

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31<sup>ST</sup> MARCH 2024**  
(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 2023. 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 2023.

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 2023, except for the adoption of the following Amendments to MFRSs:

		Effective date
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024

Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 And MFRS 7	Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 And MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

**2. *Status of Financial Statements Qualification***

The auditors' report on the financial statements for the year ended 31 December 2023 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 year to date.

**5. *Changes in Estimates***

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

**6. *Changes in Share Capital and Loan Stocks***

There were no changes in share capital and loan stocks for the quarter ended 31 March 2024.

**7. *Dividend paid***

No dividend was paid in the current quarter.

## 8. *Segment Reporting*

Operating segment information for the current quarter is as follows:

	<b>Construction</b>	<b>Property</b>	<b>Hotel</b>			
	<b>activities</b>	<b>development</b>	<b>operations</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
<b>External revenue</b>	83,173	1,451	8,082	-	-	<b>92,706</b>
<b>Inter-segment revenue</b>	5,705	-	-	272	(5,977)	-
	88,878	1,451	8,082	272	(5,977)	<b>92,706</b>
<b>Results</b>						
<b>Segment operating profits</b>	3,698	(574)	(1,093)	226	100	<b>2,357</b>
<b>Share of profits of associate</b>						410
<b>Share of loss of joint venture</b>						(959)
<b>Finance income</b>						2,694
<b>Finance costs</b>						(1,677)
<b>Profit before tax</b>						<b>2,825</b>
<b>Taxation</b>						(2,618)
<b>Net profit for the period</b>						<b>207</b>

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

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

## 10. *Subsequent Events*

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

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

There were no changes in the composition of the Group for the quarter ended 31 March 2024.

**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***

The Group has the following commitment for the purchase of Right-of-use asset for the period ended 31 March 2024:-

	RM
Approved and contracted for Right-of-use asset	674,000 =====

**14. *Related Party Transactions***

There was no material related party transaction during the quarter ended 31 March 2024.

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

The Group recorded a profit before tax of RM2,824,994 in the current quarter as compared with a profit before tax of RM4,763,007 in the corresponding quarter.

As a result of the completion of several projects in hand, revenue and gross profit reported in the current quarter were lower when compared to the corresponding quarter. This had contributed to the lower profit before tax reported in the current quarter.

However, the recognition of an unrealized foreign currency exchange gain in the current quarter as opposed to an unrealized foreign currency exchange loss in the corresponding quarter, together with the recognition of higher finance income had mitigated the negative impact the lower revenue and gross profit brought about to the Group 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 RM2,824,994 in the current quarter as compared with a profit before tax of RM10,362,506 recorded in the immediate preceding quarter.

The lower revenue and gross profit registered in the current quarter had partially resulted the Group reporting a lower profit before tax in the current quarter.

Further, the much lower unrealized foreign currency exchange gain, lower finance income and recognition of higher loss from joint venture had also resulted the lower profit before tax being reported in the current quarter.

The negative finance cost of the immediate preceding quarter, which was in relation to the provision of development costs of a property development project, had also explained for the higher profit before tax reported in the immediate preceding quarter.

**17. *Prospects***

The Malaysian economy grew at a higher rate of 4.2% in the 1Q 2024 (4Q 2023: 2.9%), surpassing the economist's earlier prediction of 3.9%. Higher GDP growth was driven by stronger private expenditure, positive turnaround in exports of goods and services and stronger investment activities. This quarter's GDP result was in line with the government and central bank's prediction of between 4% and 5% for 2024, up from 3.7% in 2023, and was based on strong economic fundamentals and reforms announced by the government in Budget 2024.

The construction industry's outlook for 2024 is promising and resilient, largely due to the government's steadfast commitment and swift implementation of key economic policies and reforms. These initiatives, including the Mid-Term Review of the Twelfth Malaysia Plan, the National Energy Transition Roadmap, and the New Industrial Master Plan 2030, are poised to significantly expand the industry, creating a stable and promising environment for its growth.

The government's plan to carry forward several delayed mega projects from 2023 into 2024 will further bolster the sector's support. Notably, these projects include the MRT3 civil packages (RM45.0 bil), the Pan Borneo Sabah Phase 1B (RM15.7 bil), the large-scale flood mitigation project (RM11.80 bil), Penang LRT (RM10.0 bil), Sabah-Sarawak Link Road Phase 2 (RM7.4 bil), the Kuching Urban Transportation System (KUTS), and LRT3 reinstatement (RM4.7 bil). This commitment from the government underscores the industry's potential for growth and development.

The rollout of all these mega infrastructure projects is a positive sign for the industry and a testament to our Group's potential. The Group's past project track records, such as MRT 1 & 2, LRT 2 & 3, depots, highways, bridges, airports, submarine bases, and high-rise buildings, prove our group's optimism and unwavering commitment to project execution.

**17. Prospects - continued**

Despite the promising economic outlook, the industry is also grappling with internal challenges such as an increase in building material prices, the prolonged severe skilled labour shortage, the rise in workers' minimum wage, the weak ringgit against major world currencies, stiff competition amongst industry players and cash flow issues faced by contractors. Our Group is fully aware of all these challenges and has a comprehensive plan in place to overcome them.

Therefore, for FY2024, the Group is cautiously optimistic about registering positive growth. This optimism is based on our existing order book, which is reinforced by our prudent and resilient financial management and robust balance sheet. This balanced approach clearly indicates our ability to undertake mega projects and replenish our order book.

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

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

**19. Income tax**

The tax expenses comprise the following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31.3.2024 RM'000	Preceding Year Corresponding Quarter 31.3.2023 RM'000	Current Year To Date 31.3.2024 RM'000	Preceding Year Corresponding Period 31.3.2023 RM'000
Current taxation	1,399	3,465	1,399	3,465
Deferred taxation	1,218	(1,369)	1,218	(1,369)
	<u>2,617</u>	<u>2,096</u>	<u>2,617</u>	<u>2,096</u>

The effective tax rate for the current quarter is substantially higher than the statutory tax rate largely due to the reversal of deferred tax assets provision of a foreign subsidiary company.

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

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

**21. Quoted Securities**

The Company did not hold any quoted securities for the quarter ended 31 March 2024.

**22. Status of Corporate Proposal**

There was no outstanding corporate proposal.

**23. Group Borrowings and Debt Securities**

Total borrowings of the Group as at 31 March 2024 are as follows:-

<b>Security</b>	<b>Type</b>	<b>Amount (RM'000)</b>
Secured	Short Term	14,968
Secured	Long Term	84,777
Unsecured	Long Term	-

Currency exposure profile of borrowings is as follows:-

<b>Currency</b>	<b>Secured Short Term RM'000</b>	<b>Secured Long Term RM'000</b>
Malaysian Ringgit	13,617	694
Australian Dollar	1,351	84,083

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

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

**25. Material Litigation**

There is no material litigation pending as at 31 March 2024.

**26. Dividends**

The directors have not recommended the payment of any dividend for the quarter ended 31 March 2024.

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

The basic earnings per share was calculated based on the net profit for the period attributable to equity holders of the Company of RM147,127 (2023: RM2,506,523) and on the weighted average number of ordinary shares in issue of 471,288,703 (2023: 471,288,703) shares.

The fully diluted earnings per share for the period have been computed using a weighted average number of shares of 471,288,703 (2023: 471,288,703).

**28. Notes to Statement of Comprehensive Income**

	First quarter		Cumulative 3 months	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM '000	RM'000	RM'000
Depreciation of property, plant and equipment	1,994	2,857	1,994	2,857
Amortisation of right-of-use asset	434	416	434	416
Gain on disposal of property, plant & equipment	( 210)	(171)	(210)	( 171)