**22. Status of Corporate Proposal**

There was no outstanding corporate proposal.

23. **Group Borrowings and Debt Securities**

Total borrowings of the Group as at 30 September 2021 are as follows:-

Security	Type	Amount (RM'000)
Secured	Short Term	110,645
Secured	Long Term	109,045
Unsecured	Long Term	-

Currency exposure profile of borrowings is as follows:-

Currency	Secured Short Term RM'000	Secured Long Term RM'000
Malaysian Ringgit	109,420	11,228
Australian Dollar	1,225	97,817

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 1<sup>st</sup> 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 trial was duly convened in early November 2021. Further to the trial, the relevant parties will need to submit their case submission by early January 2022.

26. **Dividends**

The directors have not recommended the payment of any dividend for the quarter ended 30 September 2021.

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

The basic earnings per share was calculated based on the net profit for the period attributable to owners of the parent of RM14,950,146 (2020: RM16,508,397) and on the weighted average number of ordinary shares in issue of 471,288,703 (2020: 473,956,964) shares.

The fully diluted earnings per share for the period have been computed using a weighted average number of shares of 471,288,703 (2020: 473,956,964).