



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
for the fourth quarter ended 30 June 2019

		<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
		<b>3 months ended</b>	<b>12 months ended</b>
		<b>30 June 2019</b>	<b>30 June 2019</b>
	Note	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<b>A9</b>	51,744	206,354
Cost of sales		(54,264)	(188,366)
<b>Gross (Loss) / Profit</b>		(2,520)	17,988
Other income		1,144	3,349
Administration expenses		(26,479)	(41,432)
Finance costs		(1,433)	(6,067)
Share of result of an associate		78	145
<b>Loss before taxation</b>	<b>A9</b>	(29,210)	(26,017)
Income tax expenses	<b>B5</b>	1,064	388
<b>Loss for the period</b>		(28,146)	(25,629)
Attributable to:			
Owners of the Company		(28,145)	(25,623)
Non-controlling interests		(1)	(6)
<b>Loss for the period</b>		(28,146)	(25,629)
<b>Loss per share (sen)</b>			
Basic	<b>B10</b>	(16.1)	(14.7)
Diluted	<b>B10</b>	(16.1)	(14.7)

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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for the fourth quarter ended 30 June 2019

	<u>Individual Quarter</u> 3 months ended 30 June 2019	<u>Cumulative Quarter</u> 12 months ended 30 June 2019
Note	RM'000	RM'000
Loss for the period	(28,146)	(25,629)
Other Comprehensive Income / (Expenses)	-	-
<b>Total comprehensive expenses for the period</b>	<b>(28,146)</b>	<b>(25,629)</b>
Total comprehensive expenses attributable to:		
Owners of the Company	(28,145)	(25,623)
Non-controlling interests	(1)	(6)
	<b>(28,146)</b>	<b>(25,629)</b>

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)  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 30 June 2019

	Note	<b>30 June 2019</b>	<b>30 June 2018</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		70,668	71,930
Investment properties		129,933	98,595
Investment in an associate		1,615	-
Deferred tax assets		2,418	2,832
Land held for future development		24,769	24,769
		<u>229,403</u>	<u>198,126</u>
<b>Current assets</b>			
Property development costs		29,777	29,539
Amount due from customers for contract work		18,596	5,868
Inventories		13,929	46,685
Trade receivables		76,913	98,330
Other receivables and prepayment		11,312	34,293
Current tax assets		2,677	17
Fixed deposits with licensed banks		694	673
Cash and bank balances		8,199	16,304
		<u>162,097</u>	<u>231,709</u>
<b>TOTAL ASSETS</b>		<u>391,500</u>	<u>429,835</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		113,299	113,299
Reserves		40,756	66,379
		<u>154,055</u>	<u>179,678</u>
Equity attributable to owners of the Company		154,055	179,678
Non-controlling interests		(918)	(912)
<b>Total equity</b>		<u>153,137</u>	<u>178,766</u>
<b>Non-current liability</b>			
Loans and borrowings	B7	61,466	70,137
<b>Current liability</b>			
Trade payables		89,658	83,349
Other payables and accruals		41,596	13,413
Loans and borrowings	B7	40,302	50,165
Amounts due to customers for contract work		3,558	20,921
Advance payments from customers		1,783	8,320
Current tax liabilities		-	4,764
		<u>176,897</u>	<u>180,932</u>
<b>Total liabilities</b>		<u>238,363</u>	<u>251,069</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>391,500</u>	<u>429,835</u>
Net assets per share (RM)		0.88	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 fourth quarter ended 30 June 2019

	<----- Attributable to Equity Holders of the Company ----->							
	<----- Non-Distributable ----->				Retained profits / (Accumulated losses)	Total	Non- controlling interests	Total Equity
<u>12 months ended 30 June 2019</u>	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
At 1 July 2018	113,299	58,150	-	7,922	307	179,678	(912)	178,766
Total comprehensive income for the period	-	-	-	-	(25,623)	(25,623)	(6)	(25,629)
<b>At 30 June 2019</b>	<b>113,299</b>	<b>58,150</b>	<b>-</b>	<b>7,922</b>	<b>(25,316)</b>	<b>154,055</b>	<b>(918)</b>	<b>153,137</b>

	<----- Attributable to Equity Holders of the Company ----->							
	<----- Non-Distributable ----->				(Accumulated losses) / Retained Profits	Total	Non- controlling interests	Total Equity
<u>18 months ended 30 June 2018</u>	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
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	-	-	-	-	4,800	4,800	539	5,339
Transfer pursuant to Companies Act 2016	26,074	-	(26,074)	-	-	-	-	-
<b>At 30 June 2018</b>	<b>113,299</b>	<b>58,150</b>	<b>-</b>	<b>7,922</b>	<b>307</b>	<b>179,678</b>	<b>(912)</b>	<b>178,766</b>

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)

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

for the fourth quarter ended 30 June 2019

	12 months ended 30 June 2019	18 months ended 30 June 2018
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(26,017)	9,076
<b>Adjustments for:</b>		
Non-cash / non-operating items	13,185	14,780
Operating (loss) / profit before working capital changes	(12,832)	23,856
Changes in amount due from / to customers for contract work	(30,090)	12,500
Changes in amount owing from / to an associate	(1,473)	1
Changes in inventories	(1,023)	12,149
Changes in property development costs	(237)	(4,691)
Changes in trade and other receivables	43,358	1,054
Changes in trade and other payables	27,955	3,119
Cash from operations	25,658	47,988
Interest paid	(6,067)	(10,813)
Tax paid	(6,622)	(4,659)
Net cash from operating activities	12,969	32,516
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Changes in term deposits pledged as security	(21)	(28)
Interest received	131	85
Acquisition of an associate	(1,470)	(40)
Proceeds from disposal of property, plant and equipment	-	170
Purchase of plant and equipment	(495)	(2,243)
Addition to land held for future development	-	(201)
Repayment from / (Advances to) an associate	2,200	(5,069)
Net cash from / (for) investing activities	345	(7,326)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of loans and borrowings	(23,437)	(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	(22,377)	(18,351)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(9,063)</b>	<b>6,839</b>
<b>Cash and cash equivalents brought forward</b>	<b>15,337</b>	<b>8,498</b>
<b>Cash and cash equivalents carried forward</b>	<b>6,274</b>	<b>15,337</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,199	16,304
Fixed deposits with licensed banks	694	673
	8,893	16,977
Bank overdraft	(1,925)	(967)
Fixed deposits pledged to licensed banks	(694)	(673)
	6,274	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 12 Months Ended 30 June 2019**

	<b>Construction</b>	<b>Property Development</b>	<b>Investment and others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Sales</b>				
Total Sales	196,051	49,719	-	245,770
Elimination of Intersegment Sales	-	(39,416)	-	(39,416)
External Sales	196,051	10,303	-	206,354
<b>Results</b>				
Segment Results	(20,721)	(3,855)	(365)	(24,941)
Elimination of intersegment Results	-	4,860	-	4,860
	(20,721)	1,005	(365)	(20,081)
Financing Costs	(1,760)	(4,307)	-	(6,067)
Interest Income	21	108	2	131
Loss before Taxation	(22,460)	(3,194)	(363)	(26,017)

**A10 Property, plant and equipment**

There were no revalued property, plant and equipment as at 30 June 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 RM425,278,000. The total utilisation of these credit facilities as at 30 June 2019 amounted to RM192,199,000.

**A14 Capital Commitments**

There were no capital commitments for the purchase of property, plant and equipment as at 30 June 2019.



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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 June 2019	<u>Corresponding quarter</u> 3 months ended 30 June 2018
	RM'000	RM'000
Revenue	51,744	75,785
Loss before taxation	(29,210)	(3,720)

**Year to date Analysis**

	<u>Current year to date</u> 12 months ended 30 June 2019	<u>Preceding year to date</u> Annualised for 18 months ended 30 June 2018
	RM'000	RM'000
Revenue	206,354	274,277
(Loss) / Profit before taxation	(26,017)	6,051

The Group registered a Loss Before Taxation of RM29.2 million for the current quarter against a Loss Before Taxation of RM3.7 million reported in the previous corresponding quarter on the back of revenue of RM51.7 million and RM75.7 million respectively. Loss Before Taxation reported in current quarter was mainly due to allowance for impairment losses on a long over due receivable amounting to approximately RM 13 million coupled with provision for losses for certain projects amounting to approximately RM 13 million.

On a year to date basis, the Group recorded revenue of RM206 million in current financial year, a decrease of 25% compared to the annualised revenue of RM274 million registered in previous year. The lower turnover was the result of lower construction billings in tandem with lower construction activities. The Group reported Loss Before Taxation of RM26 million as compared to annualised Profit Before Taxation of RM6 million, which was mainly due to allowance for impairment losses on a long over due receivable amounting to approximately RM 13 million coupled with provision for losses for certain projects amounting to approximately RM 13 million.

The allowance for impairment losses on a long over due receivable mentioned above is related to the material litigation as described in Note B8 (b). Notwithstanding that the Group has been awarded by the Court for the claimed sum, in view of the amount due from PKB has been long over due and the weak financial position of PKB, it is in the best interest of the Group to be prudent and make a full allowance for impairment losses for current year. However, the Group will firmly pursue the claimed sum due to us.

**B2 Comparison With Immediate Preceding Quarter's Results**

The Group registered a Loss Before Taxation of 56% in the current quarter as compared to a Profit Before Taxation of 1.3% reported in the immediate preceding quarter. The Loss Before Taxation margin in the current quarter was mainly due to the allowance for impairment losses on a long over due receivable amounting to approximately RM 13 million coupled with provision for losses for certain projects amounting to approximately RM 13 million.

**B3 Prospects for the Coming Financial Year**

The Board expects that the construction and property sectors to remain competitive in financial year ending 30 June 2020. While the Group will selectively participate in tender for construction projects, the Group will continue to expand in property development in certain niche market.





**TSR CAPITAL BERHAD**  
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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**

**B4 Profit Forecast and Profit Guarantee**

Not applicable.

**B5 Income Tax Expenses**

	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
	<b>3 months ended</b>	<b>12 months ended</b>
	<b>30 June 2019</b>	<b>30 June 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
- Current income tax	(1,478)	(802)
- Deferred tax	414	414
	<u>(1,064)</u>	<u>(388)</u>

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.

**B6 Status of Corporate Proposal**

There were no corporate proposals announced but not completed as at the latest practicable date ("LPD").

**B7 Group Borrowings and Debt Securities**

Total group borrowings as at 30 June 2019 are as follows:

	<b>RM'000</b>
(a) <u>Short term borrowings:</u>	
<b>Short term borrowings (Secured)</b>	
Portion of term loans payable within one year	9,237
Revolving loans payable within one year	16,567
Bills payable within one year	9,409
Bank overdraft	1,925
Portion of hire purchase payable within one year	3,164
	<u>40,302</u>
(b) <u>Long term borrowings:</u>	
<b>Long term borrowings (Secured)</b>	
Portion of term loans payable after one year	58,511
Portion of hire purchase payable after one year	2,955
	<u>61,466</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 4 September 2019, 18 September 2019 and 25 September 2019 for the assessment proceedings.



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

**Notes to the Interim Financial Report**

**B8 Material Litigation (Cont'd)**

**b) TSR Bina Sdn Bhd ("TSRB") and Jalur Canggih Sdn Bhd ("JCSB") (collectively as "Plaintiffs") Vs Permodalan Kedah Berhad ("Defendant" or "PKB")**

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' application for summary judgement against the Defendant had been allowed by the Kuala Lumpur High Court for the claimed sum amounting to approximately RM11.50 million together with interest and costs.

**c) Hiform (M) Sdn Bhd ("Claimant" or "HSB") Vs TSR Bina Sdn Bhd ("Respondent" or "TSRB")**

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

The Adjudicator had given an adjudication decision ("Adjudication Decision"), allowing the Claimant among others the sum of RM7,435,044.98 with interests and costs.

The Respondent had filed an application to set aside the Adjudication Decision and/or have the said Adjudication Decision stayed pending the hearing, disposal and/or final determination of this application, pursuant to Section 15 and 16 of the CIPAA at the High Court ("Applications"). The Applications are pending for case management fixed on 10.09.2019.

As it is also a term under the Letter of Award awarding the Claimant the said sub-contract, that any dispute arising in connection to the sub-contract shall be referred to and finally resolved by arbitration. TSR commenced arbitration proceedings against HSB. Parties are now required to agree on the appointment of a sole arbitrator failing which the Asian International Arbitration Centre will be requested to make the appointment.

**B9 Dividend Payables**

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 June 2019.

**B10 Loss Per Share**

**i) Basic loss per share**

	<u>Individual Quarter</u> <u>3 months ended</u> <u>30 June 2019</u>	<u>Cumulative Quarter</u> <u>12 months ended</u> <u>30 June 2019</u>
a Net Loss for the period attributable to equity holders (RM'000)	(28,145)	(25,623)
b Weighted average number of shares issue ('000)	174,450	174,450
a/b Basic loss per share (sen)	(16.1)	(14.7)



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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 Loss Per Share (Cont'd)**

**ii) Diluted loss per share**

	<u>Individual Quarter</u> 3 months ended 30 June 2019 <u>RM'000</u>	<u>Cumulative Quarter</u> 12 months ended 30 June 2019 <u>RM'000</u>
<b>c Loss</b>		
Net Loss for the period (RM'000)	(28,145)	(25,623)
<b>d</b>		
Weighted average number of ordinary shares for basic loss per share in i) above ('000)	174,450	174,450
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-
	<u>174,450</u>	<u>174,450</u>
c/d Diluted loss per share (Sen)	(16.1)	(14.7)

**B11 Loss Before Taxation**

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

	<b>Individual quarter ended 30.6.19 RM'000</b>	<b>Cumulative quarter ended 30.6.19 RM'000</b>
(a) Interest income	107	131
(b) Interest expenses	(1,433)	(6,067)
(c) Depreciation and amortisation	(972)	(3,706)

**B12 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 27 August 2019.

**TSR CAPITAL BERHAD**  
BY ORDER OF THE BOARD  
Petaling Jaya  
Date: 27 August 2019