



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 31 March 2019

		Individual Quarter	Cumulative Quarter
		3 months ended	9 months ended
		31 March 2019	31 March 2019
	Note	RM'000	RM'000
Revenue	A9	41,419	154,610
Cost of sales		(35,539)	(134,102)
Gross Profit		5,880	20,508
Other income		1,658	2,205
Administration expenses		(5,549)	(14,953)
Finance costs		(1,535)	(4,634)
Share of result of an associate		67	67
Profit before taxation	A9	521	3,193
Income tax expenses	B5	123	(676)
Profit for the period		644	2,517
Attributable to:			
Owners of the Company		646	2,522
Non-controlling interests		(2)	(5)
Profit for the period		644	2,517
Earnings per share (sen)			
Basic	B10	0.4	1.4
Diluted	B10	0.4	1.4

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.



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 31 March 2019

	<u>Individual Quarter</u> 3 months ended 31 March 2019	<u>Cumulative Quarter</u> 9 months ended 31 March 2019
Note	RM'000	RM'000
Profit for the period	644	2,517
Other Comprehensive Income	-	-
Total comprehensive income for the period	644	2,517
Total comprehensive income attributable to:		
Owners of the Company	646	2,522
Non-controlling interests	(2)	(5)
	644	2,517

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.



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2019

	Note	31 March 2019 (Unaudited) RM'000	30 June 2018 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		69,135	71,930
Investment properties		130,401	98,595
Investment in an associate		1,537	-
Deferred tax assets		2,832	2,832
Land held for future development		24,769	24,769
		<u>228,674</u>	<u>198,126</u>
Current assets			
Property development costs		29,706	29,539
Amount due from customers for contract work		14,625	5,868
Inventories		13,296	46,685
Trade receivables		76,081	98,330
Other receivables and prepayment		28,474	34,293
Current tax assets		620	17
Fixed deposits with licensed banks		677	673
Cash and bank balances		5,655	16,304
		<u>169,134</u>	<u>231,709</u>
TOTAL ASSETS		<u>397,808</u>	<u>429,835</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		113,299	113,299
Reserves		68,901	66,379
		<u>182,200</u>	<u>179,678</u>
Equity attributable to owners of the Company		182,200	179,678
Non-controlling interests		(917)	(912)
Total equity		<u>181,283</u>	<u>178,766</u>
Non-current liability			
Loans and borrowings	B7	61,476	70,137
Current liability			
Trade payables		66,236	83,349
Other payables and accruals		29,816	13,413
Loans and borrowings	B7	38,789	50,165
Amounts due to customers for contract work		15,757	20,921
Advance payments from customers		4,451	8,320
Current tax liabilities		-	4,764
		<u>155,049</u>	<u>180,932</u>
Total liabilities		<u>216,525</u>	<u>251,069</u>
TOTAL EQUITY AND LIABILITIES		<u>397,808</u>	<u>429,835</u>
Net assets per share (RM)		1.04	1.03

The condensed consolidated statement of financial position 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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the third quarter ended 31 March 2019

<----- 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
9 months ended 31 March 2019								
At 1 July 2018	113,299	58,150	-	7,922	307	179,678	(912)	178,766
Total comprehensive income for the period	-	-	-	-	2,522	2,522	(5)	2,517
At 31 March 2019	113,299	58,150	-	7,922	2,829	182,200	(917)	181,283

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

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

	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	(Accumulated losses) / Retained Profits	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
15 months ended 31 March 2018								
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	-	-	-	-	8,705	8,705	(9)	8,696
Transfer pursuant to Companies Act 2016	26,074	-	(26,074)	-	-	-	-	-
At 31 March 2018	113,299	58,150	-	7,922	4,212	183,583	(1,460)	182,123

The condensed consolidated statement of changes in equity 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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

for the third quarter ended 31 March 2019

	9 months ended 31 March 2019	18 months ended 30 June 2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,193	9,076
Adjustments for:		
Non-cash / non-operating items	9,496	14,780
Operating profit before working capital changes	12,689	23,856
Changes in amount due from / to customers for contract work	(13,920)	12,500
Changes in amount owing from / to an associate	(1,499)	1
Changes in inventories	(202)	12,149
Changes in property development costs	(167)	(4,691)
Changes in trade and other receivables	27,562	1,054
Changes in trade and other payables	(4,578)	3,119
Cash from operations	19,885	47,988
Interest paid	(4,634)	(10,813)
Tax paid	(6,043)	(4,659)
Net cash from operating activities	9,208	32,516
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	(4)	(28)
Interest received	24	85
Acquisition of an associate	(1,470)	(40)
Proceeds from disposal of property, plant and equipment	-	170
Purchase of plant and equipment	(85)	(2,243)
Addition to land held for future development	-	(201)
Repayment from / (Advances to) an associate	1,700	(5,069)
Net cash from / (for) investing activities	165	(7,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of loans and borrowings	(21,760)	(21,526)
Changes in non-controlling interest ownership arising from deemed disposal of a subsidiary	-	(315)
Grant received	1,060	3,490
Net cash for financing activities	(20,700)	(18,351)
Net (decrease) / increase in cash and cash equivalents	(11,327)	6,839
Cash and cash equivalents brought forward	15,337	8,498
Cash and cash equivalents carried forward	4,010	15,337
Cash and cash equivalents comprise the following:		
Cash and bank balances	5,655	16,304
Fixed deposits with licensed banks	677	673
	6,332	16,977
Bank overdraft	(1,645)	(967)
Fixed deposits pledged to licensed banks	(677)	(673)
	4,010	15,337

The condensed consolidated statement of cash flow 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.



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 9 Months Ended 31 March 2019

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	146,181	54,258	-	200,439
Elimination of Intersegment Sales	-	(45,829)	-	(45,829)
External Sales	146,181	8,429	-	154,610
Results				
Segment Results	5,060	4,518	(206)	9,372
Elimination of intersegment Results	-	(1,569)	-	(1,569)
	5,060	2,949	(206)	7,803
Financing Costs	(1,345)	(3,289)	-	(4,634)
Interest Income	17	5	2	24
Profit/(Loss) before Taxation	3,732	(335)	(204)	3,193

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2019.

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 RM386,149,000. The total utilisation of these credit facilities as at 31 March 2019 amounted to RM179,338,000.

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 31 March 2019.



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

**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> <u>3 months ended</u> <u>31 March 2019</u> <u>RM'000</u>	<u>Corresponding quarter</u> <u>3 months ended</u> <u>31 March 2018</u> <u>RM'000</u>
Revenue	41,419	75,890
Profit before taxation	521	2,597

For the current quarter, the Group recorded a revenue RM41.4 million, 45% lower than previous corresponding quarter of RM75.8 million. The decrease in revenue in the current quarter is mainly due to lower progress billings from construction projects.

The Profit before taxation for the current quarter decreased to RM0.5 million from previous corresponding quarter of RM2.5 million mainly due to lower construction billings and higher operating expenses for certain projects recorded in the current quarter.

B2 Comparison With Immediate Preceding Quarter's Results

The Group registered a Profit Before Taxation of 1.3% in the current quarter as compared to a Profit Before Taxation of 3.2% reported in the immediate preceding quarter. The decrease of Profit Before Taxation margin in the current quarter was mainly attributable to the higher operating expenses for certain construction projects.

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> <u>3 months ended</u> <u>31 March 2019</u> <u>RM'000</u>	<u>Cumulative Quarter</u> <u>9 months ended</u> <u>31 March 2019</u> <u>RM'000</u>
- Current income tax	(123)	676
	(123)	676

The effective tax rate for the Group in the current quarter is lower than the statutory tax rate mainly due to over provision for taxation in previous year.



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

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. The Proposed Acquisition has been completed during the current quarter.

B7 Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2019 are as follows:

	RM'000
(a) <u>Short term borrowings:</u>	
Short term borrowings (Secured)	
Portion of term loans payable within one year	9,147
Revolving loans payable within one year	13,131
Bills payable within one year	10,679
Bank overdraft	1,645
Portion of hire purchase payable within one year	4,187
	<u>38,789</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	60,887
Portion of hire purchase payable after one year	589
	<u>61,476</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 25 June 2019, 2 July 2019 and 3 July 2019 for the assessment proceedings.

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. The case is fixed for hearing on 12 June 2019.

c) Hiform (M) Sdn Bhd ("Claimant") Vs TSR Bina Sdn Bhd ("Respondent")

The Respondent had received one payment claim under Section 5 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") from its sub-contractor, Hiform (M) Sdn Bhd ("HSB") for a total amount of RM7,752,592.89 ("CIPAA Payment Claim").

TSRB had appointed its solicitors in contesting the matter on behalf of TSRB and its solicitors had vide an Adjudication Response responded the CIPAA Payment Claim. Currently it is pending the Adjudicator to give adjudication decision.

The CIPAA Payment Claim is in relation to the disputes over validity of variation orders and remeasurement quantity of the workdone by HSB for the sub-contract works - reinforced concrete works for the proposed construction and completion of public residential at Putrajaya.



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

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

Notes to the Interim Financial Report

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 March 2019.

B10 Earnings per Share

i) Basic earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u> <u>31 March 2019</u>	<u>Cumulative Quarter</u> <u>9 months ended</u> <u>31 March 2019</u>
a Net Profit for the period attributable to equity holders (RM'000)	646	2,522
b Weighted average number of shares issue ('000)	174,450	174,450
a/b Basic earnings per share (sen)	0.4	1.4

ii) Diluted earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u> <u>31 March 2019</u> <u>RM'000</u>	<u>Cumulative Quarter</u> <u>9 months ended</u> <u>31 March 2019</u> <u>RM'000</u>
c Earnings Net Profit for the period (RM'000)	646	2,522
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	1.4

B11 Profit Before Taxation

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

	<u>Individual quarter</u> <u>ended 31.3.19</u> <u>RM'000</u>	<u>Cumulative quarter</u> <u>ended 31.3.19</u> <u>RM'000</u>
(a) Interest income	11	24
(b) Interest expenses	(1,535)	(4,634)
(c) Depreciation and amortisation	(984)	(2,734)

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 29 May 2019.