TRC SYNERGY BERHAD (413192-D)
(Incorporated in Malaysia)

Directors' Report and
Audited Financial Statements
31 December 2009

TRC SYNERGY BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS - 31 DECEMBER 2009

TRC SYNERGY BERHAD
(Incorporated in Malaysia)
413192-D

Corporate Information

Board of Directors	:	Dato' Sri Sufri Bin Hj Mohd Zin
	:	Dato' Abdul Aziz Bin Mohamad
	:	Gen. (R) Tan Sri Mohd Shahrom Bin Dato' Hj Nordin
	:	Abdul Rahman Bin Ali
	:	Noor Zilan Bin Mohamed Noor
Secretary	:	Abdul Aziz Bin Mohamed
Auditors	:	Kumpulan Naga Chartered Accountants (M)
Bankers	:	EON Bank Berhad
	:	Affin Bank Berhad
	:	AmBank (M) Berhad
	:	Malayan Banking Berhad
	:	United Overseas Bank Berhad
	:	RHB Bank Berhad
	:	CIMB Bank Berhad
	:	Standard Chartered Bank Malaysia Berhad
Registered Office/ Principal Place of Business	:	TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor Darul Ehsan.

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, general contractors for supplying labour and provision of corporate, administrative and financial support services to its subsidiaries.

The principal activities of the subsidiaries are as disclosed in Note 17 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	27,293,547	6,541,132
Attributable to:		
Equity holders of the Company	27,293,547	6,541,132
Minority interest	-	-
	27,293,547	6,541,132

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividend paid by the Company during the year, was as follows :

	RM
In respect of the financial year ended 31 December 2008 as reported in the directors' report of that year:	
First and final dividend of 6 sen per share less 25% taxation, on 189,578,439 ordinary shares, paid on 13 July 2009.	8,531,030

DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a provisional dividend in respect of the financial year ended 31 December 2009, of 4 sen per share less 25% taxation on 189,623,439 ordinary shares amounting to a dividend payable of RM5,688,703 (3 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are :

Dato' Sri Sufri Bin Hj Mohd Zin
Dato' Abdul Aziz Bin Mohamad
Gen. (R) Tan Sri Mohd Shahrom Bin Dato' Hj Nordin
Abdul Rahman Bin Ali
Noor Zilan Bin Mohamed Noor

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those share options granted pursuant to the Employee Share Options Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 9 of the financial statements or the fixed salary of a full time employee) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, as required by Section 169 (8) of the Companies Act, 1965.

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DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows :

	Number of Ordinary Shares of RM1.00 Each			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
The Company				
Direct Interest :				
Dato' Sri Sufri Bin Hj Mohd Zin	19,057,499	5,347,300	-	24,404,799
Dato' Abdul Aziz Bin Mohamad	529,284	5,000,000	-	5,529,284
Deemed Interest :				
Dato' Sri Sufri Bin Hj Mohd Zin #	49,198,000	4,000,000	-	53,198,000

\# Deemed interested by virtue of his substantial shareholdings in TRC Capital Sdn. Bhd. and Kolektif Aman Sdn. Bhd.

	| ---------------Number of Share Options------------------|			
The Company	**At 1.1.2009**	**Granted**	**Exercised**	**At 31.12.2009**
Dato' Sri Sufri Bin Hj Mohd Zin	900,000	-	-	900,000
Dato' Abdul Aziz Bin Mohamad	850,000	-	-	850,000

	| -------------------Number of Warrants ------------------|			
The Company	**At 1.1.2009**	**Granted**	**Exercised**	**At 31.12.2009**
Dato' Sri Sufri Bin Hj Mohd Zin	5,047,599	-	-	5,047,599

Dato' Sri Sufri Bin Hj Mohd Zin and Dato' Abdul Aziz Bin Mohamad by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM189,577,479 to RM189,623,439 by way of :

(i) the issuance of 960 ordinary shares of RM1.00 each at par value from conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS"); and

(ii) the issuance of 45,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Options Scheme ("ESOS") at an exercise price of RM1.23 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respect with the existing ordinary shares of the Company.

WARRANTS 2007/2017

A total of 30,800,000 free warrants were issued by the Company in conjunction with the Rights Issue in 2007. Each warrant is convertible into one new ordinary share of RM1.00 each at the exercise price of RM1.00 per ordinary share.

Consequential to the Bonus Issue in 2008, the Company had issued an additional 6,101,520 new Warrants 2007/2017 pursuant to the adjustments in accordance with the provision under the Deed Poll executed by the Company on 15 November 2006 constituting the Warrants ("Deed Poll").

No warrants were exercised during the current financial year and a total of 36,609,120 warrants remained outstanding as at 31 December 2009.

The warrants are valid for a period of ten years and shall expire on 21 January 2017.

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

On 22 January 2007, the Company issued RM30,800,000 nominal value of 5 - year 5% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1.00 each for additional working capital purposes.

Consequential to the Bonus Issue in 2008, an additional 247,433 new TRC ordinary shares would be issued by the Company upon the full conversion of the existing ICULS pursuant to the adjustments in accordance with the provision under the Trust Deed executed by the Company on 15 November 2006 constituting the ICULS ("Trust Deed").

As at 31 December 2009, 29,611,793 ordinary shares have been issued pursuant to the conversion of RM29,603,633 nominal amount of ICULS issued at 100% of its nominal value. From the remaining 1,196,367 units unconverted ICULS, an additional 239,273 new TRC ordinary shares would be issued by the Company upon conversion of the existing ICULS.

The terms of the ICULS are disclosed in Note 27 to the financial statements.

TREASURY SHARES

At the Extraordinary General Meeting held on 15 January 2009, the Board obtained shareholders' approval to undertake the purchase of up to 10% of the issued and paid up share capital of the Company. The shareholders of the Company, by a special resolution passed in a general meeting held on 25 June 2009, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

EMPLOYEE SHARE OPTIONS SCHEME

The TRC Synergy Berhad Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 30 April 2004. The ESOS was implemented on 22 June 2004 and is to be in force for a period of 5 years from the date of implementation. The Board of Directors has approved the extension of the duration of ESOS for another five years from the expiry date of the initial ESOS period (21 June 2009).

The salient features and other terms of the ESOS are disclosed in Note 33 to the financial statements.

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EMPLOYEE SHARE OPTIONS SCHEME (CONT'D)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, including directors, who have been granted option to subsrcibe for less than 850,000 ordinary shares of RM1.00 each. The names of option holders granted option to subscribe for 850,000 or more ordinary shares of RM1 each during the financial year are as follows :-

Name	Grant Date	Expiry Date	Exercise Price RM	-------Number of Share Options-------- Granted	Exercised	31.12.2009
Abdul Aziz Bin Mohamed	22.06.2004	21.06.2014	1.23	857,000	-	857,000
Dato' Khoo Teng San	22.06.2004	21.06.2014	1.23	850,000	-	850,000
Loh Leh Wong	22.06.2004	21.06.2014	1.23	850,000	-	850,000
Yeoh Sook Keng	22.06.2004	21.06.2014	1.23	850,000	-	850,000

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist :

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year, except as disclosed in Note 35 to the financial statements.

(f) In the opinion of the directors:

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS DURING THE FINANCIAL YEAR

The significant and subsequent events during the financial year are disclosed in Note 40 and 41 to the financial statements.

AUDITORS

The auditors, Messrs Kumpulan Naga, retire and do not seek re-appointment. A resolution to appoint AljeffriDean will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution of the directors,

………………………………………….
DATO' SRI SUFRI BIN HJ MOHD ZIN

………………………………………….
DATO' ABDUL AZIZ BIN MOHAMAD

Kuala Lumpur, Malaysia.

Date : 29 April 2010

TRC SYNERGY BERHAD
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STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **DATO' SRI SUFRI BIN HJ MOHD ZIN** and **DATO' ABDUL AZIZ BIN MOHAMAD**, being two of the directors of **TRC SYNERGY BERHAD**, state that in the opinion of the directors, the accompanying financial statements set out on pages 12 to 82 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors,

………………………………………….	………………………………...………
DATO' SRI SUFRI BIN HJ MOHD ZIN	DATO' ABDUL AZIZ BIN MOHAMAD

Kuala Lumpur, Malaysia.
Date : 29 April 2010

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **YEOH SOOK KENG**, being the officer primarily responsible for the financial management of **TRC SYNERGY BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 82 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, l960.

Subscribed and solemnly declared by the
abovenamed YEOH SOOK KENG at Kuala Lumpur
in the Federal Territory on 29 April 2010.

…………….…………..……..
YEOH SOOK KENG

Before me,

……………………………..
Commissioner for Oath

TRC SYNERGY BERHAD
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRC SYNERGY BERHAD

Report On The Financial Statements

We have audited the financial statements of TRC Synergy Berhad which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 82.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable Financial Reporting Standards in Malaysia and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRC SYNERGY BERHAD (CONT'D)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

Report On Other Legal And Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification or any adverse comment required to be made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

……………………………………………	……………………………………………
Kumpulan Naga	T. Nagarajan KMN
A.F. No. 0024	No: 824/04/12 (J)
Chartered Accountants (M)	

Kuala Lumpur, Malaysia

Date: 29 April 2010

TRC SYNERGY BERHAD
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INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Continuing Operations					
Revenue	3	533,808,669	740,662,748	19,030,363	10,345,293
Cost of sales	4	(475,239,753)	(663,091,423)	(3,316,774)	(2,654,448)
Gross profit		58,568,916	77,571,325	15,713,589	7,690,845
Other income	5	7,919,293	8,040,043	1,985,381	3,269,872
Administrative expenses		(25,397,797)	(19,221,409)	(6,738,717)	(2,463,144)
Selling and marketing expenses		-	-	-	-
Operating profit		41,090,412	66,389,959	10,960,253	8,497,573
Finance costs	6	(1,777,648)	(4,661,520)	(1,056,338)	(3,692,951)
Share of loss of associate		(534,642)	(368,042)	-	-
Profit before tax	7	38,778,122	61,360,397	9,903,915	4,804,622
Income tax expense	10	(11,484,575)	(15,722,756)	(3,362,783)	(1,676,304)
Profit for the year		27,293,547	45,637,641	6,541,132	3,128,318
Attributable to:					
Equity holders of the Company		27,293,547	45,637,641	6,541,132	3,128,318
Minority interests		-	-	-	-
		27,293,547	45,637,641	6,541,132	3,128,318
Earning per share attributable to equity holders of the Company (sen)					
- Basic, for profit for the year	11	14.40	24.83		
- Diluted, for profit for the year	11	13.55	24.81		

The accompanying notes form an integral part of the financial statements.

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BALANCE SHEETS
AS AT 31 DECEMBER 2009

		Group		Company	
			Restated		
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment properties	12	10,700,500	6,186,500	-	-
Prepaid land lease payment	13	500,001	505,892	-	-
Property, plant and equipment	14	18,563,455	26,503,347	-	-
Properties held for development	15	19,957,924	19,957,924	-	-
Intangible assets	16	9,177	83,333	-	83,333
Investment in Subsidiaries	17	-	-	69,420,640	61,747,808
Investment in Associate	18	12,679,481	6,521,265	-	-
Other investments	19	31,298,684	24,655,702	-	4,000,000
Other receivables	21	-	-	132,163,271	175,077,537
Deferred tax assets	31	-	-	21,907	34,316
		93,709,222	84,413,963	201,605,818	240,942,994
CURRENT ASSETS					
Property development costs	15	9,172,374	14,788,418	-	-
Inventories	20	2,634,424	937,037	-	-
Trade and other receivables	21	130,080,122	143,438,132	11,988	27,519
Cash and bank balances	24	200,947,479	212,817,320	320,862	3,141,980
		342,834,399	371,980,907	332,850	3,169,499
Non-current asset classified as held for sale	25	10,711,723	-	-	-
		353,546,122	371,980,907	332,850	3,169,499
TOTAL ASSETS		447,255,344	456,394,870	201,938,668	244,112,493

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BALANCE SHEETS (CONT'D)
AS AT 31 DECEMBER 2009

		Group		Company	
			Restated		
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	26	189,623,439	189,577,479	189,623,439	189,577,479
Share premium	26	10,350	-	10,350	-
ICULS - equity component	27	1,022,017	1,022,700	1,022,017	1,022,700
Other reserves	28	649,064	(7,633)	-	-
Retained earnings	29	95,038,051	76,274,736	10,870,401	12,860,459
Total equity		286,342,921	266,867,282	201,526,207	203,460,638
NON-CURRENT LIABILITIES					
ICULS - liability component	27	74,631	124,256	74,631	124,256
Borrowings	30	6,376,841	7,613,740	-	-
Deferred tax liabilities	31	723,313	243,780	-	-
		7,174,785	7,981,776	74,631	124,256
CURRENT LIABILITIES					
Borrowings	30	2,694,413	65,801,075	-	40,000,000
Trade and other payables	32	148,889,929	106,599,055	269,470	476,302
Current tax payable		2,153,296	9,145,682	68,360	51,297
		153,737,638	181,545,812	337,830	40,527,599
Total liabilities		160,912,423	189,527,588	412,461	40,651,855
TOTAL EQUITY AND LIABILITIES		447,255,344	456,394,870	201,938,668	244,112,493

The accompanying notes form an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2009

		Attributable to Equity Holders of the Company							
		Non-Distributable				Distributable			
	Note	Share Capital RM (Note 26)	Share Premium RM (Note 26)	ICULS (Equity Component) RM (Note 27)	Other Reserves RM (Note 28)	Retained Earnings RM (Note 29)	Total RM	Minority Interest RM	Total Equity RM
At 1 January 2009		189,577,479	-	1,022,700	(7,633)	76,274,736	266,867,282	-	266,867,282
Issue of ordinary shares pursuant to :									
Bonus issue		-	-	-	-	-	-	-	-
Warrants		-	-	-	-	-	-	-	-
ESOS		45,000	10,350	-	-	-	55,350	-	55,350
ICULS		800	-	-	-	-	800	-	800
ICULS adjustment		160	-	-	-	(160)	-	-	-
Arising during the year		-	-	-	8,674	-	8,674	-	8,674
Revaluation reserves		-	-	-	648,023	-	648,023	-	648,023
Equity component of ICULS		-	-	(683)	-	-	(683)	-	(683)
Acquisition of subsidiary		-	-	-	-	958	958	-	958
Profit for the year		-	-	-	-	27,293,547	27,293,547	-	27,293,547
Dividends	36	-	-	-	-	(8,531,030)	(8,531,030)	-	(8,531,030)
Expenditure written off		-	-	-	-	-	-	-	-
At 31 December 2009		189,623,439	10,350	1,022,017	649,064	95,038,051	286,342,921	-	286,342,921

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STATEMENT OF CHANGES IN EQUITY - GROUP
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

		Attributable to Equity Holders of the Company							
		Non-Distributable				Distributable			
	Note	Share Capital RM (Note 26)	Share Premium RM (Note 26)	ICULS (Equity Component) RM (Note 27)	Exchange Fluctuation Reserves RM (Note 28)	Retained Earnings RM (Note 29)	Total RM	Minority Interest RM	Total Equity RM
At 1 January 2008		139,803,133	6,535,663	15,241,344	2,127	61,007,386	222,589,653	-	222,589,653
Issue of ordinary shares pursuant to :									
Bonus issue		31,588,246	(7,048,202)	-	-	(24,540,044)	-	-	-
Warrants		292,400	-	-	-	-	292,400	-	292,400
ESOS		1,241,500	583,505	-	-	-	1,825,005	-	1,825,005
ICULS		16,644,200	-	-	-	-	16,644,200	-	16,644,200
ICULS adjustment		8,000	-	-	-	(8,000)	-	-	-
Arising during the year		-	-	-	(9,760)	-	(9,760)	-	(9,760)
Equity component of ICULS		-	-	(14,218,644)	-	-	(14,218,644)	-	(14,218,644)
Profit for the year		-	-	-	-	45,637,641	45,637,641	-	45,637,641
Dividends	36	-	-	-	-	(5,822,247)	(5,822,247)	-	(5,822,247)
Expenditure written off		-	(70,966)	-	-	-	(70,966)	-	(70,966)
At 31 December 2008		189,577,479	-	1,022,700	(7,633)	76,274,736	266,867,282	-	266,867,282

The accompanying notes form an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2009

		← Non - distributable		→	Distributable	
	Note	**Share Capital RM (Note 26)**	**Share Premium RM (Note 26)**	**ICULS (Equity component) RM (Note 27)**	**Retained Earnings RM (Note 29)**	**Total Equity RM**
At 1 January 2009		189,577,479	-	1,022,700	12,860,459	203,460,638
Profit for the year		-	-	-	6,541,132	6,541,132
Dividends	36	-	-	-	(8,531,030)	(8,531,030)
Issue of ordinary shares pursuant to :						
Bonus Issue		-	-	-	-	-
Warrants		-	-	-	-	-
ESOS		45,000	10,350	-	-	55,350
ICULS		800	-	-	-	800
ICULS Adjustment		160	-	-	(160)	-
Equity component of ICULS		-	-	(683)	-	(683)
Expenditure written off		-	-	-	-	-
At 31 December 2009		189,623,439	10,350	1,022,017	10,870,401	201,526,207

TRC SYNERGY BERHAD
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STATEMENT OF CHANGES IN EQUITY - COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONT'D)

		← Non - distributable		→	Distributable	
	Note	Share Capital RM (Note 26)	Share Premium RM (Note 26)	ICULS (Equity component) RM (Note 27)	Retained Earnings RM (Note 29)	Total Equity RM
At 1 January 2008		139,803,133	6,535,663	15,241,344	40,102,432	201,682,572
Profit for the year		-	-	-	3,128,318	3,128,318
Dividends	36	-	-	-	(5,822,247)	(5,822,247)
Issue of ordinary shares pursuant to :						
Bonus Issue		31,588,246	(7,048,202)	-	(24,540,044)	-
Warrants		292,400	-	-	-	292,400
ESOS		1,241,500	583,505	-	-	1,825,005
ICULS		16,644,200	-	-	-	16,644,200
ICULS Adjustment		8,000	-	-	(8,000)	-
Equity component of ICULS		-	-	(14,218,644)	-	(14,218,644)
Expenditure written off		-	(70,966)	-	-	(70,966)
At 31 December 2008		189,577,479	-	1,022,700	12,860,459	203,460,638

The accompanying notes form an integral part of the financial statements.

TRC SYNERGY BERHAD
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CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		38,778,122	61,360,397	9,903,915	4,804,622
Adjustments for :-					
Bad debts written off		770,464	-	-	-
Investment written off		4,000,000	-	4,000,000	-
Unrealised loss/(gain) on foreign exchange		(1,167,251)	311,823	(940,365)	-
Share of loss from joint venture		375	455	-	-
Dividend income		(371)	(593)	(13,333,333)	(6,520,270)
Doubtful advances written off		-	309,012	-	309,012
(Gain)/Loss on disposal of a subsidiary		-	(185,884)	-	8,229
Preliminary expenses written off		5,004	-	-	-
Expenditure written off to share premium		-	(70,966)	-	(70,966)
Finance cost on ICULS		10,340	422,021	10,340	422,021
Amortisation of expenditure carried forward		83,333	200,000	83,333	200,000
Exchange reserve arising due to retranslation of financial statements in foreign currency		(8,674)	6,243	-	-
Depreciation of property, plant and equipment		4,748,362	5,393,506	-	-
Amortisation of leasehold land		5,891	5,891	-	-
Gain on disposal of property, plant and equipment		(1,346,664)	(735,759)	-	-
Share of results of associates		534,642	368,042	-	-
Interest expense		1,501,572	3,971,191	1,044,986	3,268,932
Interest income		(3,215,754)	(4,655,429)	(1,044,986)	(3,268,932)
Property, plant and equipment written off		371,932	5,233	-	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		45,071,323	66,705,183	(276,110)	(847,352)
Inventories		(1,697,387)	86,087	-	-
Receivables		13,583,015	(34,386,661)	955,896	(293,562)
Payables		48,283,092	28,181,940	(265,693)	(865,571)
Property development project costs		5,616,044	8,889,657	-	-
Asset held for sale		(10,711,723)	-	-	-
Cash generated from/(used in) operations		100,144,364	69,476,206	414,093	(2,006,485)
Taxation paid		(18,040,494)	(15,787,580)	(3,333,334)	(1,708,214)
Interest paid		(1,501,572)	(3,971,191)	(3,268,932)	(3,268,932)
Interest received		3,215,754	4,655,429	3,268,932	3,268,932
Net cash generated from/(used in) operating activities		83,818,052	54,372,864	(2,919,241)	(3,714,699)

CASH FLOW STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2009

		Group		Company	
	Note	**2009**	**2008**	**2009**	**2008**
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		278	-	10,000,000	4,825,000
Associate company		(6,692,858)	7,786	-	-
Additional investment in subsidiaries		-	-	(7,672,832)	-
Purchase of investment properties		(4,514,000)	-	-	-
Purchase of investment		(10,642,982)	(18,315,086)	-	-
Purchase of property, plant and equipment		(3,455,901)	(13,584,877)	-	-
Proceeds from disposal of property, plant and equipment		2,206,697	866,354	-	-
Other receivables		-	-	46,247,599	5,408,290
Acquisition of additional interest in subsidiary	17	(908)	-	-	-
Net cash (used in)/generated from investing activities		(23,099,674)	(31,025,823)	48,574,767	10,233,290
CASH FLOWS FROM FINANCING ACTIVITIES					
Disposal of a subsidiary		-	168,314	-	1
Proceeds from exercise of warrants		-	292,400	-	292,400
Proceeds on share premium from ESOS exercised		10,350	583,505	10,350	583,505
Proceeds from ESOS exercised		45,000	1,241,500	45,000	1,241,500
Fixed deposits		4,040,656	(13,590,768)	-	-
Proceeds/(Repayment) of short term borrowings		(49,326,072)	29,175,969	(40,000,000)	-
Repayment from long term borrowings		(1,236,899)	(39,512,931)	-	-
Dividend paid		(8,531,030)	(5,822,215)	(8,531,994)	(5,822,808)
Net cash (used in)/generated from financing activities		(54,997,995)	(27,464,226)	(48,476,644)	(3,705,402)
Net increase/(decrease) in cash and cash equivalents		5,720,383	(4,117,185)	(2,821,118)	2,813,189
Effects of foreign exchange rate changes		231,022	(311,823)	-	-
Cash and cash equivalents at the beginning of the year		139,483,078	143,912,086	3,141,980	328,791
Cash and cash equivalents at the end of the year	24	145,434,483	139,483,078	320,862	3,141,980

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, general contractors for supplying labour and provision of corporate, administrative and financial support services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

The number of employees of the Company as at year end is 40 (2008: 51). The number of employees of the Group as at year end is 641 (2008: 589).

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for the public use.

The registered office and principal place of business of the Company is located at TRC Business Centre, Jalan Andaman Utama, 68000 Ampang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparations of Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia (RM).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparations of Financial Statements (Cont'd)

The preparation of financial statements in conformity with Financial Reporting Standards, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less any impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation (Cont'd)

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(b) Intangible Assets

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(c) Property, Plant and Equipment

(i) Cost

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

(i) Cost (Cont'd)

Certain freehold and leasehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

(ii) Depreciation and residual value

Freehold land has an unlimited useful life and therefore is not depreciated. Buildings-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates :

Renovation	10%
Buildings	2%
Plant, machinery and tools	10%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment and computers	20%
Telecommunication equipment	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

(iii) Impairment

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the assets is fully recoverable. A write down is made if the carrying value exceeds the recoverable amount (see significant policies note 2.2(f) on impairment of non-financial assets).

(iv) Gains or losses on disposal

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the related asset and are included in the Income Statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(d) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, against which bank overdrafts, if any, is deducted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(d) Financial Instruments (Cont'd)

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off and specific allowances are made for trade receivables considered to be doubtful of collection. The allowances is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables.

(iii) Trade Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(vi) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

The ICULS are regarded as compound financial instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible borrowings. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion, whilst the value of the equity component is not adjusted in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(d) Financial Instruments (Cont'd)

(vi) Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (Cont'd)

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible borrowings to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of the ICULS.

(vii) Warrants

Warrants issued in conjunction with the Rights Issue in financial year ended 31 December 2007 are not recognised on the date of issue.

The issue of ordinary shares upon exercise of the warrant are treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

(e) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(f) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, and as and when events or circumstances occur indicating that an impairment may exist. Property, plant and equipment and other non-current assets, including intangible assets with definite useful life, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date.

The impairment loss is charged to Income Statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the Income Statement unless it reverses an impairment loss on revalued assets in which case it is taken to revaluation surplus.

(g) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and applicable variable selling expenses. In arriving at the net realisable value, due allowances is made for all obsolete and slow moving items.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(h) Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as development properties at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(h) Land Held for Property Development and Property Development Costs (Cont'd)

(ii) Property Development Costs (Cont'd)

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(i) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance lease in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance leases - the Company as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(i) Leases (Cont'd)

(ii) Finance leases - the Company as lessee (Cont'd)

In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(c).

(iii) Operating leases - the Company as lessee

Operating lease payments are recognised as an expense on a straight -line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight -line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payment made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(l) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(l) Income Tax (Cont'd)

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer’s interest is the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(m) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(m) Employee Benefits (Cont'd)

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (“EPF”).

(n) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(n) Foreign Currencies (Cont'd)

(ii) Foreign currency transactions (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows :

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

The principal exchange rates used for every unit of foreign currency ruling at the balance sheet date are as follows :-

	2009 RM	2008 RM
United States Dollar	3.43	3.46
Euro	4.94	4.88
Brunei Dollar	2.47	2.41
Australian Dollar	3.06	2.40

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Properties

Revenue from sale of properties is accounted for by the stage of completion method.

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(iii) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iv) Rental Income

Rental income is recognised on an accrual basis.

(v) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at effective interest rate applicable, which is the rate that exactly discount estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(vi) Dividend Income

Dividend income is recognised when the Group's right to receive payment is established.

(vii) Management Fees

Management fees are recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(p) Share Based Payments

The Group and the Company recognised an increase in share capital and share premium when the options were exercised.

(q) Investments

(i) Subsidiaries and associates

The investments in subsidiaries and associates are shown at cost. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount. (see significant accounting policy note 2.2. (f) on impairment of non-financial assets).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to the Income Statement.

(ii) Other non-current investments

Other non-current investments are shown at cost and an allowances for diminution in value other than temporary is made for each non current investment individually where, in the opinion of the Directors, there is a decline other than temporary in the value of the investments, and recognised as an expense in the financial year in which the decline is identified.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(r) Share capital

(a) Classification

Ordinary share with discretionary dividend are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is charged directly to equity.

(b) Share issue costs

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(c) Dividend to shareholders of the Company

Dividends are recognised as an equity in the period in which they are declared.

(s) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets (other than inventories, deferred tax assets, assets arising from employee benefits and financial assets which are reviewed pursuant to the relevant accounting policies) to determine whether there are any indications that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(s) Impairment of Assets (Cont'd)

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is stated at revaluation, in which case it is taken to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised in the income statement.

2.3. Standards, Amendments to FRS and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRS, Amendments to FRS and Interpretations were issued and have not been applied by the Group and the Company :

FRS, Amendments to FRS and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised) (Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters)	1 July 2010
FRS 2	Share Based Payment Vesting Conditions & Cancellations	1 January 2010
FRS 3	Business Combinations (revised)	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statement (revised)	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. Standards, Amendments to FRS and Interpretations issued but not yet effective (Cont'd)

FRS, Amendments to FRS and Interpretations		**Effective for financial periods beginning on or after**
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share - based Payment Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 3	Business Combinations	1 July 2010
Amendment to FRS 5	Non - current Asset Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 7	Financial Instruments : Disclosures & Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 101	Presentation of Financial Statements	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Event after Balance Sheet Date	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grant & Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. Standards, Amendments to FRS and Interpretations issued but not yet effective (Cont'd)

FRS, Amendments to FRS and Interpretations		**Effective for financial periods beginning on or after**
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendment to FRS 132	Financial Instruments : Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010/ 1 March 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendment to FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 11	FRS to Group & Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 201	Preliminary and Pre-operating Expenditure	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3. Standards, Amendments to FRS and Interpretations issued but not yet effective (Cont'd)

The directors anticipate that the adoption of these new FRSs, Amendments and IC Interpretations in future period will have no material financial impact on the financial statements of the Group and of the Company upon their initial application except for the changes arising from the adoption of FRS 7 and FRS 139.

The Group and the Company is exempted from disclosing the possible impact to the financial statements upon the initial application of FRS 7 and FRS 139.

3. REVENUE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Construction contracts	477,546,744	647,307,939	-	-
Sales of construction materials and others	50,458,202	79,033,082	-	-
Development revenue	1,100,781	9,019,786	-	-
Rental of motor vehicle and machinery	4,198,486	5,138,060	-	-
Servicing of motor vehicle	504,456	163,881	-	-
Rendering of services	-	-	3,357,030	2,805,023
Dividend income from subsidiaries	-	-	13,333,333	6,520,270
Management fees from subsidiaries	-	-	2,340,000	1,020,000
	533,808,669	740,662,748	19,030,363	10,345,293

4. COST OF SALES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Construction contract costs	423,771,296	573,413,704	-	-
Sales of construction materials and others	47,733,074	73,112,728	-	-
Property development costs	418,608	13,910,543	-	-
Cost of services rendered	3,316,775	2,654,448	3,316,774	2,654,448
	475,239,753	663,091,423	3,316,774	2,654,448

Included in the property development costs is interest on bridging loan amounting RM18,571 (2008: RM413,456).

5. OTHER INCOME

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Gain on disposal of a subsidiary	-	185,884	-	-
Interest from subsidiary company	-	-	1,044,986	3,268,932
Gain on disposal of property, plant and equipment	1,346,664	735,759	-	-
Interest income	3,215,754	4,655,429	-	-
Rental income	325,638	331,940	-	-
Dividend income on equity investment, quoted in Malaysia	371	593	-	-
Miscellaneous	3,030,866	2,130,438	940,395	940
	7,919,293	8,040,043	1,985,381	3,269,872

6. FINANCE COSTS

Included in finance costs are :

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Interest on irredeemable convertible unsecured loan stocks (ICULS)	10,340	422,021	10,340	422,021
Bank overdraft interest	43,284	56,308	-	-
Al - Bai Bithaman Ajil profit rate	280,000	480,000	-	-
Hire purchase interest	130,336	154,360	-	-
Bankers acceptance interest	2,428	9,012	-	-
Loan interest - others	538	2,579	-	-
Interest on unsecured term loan	1,044,986	3,268,932	1,044,986	3,268,932

7. PROFIT BEFORE TAXATION

Profit before tax has been arrived at after charging/(crediting) :

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Amortisation charges	83,333	200,000	83,333	200,000
Directors' remuneration	2,213,740	2,035,884	-	-
Auditors' remuneration				
- statutory audit	109,300	123,300	13,000	12,000
- other services	8,838	19,350	8,838	19,350
Depreciation of property, plant and equipment	4,748,362	5,393,506	-	-
Property, plant and equipment written off	371,932	5,233	-	-
Rental of premises	842,281	1,083,929	-	-
Doubtful advances written off	-	309,012	-	309,012
Rental of vehicle, heavy machinery and equipment	980,550	934,670	40,000	-
Amortisation of prepaid land lease payments	5,891	5,891	-	-
Bad debts written off	770,464	-	-	-
Unrealised loss/(gain) on foreign exchange	(1,167,251)	311,823	(940,365)	-
Employees benefits expense	26,762,144	24,016,674	5,558,773	4,136,360
Non - executive directors' remuneration	84,000	105,000	84,000	105,000
Loss on termination of project	-	42,336	-	-
Investment written off	4,000,000	-	4,000,000	-
Preliminary expenses written off	5,004	-	-	-

8. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Wages and salaries	24,493,705	22,012,193	5,024,800	3,737,164
Social security contributions	172,021	180,162	20,730	22,564
Contributions to defined contribution plan	2,096,418	1,824,319	513,243	376,632
	26,762,144	24,016,674	5,558,773	4,136,360

8. EMPLOYEE BENEFITS EXPENSES (CONT'D)

Included in employee benefits expense of the Group and of the Company are executive directors’ remuneration amounting to RM2,213,740 (2008: RM2,035,884) and RM NIL (2008: RM NIL) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Executive directors' remuneration (Note 8):				
Salary	1,284,400	1,185,600	-	-
Other emoluments	929,340	850,284	-	-
	2,213,740	2,035,884	-	-
Non-executive directors' remuneration (Note 7) :				
Fees	84,000	105,000	84,000	105,000
Other emoluments - Bonus	-	-	-	-
	84,000	105,000	84,000	105,000

The number of directors of the Company whose total salary during the year fell within the following bands is analysed below :

	Number of Directors	
	2009	**2008**
Executive directors:		
RM850,000 - RM900,000	1	1
RM350,000 - RM400,000	1	1
Non-Executive directors:		
RM20,000 - RM30,000	2	2
RM31,000 - RM40,000	1	1

10. INCOME TAX EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Continuing operations				
Current income tax	11,119,343	16,940,002	3,350,065	1,648,875
Foreign taxation	17,816	-	-	-
Transferred from/(to) deferred taxation (Note 31)	479,510	(1,200,583)	12,386	23,904
(Over)/under provision in prior years:				
Malaysian income tax	(132,094)	(16,663)	332	3,525
Total income tax expense	11,484,575	15,722,756	3,362,783	1,676,304

Current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to subsidiaries in Australia is at 30%.

Subject to the agreement of the Inland Revenue Board, the Company has unabsorbed losses of approximately RM78,758 (2008: RM78,758) as at 31 December 2009 for offsetting against future taxable income.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2009	2008
	RM	RM
Group		
Profit before taxation	38,778,122	61,360,397
Taxation at Malaysian statutory tax rate of 20% and 25% (2008: 20% and 26%)	9,944,626	15,948,355
Foreign tax	17,816	-
Overprovision in prior years	(132,094)	(16,663)
Effect of changes in tax rates	25,049	11,839
Income not subject to tax	(314,499)	(155,088)
Expenses not deductible for tax purposes	2,322,170	2,734,284
Group relief claim	(239,417)	(2,174,690)
Deferred tax asset not recognised in respect of current year's tax losses	3,645	1,100
Utilisation of previously unabsorbed capital allowance and unrecognised tax losses	(142,721)	(626,381)
Income tax expense for the year	11,484,575	15,722,756

10. INCOME TAX EXPENSE (CONT'D)

	2009 RM	2008 RM
Company		
Profit before taxation	9,903,915	4,804,622
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	2,475,979	1,249,202
Group relief claim	37,174	152,879
Income not subject to tax	(235,091)	-
Under/(Over) provision in prior years	332	3,525
Expenses not deductible for tax purposes	1,084,389	270,698
Income tax expense for the year	3,362,783	1,676,304

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2009 RM	2008 RM
Profit attributable to ordinary equity holders of the Company	27,293,547	45,637,641
Weighted average number of ordinary shares in issue	189,593,397	183,785,454

	2009 sen	2008 sen
Basic earning per share for:		
Profit for the year	14.40	24.83

11. EARNINGS PER SHARE (CONT'D)

(b) Diluted

For the purposes of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS"), Warrants, adjustment on Bonus Issue and share options granted to employees and directors.

	2009 RM	**2008 RM**
Profit from continuing operations attributable to ordinary equity holders of the Company	27,293,547	45,637,641
After-tax effect of interest on ICULS	7,755	312,296
Profit attributable to ordinary equity holders of the Company	27,301,302	45,949,937
Weighted average number of ordinary shares in issue	189,593,397	183,785,454
Effects of dilution :		
ICULS	1,435,640	1,436,600
Share options	978,489	-
Warrants	9,491,253	-
Adjusted weighted average number of ordinary shares in issue and issuable	201,498,779	185,222,054

	2009 sen	**2008 sen**
Diluted earnings per share for :		
Profit for the year	13.55	24.81

12. INVESTMENT PROPERTIES

	Group	
	2009	**2008**
	RM	**RM**
At 1 January	6,186,500	6,186,500
Additions	-	-
Transfer from property development cost	4,514,000	-
At 31 December	10,700,500	6,186,500

13. PREPAID LAND LEASE PAYMENT

	Group	
	2009	**2008**
	RM	**RM**
At 1 January	505,892	511,783
Amortisation for the year	(5,891)	(5,891)
At 31 December	500,001	505,892
Analysed as :		
Long term leasehold land	500,001	505,892

The leasehold land was revalued in 2000 by an independent professional valuer using the open market valuation basis.

The leasehold land is amortised over the maximum period of 99 years.

Had the land been carried at their historical costs less accumulated depreciation, the carrying amounts of the revalued asset that would have been included in the financial statements at the end of the year is as follows :-

	Group	
	2009	**2008**
	RM	RM
Leasehold land	475,791	487,279

14. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2009 - Group

	Freehold land	Leasehold buildings	Freehold buildings	Building under construction	Plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Renovation	Computers	Telecommunication equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost/Valuation												
At 1 January 2009	1,186,068	965,000	1,264,800	6,063,492	44,513,119	16,702,574	1,927,067	359,197	568,085	101,866	13,877	73,665,145
Revaluation	-	185,000	175,000	-	-	-	-	-	-	-	-	360,000
Additions	8,828	-	1,731,614	-	188,103	716,095	946,868	982,965	1,654,513	-	-	6,228,986
Reinstate	-	-	-	-	39,000	-	-	-	-	-	-	39,000
Disposals/Written off /Transfer	(114,740)	-	(804,800)	(6,063,492)	(3,077,211)	(1,014,936)	(363,533)	(785,280)	(1,729,683)	(1,410)	-	(13,955,085)
At 31 December 2009	1,080,156	1,150,000	2,366,614	-	41,663,011	16,403,733	2,510,402	556,882	492,915	100,456	13,877	66,338,046
Accumulated Depreciation												
At 1 January 2009	-	166,001	270,060	-	34,059,692	10,353,552	1,481,291	299,338	426,400	91,592	13,872	47,161,798
Depreciation charge for the year	-	19,630	27,779	-	2,553,318	1,875,538	214,755	22,852	32,036	2,454	-	4,748,362
Reinstate	-	-	-	-	39,000	-	-	-	-	-	-	39,000
Revaluation	-	(183,691)	(104,333)	-	-	-	-	-	-	-	-	(288,024)
Disposals/Written off/Transfer	-	-	(188,915)	-	(2,545,905)	(719,532)	(352,437)	(17,607)	(60,740)	(1,409)	-	(3,886,545)
At 31 December 2009	-	1,940	4,591	-	34,106,105	11,509,558	1,343,609	304,583	397,696	92,637	13,872	47,774,591
Net Book Value												
At 31 December 2009	1,080,156	1,148,060	2,362,023	-	7,556,906	4,894,175	1,166,793	252,299	95,219	7,819	5	18,563,455

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

At 31 December 2008 - Group

	Freehold land	Leasehold buildings	Freehold buildings	Capital work-in-progress	Plant and machinery	Motor vehicles	Office equipment	Furniture and fittings	Renovation	Computers	Telecommunication equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost/Valuation												
At 1 January 2008	114,740	965,000	1,264,800	1,025,002	36,820,014	13,252,998	1,941,445	347,898	571,165	90,472	13,877	56,407,411
Additions	1,071,328	-	-	5,038,490	2,814,072	4,464,583	172,010	13,000	-	11,394	-	13,584,877
Reclassification from assets held for sale	-	-	-	-	5,886,245	807,426	-	-	-	-	-	6,693,671
Disposals/Written off /Transfer	-	-	-	-	(1,007,211)	(1,822,433)	(186,388)	(1,700)	(3,080)	-	-	(3,020,812)
At 31 December 2008	1,186,068	965,000	1,264,800	6,063,492	44,513,120	16,702,574	1,927,067	359,198	568,085	101,866	13,877	73,665,147
Accumulated Depreciation												
At 1 January 2008	-	146,701	244,764	-	27,078,494	9,776,809	1,489,311	284,961	393,446	89,859	13,872	39,518,217
Depreciation charge for the year	-	19,300	25,296	-	3,482,924	1,648,330	165,201	16,075	34,648	1,732	-	5,393,506
Reclassification from assets held for sale	-	-	-	-	4,405,990	747,576	-	-	-	-	-	5,153,566
Disposals/Written off /Transfer	-	-	-	-	(907,714)	(1,819,163)	(173,220)	(1,698)	(1,694)	-	-	(2,903,489)
At 31 December 2008	-	166,001	270,060	-	34,059,694	10,353,552	1,481,292	299,338	426,400	91,591	13,872	47,161,800
Net Book Value												
At 31 December 2008	1,186,068	798,999	994,740	6,063,492	10,453,426	6,349,022	445,775	59,860	141,685	10,275	5	26,503,347

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation

Certain freehold land and leasehold land and buildings of a subsidiary company were revalued by an independent professional valuer using the open market valuation basis during the financial year, since the last valuation which was done in year 2000 on certain freehold land and building and leasehold land and buildings of the subsidiary company. The carrying amount of land and buildings were adjusted to reflect the revaluations and the resultant surpluses were credited to revaluation reserve. Had the land and building affected been carried at their historical costs less accumulated depreciation, the carrying amounts of the revalued assets that would have been included in the financial statements at the end of the year are as follows :-

	2009	**2008**
	RM	**RM**
Freehold land	-	330,460
Freehold land and buildings	241,800	1,248,000
Leasehold land and buildings	526,095	540,694
	767,895	2,119,154

(b) Security

Certain land and buildings of a subsidiary company with a net carrying value of RM281,255 (2008:RM1,666,581) have been charged to financial institutions as security for various credit facilities granted to the subsidiary company.

(c) Assets acquired under hire purchase arrangements

The net book value of property, plant and equipment of the Group acquired under hire purchase arrangements are as follows :-

	2009	**2008**
	RM	**RM**
Plant and machinery	293,633	331,933
Motor vehicles	3,451,017	5,211,962
	3,744,650	5,543,895

15. PROPERTIES HELD FOR DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

Group	Freehold land RM	Freehold land and Building RM	Total RM
Cost			
At 1 January 2009	19,706,266	251,658	19,957,924
Additions	-	-	-
Transfer to property development costs	-	-	-
At 31 December 2009	19,706,266	251,658	19,957,924
Cost			
At 1 January 2008	19,706,266	251,658	19,957,924
Additions	-	-	-
Transfer to property development costs	-	-	-
At 31 December 2008	19,706,266	251,658	19,957,924

Certain land held for development amounting to RM7,986,266 (2008: RM7,986,266) is charged as security for the term loan granted by a financial institution as disclosed in Note 30 to the financial statements.

(b) Property Development Costs

	Group 2009 RM	Group 2008 RM
Brought forward		
- Land	5,943,000	5,579,929
- Development costs	106,877,472	93,417,797
	112,820,472	98,997,726
Incurred during the year		
- Transfer to property, plant and equipment	-	(6,035,992)
- Reclassification	(5,560,534)	-
- Land	-	363,071
- Development costs	2,797,253	19,404,554
- Unsold units transferred to inventories	(1,947,817)	-
	108,109,374	112,729,359
Recognised in income statement		
Brought forward	(97,940,941)	(75,025,436)
Current year	(996,059)	(22,915,505)
	(98,937,000)	(97,940,941)
Total	9,172,374	14,788,418

Included in property development cost incurred during the financial year is profit rate amounting to RM200,000 (2008 : RM NIL).

16. INTANGIBLE ASSETS

Group/Company

	Expenditure Carried forward RM	Goodwill RM	Total RM
At 1 January 2009	83,333	-	83,333
Acquisition of subsidiary (Note 17)	-	9,177	9,177
Amortisation	(83,333)	-	(83,333)
At 31 December 2009	-	9,177	9,177
At 1 January 2008	283,333	-	283,333
Amortisation	(200,000)	-	(200,000)
At 31 December 2008	83,333	-	83,333

17. INVESTMENT IN SUBSIDIARIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	-	-	69,420,640	61,747,808

(a) The details of the subsidiary companies are as follows :-

Held by the Company :	Country of Incorporation	Effective Interest (%) 2009	2008	Principal Activities
Trans Resources Corporation Sdn. Bhd.	Malaysia	100	100	Construction
TRC Land Sdn. Bhd.	Malaysia	100	100	Property development
TRC Energy Sdn. Bhd.	Malaysia	100	100	Oil and gas
TRC Infra Sdn. Bhd.	Malaysia	100	90	Dormant
* TRC (Aust) Pty Ltd	Australia	100	-	Construction and property development
** TRC International Pte Ltd	Malaysia	100	100	Investment holding

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of Incorporation	Effective Interest (%) 2009	2008	Principal Activities
Held through subsidiaries :				
TRC Development Sdn. Bhd.	Malaysia	100	100	Property development and project management
** TRC Land (Cambodia) Limited	Kingdom of Combodia	100	-	General contractor, trading and project development
Liputan Sutera Sdn. Bhd.	Malaysia	100	-	Dormant
TRC Concrete Industries Sdn. Bhd.	Malaysia	100	100	Manufacture of ready mixed concrete
** *** Petrobru Build Sdn. Bhd.	Brunei Darussalam	60	-	Dormant
** TRC Construction (Sarawak) Sdn. Bhd.	Malaysia	100	100	Construction

* The financial statements of TRC (Aust) Pty Ltd have not been audited due to certain exemptions given under the Australian Corporations Act, 2001.

** Audited by another firm of auditors.

*** The financial statements of TRC International Pte Ltd and Petrobru Build Sdn. Bhd. have not been consolidated with the financial statements of the Group as the Directors are of the opinion that there will be of no real value in view of the insignificant effect on the financial statements of the Group.

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiaries

As disclosed in the Directors' Report of the previous financial year, the Company had on 12 March 2009, acquired one (1) ordinary share of RM1.00 each in TRC Infra Sdn. Bhd. for a cash consideration of RM1.00 and became a wholly-owned subsidiary of the Group.

Liputan Sutera Sdn. Bhd. became a wholly-owned subsidiary of the Group upon the acquisition of two (2) ordinary shares of RM1.00 each for a cash consideration of RM2.00 by Trans Resources Corporation Sdn. Bhd., a wholly-owned subsidiary of the Company on 18 February 2009. As a result of the acquisition, Petrobru Build Sdn. Bhd., a company incorporated in Brunei Darussalam and 60% owned by Liputan Sutera Sdn. Bhd., became a subsidiary to the Group.

The cost of acquisition comprised the followings :

	Group	
	2009	**2008**
	RM	**RM**
Purchase consideration satisfied by cash	3	-
Cost attributable to the acquisition, paid in cash	-	-
Total cost of acquisition	3	-

The assets and liabilities arising from the acquisition are as follows :

	Group	
	2009	**2008**
	RM	**RM**
Cash in hand	3	-
Holding company	(908)	-
Other payables	(8,269)	-
Net liability acquired	(9,174)	-
Goodwill on acquisition	9,177	-
Total cost of acquisition	3	-

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiaries (Cont'd)

The cash outflow on acquisition is as follows :

	Group	
	2009	**2008**
	RM	**RM**
Purchase consideration satisfied by cash	3	-
Costs attributable to the acquisition, paid in cash	-	-
Total cash outflow of the Company	3	-
Cash and cash equivalents of subsidiary acquired	(3)	-
Holding company	908	-
Net cash outflow to the Group	908	-

On 4 June 2009, the Company incorporated a new wholly-owned subsidiary company, known as TRC (Aust) Pty Ltd, under the Australian Corporations Act 2001. This new subsidiary was primarily incorporated to undertake construction and properly development projects in Australia.

Further, TRC Land Sdn. Bhd. a wholly owned subsidiary of the Group has incorporated a new wholly owned subsidiary company under the laws of the Kingdom of Cambodia. The company is known as TRC Land (Cambodia) Limited. The certificate of incorporation dated 28 October 2009 was received on 13 November 2009. TRC Land (Cambodia) Limited was primarily incorporated as a general contractor, trader and project developer.

18. INVESTMENT IN ASSOCIATE

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Unquoted shares, at cost	13,586,946	6,900,000	-	-
Share of post- acquisition reserves :				
Share of loss of associate	(905,744)	(371,102)	-	-
Share of exchange reserve	(1,721)	(7,633)	-	-
	12,679,481	6,521,265	-	-

18. INVESTMENT IN ASSOCIATE (CONT'D)

TRC Land (Cambodia) Limited had on 13 November 2009 executed a Shares Sale Agreement to acquire 26% equity interest in the issued and paid up share capital of a Cambodian incorporated private limited company, Delta Garden Limited for the sum of USD 1,950,000 (RM6,686,940).

The Group also had acquired 2 ordinary shares in Pretty Sally Holdings Pty Ltd on 20 July 2009 through its wholly-owned subsidiary, TRC (Aust) Pty Ltd. for a consideration of AUD 2 (RM6).

Details of the associates of the Group are as follows :-

Name of Company	Country of Incorporation	Principal Activity	Equity Interest 2009	Equity Interest 2008
Pretty Sally Holdings Pty Ltd	Australia	Property development	33.33%	-
Delta Garden Limited	Kingdom of Cambodia	Property development	26%	-
PetroBru (B) Sdn. Bhd.	Brunei Darussalam	Dormant	26%	26%

The financial year end of PetroBru (B) Sdn. Bhd. and Pretty Sally Holdings Pty Ltd is on 30 September and 30 June respectively. For the purpose of applying the equity method of accounting, the unaudited financial statements of the associates have been used and appropriate adjustments have been made for the effects of significant transaction between their financial period to 31 December 2009.

All the associates are audited by another firm of auditors.

18. INVESTMENT IN ASSOCIATE (CONT'D)

The summarised financial information in respect of the Group's associates is as follows :

	Group 2009 RM	Group 2008 RM
Total assets	32,093,855	119,113
Total liabilities	(36,006,140)	(1,526,093)
Net liabilities	(3,912,285)	(1,406,980)
Group's share of associates' net assets	12,679,481	6,521,265
Revenue	4,426,466	-
Loss for the year	(2,185,077)	(1,415,546)
Group's share of associates' loss for the year	(534,642)	(368,042)

19. OTHER INVESTMENTS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
At cost :				
Investment in partnership	10,507,233	-	-	-
Unit trust in Malaysia	20,641,676	20,505,927	-	-
Quoted shares in Malaysia	5,775	5,775	-	-
Corporate membership	144,000	144,000	-	-
Subordinated bonds				
- KERISMA 0.00% 10.6.2009	-	4,000,000	-	4,000,000
	31,298,684	24,655,702	-	4,000,000
Market value :				
Unit trust	21,051,478	20,625,627	-	-
Quoted shares	9,142	7,742	-	-
	21,060,620	20,633,369	-	-

19. OTHER INVESTMENTS (CONT'D)

Investment in partnership

The Group's wholly-owned subsidiary, TRC (Aust) Pty Ltd had on 20 July 2009 executed a Call and Put Option Deed to acquire 133,334 equal undivided shares out of 400,000 equal undivided shares in a piece of vacant land known as Springridge Estate, 625 Northern Highway, Wallan, Melbourne, Australia for a total consideration of AUD8,000,000 (RM24,501,600). The consideration shall be satisfied by way of cash through three tranches of payment.

As at 31 December 2009, the Group had completed first tranch payment amounting AUD 3,250,000 (RM10,507,233) plus Goods and Services Tax (GST).

20. INVENTORIES

	Group	
	2009	**2008**
	RM	**RM**
Cost		
Construction materials	74,346	427,738
Raw materials	173,961	509,299
Completed properties	2,386,117	-
	2,634,424	937,037

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Current				
Trade receivables				
Third parties	105,861,798	113,367,449	-	-
Related parties	289,070	289,435	-	-
Accrued billings in respect of property development costs	-	137,518	-	-
Construction contracts:				
Due from customers (Note 22)	-	6,752,414	-	-
Retention sums (Note 22)	12,506,125	9,460,246	-	-
	118,656,993	130,007,062	-	-

21. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Other receivables				
Deposits	827,090	6,546,778	2,300	2,300
Prepayments	185,061	174,661	9,187	17,500
Tax recoverable	2,655,622	2,614,400	-	-
Other receivables	7,755,356	4,095,231	501	7,719
Other receivables, net	11,423,129	13,431,070	11,988	27,519
Total	130,080,122	143,438,132	11,988	27,519
Non-current				
Other receivables				
Amount due from related parties:				
Subsidiaries	-	-	132,163,271	175,077,537

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amounts due from subsidiaries (non - current)

Amount due from subsidiaries are unsecured, non-interest bearing and are repayable on demand except for the amount due from the subsidiary, Trans Resources Corporation Sdn. Bhd. which is subject to interest of 8.15% (2008: 8.15%) per annum.

22. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2009	**2008**
	RM	**RM**
Construction costs incurred to date	2,180,460,981	2,250,114,494
Attributable profits	225,835,508	130,879,820
	2,406,296,489	2,380,994,314
Less: Provision for foreseeable losses	-	-
	2,406,296,489	2,380,994,314
Less : Progress billings	(2,467,626,934)	(2,375,595,136)
	(61,330,445)	5,399,178
Due from customers on contract (Note 21)	-	6,752,414
Due to customers on contract (Note 32)	(61,330,445)	(1,353,236)
	(61,330,445)	5,399,178
Advances received on contracts, included within trade payables (Note 32)	10,341,180	625,599
Retention sums on contract, included within trade receivables (Note 21)	12,506,125	9,460,246

23. HIRE PURCHASE PAYABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Not later than 1 year (Note 30)	1,304,160	2,061,530	-	-
Later than 1 year and not later than 5 years (Note 30)	376,841	1,613,740	-	-
	1,681,001	3,675,270	-	-

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Cash on hand and at banks	36,312,733	36,545,188	320,862	3,141,980
Deposits:				
Short term deposits with licensed banks	57,686,929	92,840,156	-	-
Fixed deposits with licensed banks	106,947,817	83,431,976	-	-
Total cash and cash equivalents	200,947,479	212,817,320	320,862	3,141,980

Included in cash at banks of the Group are amounts of RM124,604 (2008: RM123,127) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Deposits with other financial institutions of the Group amounting to RM55,512,996 (2008: RM59,553,652) are pledged as securities for borrowings (Note 30).

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	36,312,733	36,545,188	320,862	3,141,980
Short term deposits with licensed banks	57,686,929	92,840,156	-	-
Fixed deposits with licensed banks	51,434,821	23,878,324		
Bank overdrafts	-	(13,780,590)	-	-
Total cash and cash equivalents	145,434,483	139,483,078	320,862	3,141,980

25. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2009	**2008**
	RM	**RM**
Completed property	10,711,723	-

26. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary Shares of RM1 each	Amount		
	Share capital (issued and fully paid)	Share capital (issued and fully paid) RM	Share premium RM	Total share capital and share premium RM
1 January 2009	189,577,479	189,577,479	-	189,577,479
Ordinary shares issued during the year :				
Pursuant to Warrants	-	-	-	-
Pursuant to ESOS	45,000	45,000	10,350	55,350
Pursuant to ICULS	960	960	-	960
At 31 December 2009	189,623,439	189,623,439	10,350	189,633,789
1 January 2008	139,803,133	139,803,133	6,535,663	146,338,796
Expenditure written off	-	-	(70,966)	(70,966)
Ordinary shares issued during the year :				
Pursuant to Warrants	292,400	292,400	-	292,400
Pursuant to ESOS	1,241,500	1,241,500	583,505	1,825,005
Pursuant to ICULS	16,652,200	16,652,200	-	16,652,200
Bonus Issue	31,588,246	31,588,246	(7,048,202)	24,540,044
At 31 December 2008	189,577,479	189,577,479	-	189,577,479

26. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

	Number of ordinary shares of RM1 each		Amount	
	2009	**2008**	**2009**	**2008**
Authorised share capital			**RM**	**RM**
At 1 January	500,000,000	500,000,000	500,000,000	500,000,000
Created during the year	-	-	-	-
At 31 December	500,000,000	500,000,000	500,000,000	500,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Warrants 2007/2017

A total of 30,800,000 free warrants were issued by the Company in conjunction with the Rights Issue in 2007. Each warrant is convertible into one new ordinary share of RM1.00 each at the exercise price of RM1.00 per ordinary share.

Consequential to the Bonus Issue in 2008, the Company had issued an additional 6,101,520 new Warrants 2007/2017 pursuant to the adjustments in accordance with the provision under the Deed Poll executed by the Company on 15 November 2006 constituting the Warrants ("Deed Poll").

No warrants were exercised during the current financial year and a total of 36,609,120 warrants remained outstanding as at 31 December 2009.

The warrants are valid for a period of ten years and shall expire on 21 January 2017.

The salient features of the Warrants 2007/2017 are as follows :-

(i) 30,800,000 free Warrants are issued in conjunction with the Rights Issue to the Entitled Shareholders on the basis of 1 free Warrant attached to every 1 Rights Share and RM1.00 nominal value of ICULS subscribed. The warrants are immediately detached upon issuance and traded on Bursa Malaysia Securities Berhad separately. The warrants are traded in board lots of 100 units each carrying the right to subscribe for 100 new TRCS shares;

(ii) each Warrants entitles the registered holders at any time during the exercise period of ten (10) years from the date of first issue of the Warrants to subscribe for one (1) ordinary share of RM1.00 at an exercise price of RM1.00;

26. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

Warrants 2007/2017 (Cont'd)

(iii) the exercise price and/or the number of the Warrants outstanding may be adjusted in accordance with the provisions set out in the Deed Poll;

(iv) upon expiry of the exercise period, any unexercised rights will lapsed and ceased to be valid for any purposes; and

(v) The new ordinary shares to be allotted and issued upon exercise of the Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that they will not be entitled to any dividends, rights, allotments and other distributions the entitlement date of which precedes or falls on the relevant conversion date.

27. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

On 22 January 2007, the Company issued RM30,800,000 nominal value of 5 - year 5% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1.00 each for working capital purposes.

Consequential to the Bonus Issue in 2008, an additional 247,433 new TRC ordinary shares would be issued by the Company upon the full conversion of the existing ICULS pursuant to the adjustments in accordance with the provision under the Trust Deed executed by the Company on 15 November 2006 constituting the ICULS ("Trust Deed").

As at 31 December 2009, 29,611,793 ordinary shares have been issued pursuant to the conversion of RM29,603,633 nominal amount of ICULS issued at 100% of its nominal value. From the remaining 1,196,367 units unconverted ICULS, an additional 239,273 new TRC ordinary shares would be issued by the Company upon conversion of the existing ICULS.

27. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONT'D)

The principal terms of the ICULS are as follows :-

(i) Conversion rights - The registered holders will have the right at any time during the Conversion Period to convert the ICULS into fully paid new TRCS ordinary shares at the Conversion Price.

(ii) Conversion price and mode - Conversion can be done by surrendering the ICULS with an aggregate nominal value equivalent to the conversion price of RM1.00 per share. There will be no cash element involved.

(iii) Conversion period - The conversion of the ICULS into new ordinary shares of the Company may take place at the option of the holders during the tenure of the ICULS.

(iv) The ICULS shall bear a coupon rate of 5% per annum payable annually in arrears on 31 December.

(v) The ICULS is unsecured and not redeemable for cash. All remaining ICULS at the end of the 5 year tenure shall be automatically and mandatorily converted into new ordinary shares of the Company at the conversion price.

(vi) The new ordinary shares to be allotted and issued upon conversion of the ICULS shall rank pari passu in all respects with the existing ordinary shares of the Company except that they will not be entitled to any dividends, rights, allotments and other distributions the entitlement date of which precedes or falls on the relevant conversion date.

The proceeds received from the issue of the ICULS have been split between the liability component and the equity component, representing the fair value of the conversion option. The ICULS are accounted for in the balance sheets of the Group and of the Company as follows :

27. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONT'D)

The movements of the ICULS during the year are as follows :

	Group/Company		
	Equity Component RM	Liability Component RM	Total RM
Balance at 1 January 2009	1,022,700	180,834	1,203,534
Conversion of ICULS into ordinary shares	(683)	(49,659)	(50,342)
Balance at 31 December 2009	1,022,017	131,175	1,153,192
Balance at 1 January 2008	15,241,344	3,829,433	19,070,777
Conversion of ICULS into ordinary shares	(14,218,644)	(3,648,599)	(17,867,243)
Balance at 31 December 2008	1,022,700	180,834	1,203,534

The liability component is further analysed as follows :-

	Group/Company	
	2009 RM	2008 RM
Current (Note 32) :		
- not later than one year	56,544	56,578
Non - current		
- later than one year but not later than five years	74,631	124,256
	131,175	180,834

The interest charged for the year is calculated by applying an effective interest rate of 8% (2008: 8%) to the liability component for the twelve month period since the loan stocks were issued.

28. OTHER RESERVES

Group

	Foreign Currency Translation Reserve RM	Asset Revaluation Reserve RM	Total RM
At 1 January 2009	(7,633)	-	(7,633)
Arising during the year			
Group	2,762	-	2,762
Associates	5,912	-	5,912
Revaluation increase	-	648,023	648,023
At 31 December 2009	1,041	648,023	649,064
At 1 January 2008	2,127	-	2,127
Arising during the year			
Group	(1,974)	-	(1,974)
Associates	(7,786)	-	(7,786)
Revaluation increase	-	-	-
At 31 December 2008	(7,633)	-	(7,633)

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold and leasehold land and buildings and decreases to the extent that the such decrease relates to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

29. RETAINED EARNINGS

As at 31 December 2009, the Company has tax exempt profits available for distribution of approximately RM5,242,666 (2008: RM5,242,666), subject to the agreement of the Inland Revenue Board.

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its credit under Section 108 of the Income Tax Act, 1967 for purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013. The Company has not opted to move to a single tier system and as a result, the Company can utilise the tax credit balance in the Section 108 of the Income Tax Act, 1967 as at 31 December 2009 to frank the payment of net dividends out of its retained earnings.

30. BORROWINGS

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Secured :				
Short term borrowings				
Bankers' acceptance	1,390,253	9,958,955	-	-
Bank overdrafts	-	13,780,590	-	-
Domestic factoring facilities	-	-	-	-
Hire purchase payables (Note 23)	1,304,160	2,061,530	-	-
Term loan	-	40,000,000	-	40,000,000
	2,694,413	65,801,075	-	40,000,000
Long term borrowings				
Hire purchase payables (Note 23)	376,841	1,613,740	-	-
Al- Bai Bithaman Ajil term loan	6,000,000	6,000,000	-	-
	6,376,841	7,613,740	-	-
Total borrowings	9,071,254	73,414,815	-	40,000,000

30. BORROWINGS (CONT'D)

(a) Bank Overdrafts

The bank overdrafts of the subsidiary companies are subject to interest at rates ranging from 1.0% to 1.25% (2008: 1.0% to 1.5%) per annum above the banks' base lending rates.

(b) Bankers' Acceptance

The bankers' acceptance are subject to commissions at rates of approximately 0.75% (2008: 0.75% to 1.0%) per annum and interest rates of 1.5% (2008: 1.5%) per annum above the banks' base lending rate.

(c) Other Short Term Trade Facilities

The domestic factoring facility is subject to a flat charge of RM NIL (2008: RM10,000).

The above facilities are secured by :-

(i) Existing Open All Monies Facilities Agreement;

(ii) Legal Deed of Assignment of Contract Proceeds;

(iii) Letter of Irrevocable Instruction by the subsidiary;

(iv) certain fixed deposits of the subsidiary;

(v) a freehold land and building and a leasehold land and building belonging to the subsidiary;

(vi) a fixed and floating charge over the subsidiary's present and future assets;

(vii) a corporate guarantee by the Company; and

(viii) jointly and personally guarantee by the directors of the subsidiary.

(d) Al-Bai Bithaman Ajil Term Loan

The term loan of the subsidiary company bears profit rate of 8% (2008: 6.5% to 8%) per annum and is secured by :-

(i) Master Facility Agreement;

(ii) A first party first legal charge over the subsidiary's freehold land as disclosed in Note 15 to the financial statements;

30. BORROWINGS (CONT'D)

(d) Al-Bai Bithaman Ajil Term Loan (Cont'd)

(iii) Specific debenture by way of fixed and floating charge over the said land, all units and structure erected thereon and all the rights, interest and benefits in and under the project, and all other assets, goodwill, design and other intellectual properties rights, and all sales proceeds, rental income and other revenue and claims, and other undertaking relating to the project; and

(iv) Corporate guarantee by the Company.

31. DEFERRED TAXATION

Group

	2009 RM	**2008 RM**
Deferred tax liabilities (Note a)	1,555,272	1,256,999
Deferred tax assets (Note b)	(831,959)	(1,013,219)
	723,313	243,780

	Property, plant and equipment RM	**Total RM**
Note (a)		
Deferred Tax Liabilities		
Balance as at 1 January 2009	1,256,999	1,256,999
Recognised in income statement (Note 10)	298,273	298,273
Balance as at 31 December 2009	1,555,272	1,555,272
Balance as at 1 January 2008	1,842,123	1,842,123
Recognised in income statement (Note 10)	(585,124)	(585,124)
Balance as at 31 December 2008	1,256,999	1,256,999

31. DEFERRED TAXATION (CONT'D)

Group (Cont'd)

	ICULS RM	Unused Tax Losses RM	Total RM
Note (b)			
Deferred Tax Assets			
Balance as at 1 January 2009	(34,316)	(978,903)	(1,013,219)
Transferred from ICULS	23	-	23
Recognised in income statement (Note 10)	12,386	168,851	181,237
Balance as at 31 December 2009	(21,907)	(810,052)	(831,959)
Balance as at 1 January 2008	(811,215)	(339,540)	(1,150,755)
Transferred from ICULS	752,995	-	752,995
Recognised in income statement (Note 10)	23,904	(639,363)	(615,459)
Balance as at 31 December 2008	(34,316)	(978,903)	(1,013,219)

Company

	Irredeemable Convertible Unsecured Loan Stocks (ICULS) RM	Total RM
Deferred Tax Assets		
Balance as at 1 January 2009	(34,316)	(34,316)
Recognised in income statement (Note 10)	12,386	12,386
Conversion	23	23
Balance as at 31 December 2009	(21,907)	(21,907)
Balance as at 1 January 2008	(811,215)	(811,215)
Recognised in income statement (Note 10)	23,904	23,904
Conversion	752,995	752,995
Balance as at 31 December 2008	(34,316)	(34,316)

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	64,286,673	95,148,809	5,260	-
Construction contracts:				
Due to customers (Note 22)	61,330,445	1,353,236	-	-
Advances received (Note 22)	10,341,180	625,599	-	-
	135,958,298	97,127,644	5,260	-
Other payables				
Vendor - associate company	5,865,000	5,865,000	-	-
ICULS - liability component (Note 27)	56,544	56,578	56,544	56,578
Accruals	3,237,706	1,288,822	65,725	329,761
Other payables	3,772,381	2,261,011	141,941	89,963
	12,931,631	9,471,411	264,210	476,302
	148,889,929	106,599,055	269,470	476,302

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.

33. EMPLOYEE BENEFITS

Employee Share Options Scheme

The Company has established a Share Options Scheme for Employees and Directors ("The Scheme") pursuant to the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 30 April 2004. The Scheme shall remain in force for a duration of five (5) years commencing from 22 June 2004. The Board of Directors has approved the extension of the duration of ESOS for another five years from the expiry of the initial ESOS period (21 June 2009).

The salient features and other terms of the Scheme are as follows :

(i) the maximum number of the Company's new shares to be made available under the Scheme shall not exceed fifteen percent (15%) of the issued and paid up capital of the Company;

33. EMPLOYEE BENEFITS (CONT'D)

Employee Share Options Scheme (Cont'd)

The salient features and other terms of the Scheme are as follows : (Cont'd)

(ii) not more than fifty percent (50%) of the Company's shares available under the Scheme shall be allocated to Directors and senior management;

(iii) not more than ten percent (10%) of the Company's shares available under the Scheme shall be allocated to individual Director or eligible employees, who either singly or collectively through person connected to them holds twenty percent (20%) or more of the issued and paid-up capital of the Company.

(iv) The eligible participants shall include eligible employees and Directors who as at the offer date have satisfied the following criteria :-

a) is a confirmed employee or appointed director within the Group;
b) has attained at least age of eighteen (18);
c) is employed full time and on the payroll of the Group;
d) is under such category and of such criteria that the option committee may from time to time decide.

(v) The option price for each share shall be based on the weighted average market price (WAMP) of the Company's share traded on Main Market of Bursa Malaysia Securities Berhad for the five (5) trading days preceding the date of offer with a discount if any, that does not exceed ten percent (10%) from the five (5) day of the Company's share price.

(vi) Upon exercise of the options, the new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company; and

(vii) The persons to whom the options have been granted have no right to participate by virtue of the option in any share issue of any other company.

33. EMPLOYEE BENEFITS (CONT'D)

Employee Share Options Scheme (Cont'd)

Date of Offer	Exercise period	Exercise price per ordinary share (RM)	Balance at 1 January	During the year Granted/ Accepted	During the year Exercised	Balance at 31 December
22.6.2004	22.6.2004 - 21.6.2009	1.70	-	13,740,000	-	13,740,000
22.6.2004	01.1.2005 - 21.6.2009	1.70	13,740,000	-	-	-
22.6.2004	01.1.2006 - 21.6.2009	1.47	13,740,000	-	-	-
22.6.2004	01.1.2007 - 21.6.2009	1.47	13,740,000	2,199,000	(3,644,500)	12,294,500
22.6.2004	01.1.2008 - 21.6.2014	1.23	12,294,500	-	(1,241,500)	11,053,000
22.6.2004	01.1.2009 - 21.6.2014	1.23	11,053,000	-	(45,000)	11,008,000

Consequent to the Bonus Issue exercise completed in 2008, the exercise price of the Company's Employees and Directors' Share Option Scheme had been adjusted from MR1.47/share to RM1.23/share.

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years provided they are exercised prior to the expiry date of the Scheme on 21 June 2014.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders, including directors, holding share options of less than 850,000 shares.

The eligible employees who have been granted share options of 850,000 or more are as follows:-

No.	Name of Options Holders	Number of Share Options
1.	Dato' Sri Sufri Bin Hj Mohd Zin	900,000
2.	Dato' Abdul Aziz Bin Mohamad	850,000
3.	Dato' Khoo Teng San	850,000
4.	Loh Leh Wong	850,000
5.	Yeoh Sook Keng	850,000
6.	Abdul Aziz Bin Mohamed	857,000

34. CAPITAL COMMITMENTS

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Approved and contracted for :				
Investment in partnership	14,535,000	-	-	-

The above investment in partnership is in respect of Call and Put Option Deed contracted by the Group on 20 July 2009 as disclosed under Note 40.

The Call and Put option period for the above investment will lapse on 7 July 2011.

35. CONTINGENT LIABILITIES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**
Secured				
Bank guarantees				
Performance bond	107,375,993	103,724,196	107,375,993	55,024,196
Advance bond	30,000,000	20,000,000	30,000,000	20,000,000
Tender bond	350,000	60,000	350,000	60,000
Supplier / Maintenance / Security	1,175,000	357,150	1,175,000	357,150
	138,900,993	124,141,346	138,900,993	75,441,346

The bank guarantees are secured by fixed deposits of a subsidiary company and a corporate guarantee by the Company.

As at the balance sheet date, the Group has unutilised bank guarantees amounting to RM85,599,007 (2008: RM71,470,243).

Unsecured:

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Corporate guarantees given to banks for credit facilities granted to subsidiaries	-	-	140,445,718	145,727,128

As of 31 December 2009, the Group had available RM232,500,000 (2008: RM191,900,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

36. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2009	2008	2009	2008
	RM	RM	RM	RM
Recognised during the year:				
First and final dividend for 2008: 6 sen per share less 25% taxation on 189,578,439 ordinary shares (4.5 sen net per ordinary share)	-	8,531,030	8,531,030	5,822,247

At the forthcoming Annual General Meeting, a provisional dividend in respect of the financial year ended 31 December 2009, of 4 sen per share less 25% taxation on 189,623,439 ordinary shares amounting to a dividend payable of RM5,688,703 (3 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2009	2008
	RM	RM
Company		
Interest from a subsidiary company	1,044,986	3,268,932
Management fee from a subsidiary company	2,340,000	1,020,000
Supply of labour to subsidiary companies	3,357,030	2,805,023

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

38. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

(c) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Credit Risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(e) Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values.

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

It is not practicable to estimate the fair value of the Group' non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

39. SEGMENTAL INFORMATION

	Revenue		Profit Before Taxation		Total Assets Employed	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	RM	RM	RM	RM	RM	RM
Investment holding	15,673,333	7,540,270	8,156,826	3,501,897	149,530	3,803,768
Construction activity	491,999,804	665,093,572	38,341,718	70,262,306	359,537,494	347,390,154
Property development	1,100,781	7,608,586	(196,812)	(6,348,948)	37,255,195	49,711,398
Hiring of motor vehicle and machinery	4,198,486	5,197,620	334,026	557,498	2,928,800	2,740,039
Manufacturing and retailing in ready mixed concrete	8,578,672	4,871,478	949,770	232,185	1,532,230	1,574,434
Retailing of construction materials and others	50,459,083	79,262,401	4,014,464	8,501,702	35,199,484	41,784,913
Supply of labour	3,357,030	2,805,023	1,747,089	1,302,725	32,027	1,415,022
Others	504,456	163,881	(43,068)	12,078	10,620,584	7,975,142
Group's share of loss of an associate company	-	-	(534,642)	(368,042)	-	-
	575,871,645	772,542,831	52,769,371	77,653,401	447,255,344	456,394,870
Consolidated adjustments	(42,062,976)	(31,880,083)	(13,991,249)	(16,293,004)	-	-
	533,808,669	740,662,748	38,778,122	61,360,397	447,255,344	456,394,870

No segmental reporting has been prepared in respect of geographical location as the Group's activities are predominantly carried out in Malaysia.

40. SIGNIFICANT EVENTS

New Projects Secured by The Group

On 9 October 2009, the Group's wholly owned subsidiary, TRC (Aust) Pty Ltd received a letter of acceptance from Pretty Sally Holdings Pty Ltd in relation to the construction of road and drainage, sewer and water works for Springridge Estate Development Project, 625 Northern Highway, Wallan, Melbourne, Australia for a contract sum of AUD4,188,681 (RM12,901,977).

The Group's wholly owned subsidiary, Trans Resources Corporation Sdn. Bhd. ("TRC") had secured a project known as 'Cadangan Pembangunan Pusat Latihan Lain-Lain Pangkat Agensi Penguatkuasaan Maritime Malaysia (APMM) at Kuatan, Pahang' for a contract sum of RM218,000,000.

On 8 March 2010, the Group's wholly owned subsidiary, TRC received the Letter of Award from Northport (Malaysia) Bhd, in relation to TRC's tender for The Project known as 'Proposed Development of RTG G-Block and Associated Works at Container Terminal One (CTI) for Northport (Malaysia) Bhd at Port Klang for a contract sum of RM45,980,000. TRC had accepted the award on 9th March 2010.

40. SIGNIFICANT EVENTS (CONT'D)

New Projects Secured by The Group (Cont'd)

On 23 April 2010, TRC had received the Letter of Award from Putrajaya Holdings Sdn. Bhd., in relation to TRC's tender for the project known as 'The Proposed Construction and Completion of Remaining and Rectification Works for 622 unit Government Apartments at Parcel 5R6 in Precint 5, Putrajaya' for a contract sum of RM20,388,000.

Investment in Partnership

TRC (Aust) Pty Ltd had on 20 July 2009 concluded a Call and Put Option Deed to acquire 133,334 equal undivided shares out of 400,000 equal undivided shares in a piece of vacant land known as Springridge Estate, 625 Northern Highway, Wallan, Melbourne, Australia for a total consideration of AUD8,000,000 (RM24,501,600).

41. SUBSEQUENT EVENT

On 8 April 2010, the Company's wholly owned subsidiary company within TRC Group, TRC Construction (Sarawak) Sdn. Bhd. (Co. No. 621714 W) has changed its name to TRC (Sarawak) Sdn. Bhd. with effect from 6 April 2010.

42. COMPARATIVES

The following comparatives as at 31 December 2008 have been reclassified to confirm with current year's presentation.

	Group	
	As restated	**As previously stated**
	RM	RM
Balance sheets		
Current assets		
Trade and other receivables	143,438,132	135,770,412
Cash and bank balances	212,817,320	220,423,439
Current liabilities		
Trade and other payables	106,599,055	106,518,538
Cash flow statements		
Receivables	(34,386,661)	(26,718,941)
Payables	28,181,940	28,120,339
Fixed deposits	(13,590,768)	3,601,724
Net (decrease)/increase in cash and cash equivalents	(4,117,185)	20,681,426
Cash and cash equivalents at beginning of the year	143,912,086	102,841,270