



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the first quarter ended 30 September 2018

		Individual Quarter	Cumulative Quarter
		3 months ended	3 months ended
		30 September 2018	30 September 2018
	Note	RM'000	RM'000
Revenue	A9	61,274	61,274
Cost of sales		(54,160)	(54,160)
Gross Profit		7,114	7,114
Other income		303	303
Administration expenses		(4,953)	(4,953)
Finance costs		(1,472)	(1,472)
Share of result of an associate		-	-
Profit before taxation	A9	992	992
Income tax expenses	B5	(361)	(361)
Profit for the period		631	631
Attributable to:			
Owners of the Company		633	633
Non-controlling interests		(2)	(2)
Profit for the period		631	631
Earnings per share (sen)			
Basic	B10	0.4	0.4
Diluted	B10	0.4	0.4

On 22 December 2017, the Company announced the change of its financial year end from 31 December to 30 June. The last audited financial statements were for an 18-month reporting period from 1 January 2017 to 30 June 2018. As such, there are no comparative figures for the preceeding year corresponding periods.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.



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	<u>Individual Quarter</u> <u>3 months ended</u> <u>30 September 2018</u>	<u>Cumulative Quarter</u> <u>3 months ended</u> <u>30 September 2018</u>
Note	<u>RM'000</u>	<u>RM'000</u>
Profit for the period	631	631
Other Comprehensive Income	-	-
Total comprehensive income for the period	631	631
Total comprehensive income attributable to:		
Owners of the Company	633	633
Non-controlling interests	(2)	(2)
	631	631

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TSR CAPITAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2018

	Note	<u>30 September 2018</u> (Unaudited) RM'000	<u>30 June 2018</u> (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		70,874	71,930
Investment properties		98,003	98,595
Investment in an associate		-	-
Deferred tax assets		2,832	2,832
Land held for future development		24,769	24,769
		<u>196,478</u>	<u>198,126</u>
Current assets			
Property development costs		29,556	29,539
Amount due from customers for contract work		11,233	5,868
Inventories		46,685	46,685
Trade receivables		115,050	98,330
Other receivables and prepayment		28,425	34,293
Current tax assets		17	17
Fixed deposits with licensed banks		674	673
Cash and bank balances		20,360	16,304
		<u>252,000</u>	<u>231,709</u>
TOTAL ASSETS		<u>448,478</u>	<u>429,835</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		113,299	113,299
Reserves		67,012	66,379
		<u>180,311</u>	<u>179,678</u>
Equity attributable to owners of the Company		180,311	179,678
Non-controlling interests		(914)	(912)
Total equity		<u>179,397</u>	<u>178,766</u>
Non-current liability			
Loans and borrowings	B7	66,851	70,137
Current liability			
Trade payables		100,538	83,349
Other payables and accruals		19,151	13,413
Loans and borrowings	B7	61,775	50,165
Amounts due to customers for contract work		11,356	20,921
Advance payments from customers		7,068	8,320
Current tax liabilities		2,342	4,764
		<u>202,230</u>	<u>180,932</u>
Total liabilities		<u>269,081</u>	<u>251,069</u>
TOTAL EQUITY AND LIABILITIES		<u>448,478</u>	<u>429,835</u>
Net assets per share (RM)		1.03	1.03

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.

**TSR CAPITAL BERHAD**

(Company No : 541149-W)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the first quarter ended 30 September 2018

<----- Attributable to Equity Holders of the Company ----->

<----- Non-Distributable ----->

	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Retained profits	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 September 2018								
At 1 July 2018	113,299	58,150	-	7,922	307	179,678	(912)	178,766
Total comprehensive income for the period	-	-	-	-	633	633	(2)	631
At 30 September 2018	113,299	58,150	-	7,922	940	180,311	(914)	179,397

<----- Attributable to Equity Holders of the Company ----->

<----- Non-Distributable ----->

	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 30 September 2017								
At 1 January 2017	87,225	58,150	26,074	7,922	(4,493)	174,878	(1,451)	173,427
Total comprehensive income for the period	-	-	-	-	3,525	3,525	(6)	3,519
At 30 September 2017	87,225	58,150	26,074	7,922	(968)	178,403	(1,457)	176,946

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.



TSR CAPITAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

for the first quarter ended 30 September 2018

	3 months ended 30 September 2018	18 months ended 30 June 2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	992	9,076
Adjustments for:		
Non-cash / non-operating items	3,347	14,780
Operating profit before working capital changes	4,339	23,856
Change in amount due from / to customers for contract work	(14,929)	12,500
Change in amount owing to an associate	-	1
Change in inventories	-	12,149
Change in property development costs	(17)	(4,691)
Change in trade and other receivables	(10,927)	1,054
Change in trade and other payables	21,674	3,119
Cash from operations	140	47,988
Interest paid	(1,472)	(10,813)
Tax paid	(2,782)	(4,659)
Net cash (for) / from operating activities	(4,114)	32,516
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	(1)	(28)
Interest received	7	85
Acquisition of associate	-	(40)
Proceeds from disposal of property, plant and equipment	-	170
Purchase of plant and equipment	(233)	(2,243)
Addition to land held for future development	-	(201)
Repayment from / (Advances to) associate	74	(5,069)
Net cash for investing activities	(153)	(7,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayment) of loans and borrowings	7,914	(21,526)
Changes in non-controlling interest ownership arising from deemed disposal of a subsidiary	-	(315)
Grant received	-	3,490
Net cash from / (for) financing activities	7,914	(18,351)
Net increase in cash and cash equivalents	3,647	6,839
Cash and cash equivalents brought forward	15,337	8,498
Cash and cash equivalents carried forward	18,984	15,337
Cash and cash equivalents comprise the following:		
Cash and bank balances	20,360	16,304
Fixed deposits with licensed banks	674	673
	21,034	16,977
Bank overdraft	(1,376)	(967)
Fixed deposits pledged to licensed banks	(674)	(673)
	18,984	15,337

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial statements.



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Part A - Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134

Notes to the Interim Financial Report

A1 Basis of preparation

The interim financial report has been prepared under the historical cost convention.

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements for the financial period ended 30 June 2018. Certain comparatives were restated to conform with the disclosure for current reporting period.

The Group falls within the definition of Transitioning Entities under the Malaysian Financial Reporting Standards ("MFRS Framework") and has opted to defer adoption of the new MFRS framework. Accordingly, the Group will be required to prepare its first set of MFRS financial statement for the financial year ending 30 June 2019.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial period ended 30 June 2018, except for the adoption of the following new or revised standards and Annual Improvements to Standards with effect from 1 July 2018:-

MFRS 9	: Financial Instruments
MFRS 15	: Revenue from Contracts with Customers
Annual Improvements to MFRS Standards 2014 - 2016 Cycles	

The initial application of the above new or revised standards is not expected to have any significant impact on the results and financial position of the Group and the Company.

A3 Auditor's Report on Preceding Annual Financial Statements

There were no qualification in the auditors' report of the Company's previous financial statements for the financial period ended 30 June 2018.

A4 Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter.

A5 Unusual items due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6 Changes in Estimates

There were no changes in the estimates of amounts, which give a material effect in the current quarter.

A7 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

A8 Dividends Paid

There was no dividend paid in the current quarter.



Part A - Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134

Notes to the Interim Financial Report

A9 Segmental Information

Due to the change of financial year end from 31 December to 30 June, there are no comparative figures for the segmental information for the current quarter under review.

Segmental information is presented in respect of the Group's business segments were as follows:-

Segmental Results for 3 Months Ended 30 September 2018

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	58,358	2,916	-	61,274
Elimination of Intersegment Sales	-	-	-	-
External Sales	<u>58,358</u>	<u>2,916</u>	<u>-</u>	<u>61,274</u>
Results				
Segment Results	1,918	558	(19)	2,457
Elimination of intersegment Results	-	-	-	-
	<u>1,918</u>	<u>558</u>	<u>(19)</u>	<u>2,457</u>
Financing Costs	(421)	(1,051)	-	(1,472)
Interest Income	5	2	-	7
Profit/(Loss) before Taxation	<u>1,502</u>	<u>(491)</u>	<u>(19)</u>	<u>992</u>

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2018.

A11 Material Subsequent Events

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

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A13 Changes in Contingent Liabilities

The Company has entered into financial guarantee contract to provide financial guarantee to financial institutions and trade suppliers for credit facilities granted to certain subsidiaries up to a total limit of RM326,297,000. The total utilisation of these credit facilities as at 30 September 2018 amounted to RM208,956,000.

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 30 September 2018 except as disclosed as follow:

	RM'000
<i>Contracted and provided for</i>	
- Leasehold Land	<u><u>4,888</u></u>



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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

Notes to the Interim Financial Report

B1 Review of Performance

On 22 December 2017, the Company announced the change of its financial year end from 31 December to 30 June, as such there are no comparative figures for the current quarter and current cumulative quarter. However, the Company provide hereunder the comparative and analysis for purpose of reference.

Quarterly Analysis:

	<u>Current quarter</u> 3 months ended 30 September 2018 RM'000	<u>Corresponding quarter</u> 3 months ended 30 September 2017 RM'000
Revenue	61,274	68,552
Profit before taxation	992	1,089

For the current quarter, the Group recorded a revenue RM61.2 million, 11% lower than previous corresponding quarter of RM68.5 million. The decrease in revenue in the current quarter is mainly due to lower construction billings.

Despite decrease in the revenue, the Profit before taxation for the current quarter stood at RM0.9 million as compared to previous corresponding quarter of RM1.0 million.

B2 Comparison With Immediate Preceding Quarter's Results

The Group registered a Profit Before Taxation of 1.6% in the current quarter as compared to a Loss Before Taxation of 4.9% reported in the immediate preceding quarter. The better performance of the current quarter was mainly attributable to the improved project margin.

B3 Prospects for the Current Financial Year

The Board expects that the construction and property sectors to remain competitive in financial year ending 30 June 2019. While the Group will selectively participate in tender for construction projects, the Group will continue to expand in property development in certain niche market.

Barring any unforeseen circumstances, the Board cautiously expects that the performance of the Group for 2019 will be satisfactory.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expenses

	<u>Individual Quarter</u> 3 months ended 30 September 2018 RM'000	<u>Cumulative Quarter</u> 3 months ended 30 September 2018 RM'000
- Current income tax	361	361
	361	361

The effective tax rate for the Group in the current quarter is higher than the statutory tax rate mainly due to higher expenses are not allowable as deduction of expenses.



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B6 Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the latest practicable date ("LPD") except the followings:-

- (a) The Company had on 28 June 2011 and 9 January 2013 announced that TSR Ocean Park Sdn Bhd, a wholly owned subsidiary of the Company, had entered into a sale and purchase agreement dated 28 June 2011 and a supplemental agreement dated 8 January 2013 with Best Reap Sdn Bhd for the proposed acquisition of a parcel of leasehold commercial land held under H.S.(D) 8376, PT 74, Bandar and Daerah Port Dickson, Negeri Sembilan measuring approximately 11.52 acres for a purchase price of RM9,032,599. As at LPD, the Proposed Acquisition is pending completion.

B7 Group Borrowings and Debt Securities

Total group borrowings as at 30 September 2018 are as follows:

	RM'000
(a) <u>Short term borrowings:</u>	
Short term borrowings (Secured)	
Portion of term loans payable within one year	8,945
Revolving loans payable within one year	32,500
Bills payable within one year	13,502
Bank overdraft	1,376
Portion of hire purchase payable within one year	5,452
	<u>61,775</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	65,629
Portion of hire purchase payable after one year	1,222
	<u>66,851</u>

B8 Material Litigation

There were no material litigations involving the Group as at the last annual balance sheet date and the latest practicable date except as disclosed in the following which involve TSR Bina Sdn Bhd, a wholly owned subsidiary of the Company:-

a) **Josu Engineering Construction Sdn Bhd ("Plaintiff") Vs TSR Bina Sdn Bhd ("Defendant")**

The Plaintiff had commenced an action against the Defendant for unlawful termination of the letter of award. On 6 February 2007, the Plaintiff obtained a judgement in default against the Defendant. The Plaintiff had on 30 August 2012 filed a notice of appointment for assessment of damages after the Defendant lost various appeals and applications to set aside the judgement in default. The Plaintiff is claiming a sum of approximately RM6 million being the damages against the Defendant.

The Court has fixed hearing dates on 17 January 2019, 18 January 2019 and 23 January 2019 for the calling of witnesses.

b) **TSR Bina Sdn Bhd and Jalur Canggih Sdn Bhd ("Plaintiffs") Vs Permodalan Kedah Berhad ("Defendant")**

The Plaintiffs had commenced an action against the Defendant in connection with the claim for the outstanding debts owing by the Defendant. The Defendant has breached the settlement agreement as they failed to fully settle the outstanding debts which amounting to approximately RM11.50 million plus interest payable. The Plaintiffs instructed its solicitors to file a Writ of Summons and Statement of Claims to the High Court of Malaya in order to recover the outstanding debts.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 September 2018.



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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
 Bursa Malaysia Securities Berhad**

Notes to the Interim Financial Report

B10 Earnings per Share

i) Basic earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u> <u>30 September 2018</u>	<u>Cumulative Quarter</u> <u>3 months ended</u> <u>30 September 2018</u>
a Net Profit for the period attributable to equity holders (RM'000)	633	633
b Weighted average number of shares issue ('000)	174,450	174,450
a/b Basic earnings per share (sen)	0.4	0.4

ii) Diluted earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u> <u>30 September 2018</u> <u>RM'000</u>	<u>Cumulative Quarter</u> <u>3 months ended</u> <u>30 September 2018</u> <u>RM'000</u>
c Earnings Net Profit for the period (RM'000)	633	633
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	174,450	174,450
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-
c/d Diluted Earnings per Share (Sen)	0.4	0.4

B11 Profit Before Taxation

The following items have been included in arriving at profit before tax:

	<u>Individual quarter</u> <u>ended 30.9.18</u> <u>RM'000</u>	<u>Cumulative quarter</u> <u>ended 30.9.18</u> <u>RM'000</u>
(a) Interest income	7	7
(b) Interest expenses	(1,472)	(1,472)
(c) Depreciation and amortisation	(875)	(875)

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 30 November 2018.