



TSR CAPITAL BERHAD

Reg. No. 200101005393 (541149-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the second quarter ended 31 December 2021

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 December		6 months ended 31 December	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	A9	4,290	21,352	9,292	40,397
Cost of sales		(2,690)	(20,342)	(7,832)	(38,770)
Gross Profit		1,600	1,010	1,460	1,627
Other income		1,494	2,480	1,722	3,935
Administration expenses		(2,183)	(3,882)	(4,502)	(6,148)
Finance costs		(346)	(576)	(710)	(1,422)
Share of (loss)/profit of joint venture		(252)	307	363	821
Profit/(Loss) before taxation	A9	313	(661)	(1,667)	(1,187)
Income tax expenses	B5	(104)	(2,250)	(104)	(2,250)
Profit/(Loss) for the period		209	(2,911)	(1,771)	(3,437)
Attributable to:					
Owners of the Company		210	(2,911)	(1,768)	(3,435)
Non-controlling interests		(1)	-	(3)	(2)
Profit/(Loss) for the period		209	(2,911)	(1,771)	(3,437)
Earnings/(Loss) per share (sen)					
Basic	B10	0.1	(1.7)	(1.0)	(2.0)
Diluted	B10	0.1	(1.7)	(1.0)	(2.0)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.



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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the second quarter ended 31 December 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		6 months ended 31 December	
Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) for the period	209	(2,911)	(1,771)	(3,437)
Other Comprehensive Income/(Expenses)	-	-	-	-
Total comprehensive income/(loss) for the period	209	(2,911)	(1,771)	(3,437)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	210	(2,911)	(1,768)	(3,435)
Non-controlling interests	(1)	-	(3)	(2)
	209	(2,911)	(1,771)	(3,437)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.



TSR CAPITAL BERHAD

Reg. No. 200101005393 (541149-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2021

	Note	31 December 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		689	1,048
Investment properties		77,952	79,381
Right-of-use assets		2,750	3,599
Investment in joint venture		4,245	3,882
Inventories		50,481	50,481
		<u>136,117</u>	<u>138,391</u>
Current assets			
Contract assets		16,276	9,668
Inventories		14,755	14,072
Trade and other receivables		69,874	83,715
Current tax assets		1,192	1,984
Term deposits		214	213
Cash and bank balances		3,424	3,953
		<u>105,735</u>	<u>113,605</u>
TOTAL ASSETS		<u><u>241,852</u></u>	<u><u>251,996</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		113,299	113,299
Reserves		23,776	25,544
Equity attributable to owners of the Company		<u>137,075</u>	<u>138,843</u>
Non-controlling interests		<u>(1,010)</u>	<u>(1,007)</u>
Total equity		<u>136,065</u>	<u>137,836</u>
Non-current liabilities			
Loans and borrowings	B7	6,497	10,121
Lease liabilities		903	1,381
		<u>7,400</u>	<u>11,502</u>
Current liabilities			
Loans and borrowings	B7	21,192	22,260
Lease liabilities		1,115	1,382
Trade and other payables		76,080	79,016
		<u>98,387</u>	<u>102,658</u>
Total liabilities		<u>105,787</u>	<u>114,160</u>
TOTAL EQUITY AND LIABILITIES		<u><u>241,852</u></u>	<u><u>251,996</u></u>
Net assets per share (RM)		0.79	0.80

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.

**TSR CAPITAL BERHAD**

Reg. No. 200101005393 (541149-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the second quarter ended 31 December 2021

	<----- Attributable to Owners of the Company ----->						
	<----- Non-Distributable ----->						
	Share Capital	Capital Reserve	Warrant Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	113,299	58,150	-	(32,606)	138,843	(1,007)	137,836
Total comprehensive loss for the period	-	-	-	(1,768)	(1,768)	(3)	(1,771)
At 31 December 2021	113,299	58,150	-	(34,374)	137,075	(1,010)	136,065

	<----- Attributable to Owners of the Company ----->						
	<----- Non-Distributable ----->						
	Share Capital	Capital Reserve	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
At 1 July 2020, as restated	113,299	58,150	7,922	(2,978)	176,393	(921)	175,472
Total comprehensive loss for the period	-	-	-	(3,435)	(3,435)	(2)	(3,437)
Transfer of warrant reserve to retained earnings upon expiry	-	-	(7,922)	7,922	-	-	-
At 31 December 2020	113,299	58,150	-	1,509	172,958	(923)	172,035

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 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 second quarter ended 31 December 2021

	6 months ended 31 December	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,667)	(1,187)
Adjustments for:		
Non-cash / non-operating items	2,637	3,737
Operating profit before working capital changes	970	2,550
Changes in contract assets / contract liabilities	(6,608)	(5,044)
Changes in amount owing from / to an associate	110	4,641
Changes in inventories	(684)	(518)
Changes in receivables and prepayments	13,731	7,770
Changes in payables	(3,491)	(25,080)
Cash from/(for) operations	4,028	(15,681)
Interest paid	(710)	(1,422)
Tax refunded (net of tax paid)	688	(1,350)
Net cash from/(for) operating activities	4,006	(18,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	(1)	501
Expenditure incurred on investment properties	(72)	-
Interest received	3	37
Acquisition of a subsidiary	(1)	-
Proceeds from disposal of property, plant and equipment	175	48,517
Proceeds from disposal of investment properties	483	382
Proceeds from partial disposal of investment in an associate	-	7,948
Purchase of plant and equipment	(10)	(8)
Net cash for investing activities	577	57,377
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of loans and borrowings	(5,564)	(35,845)
Net cash for financing activities	(5,564)	(35,845)
Net (decrease)/increase in cash and cash equivalents	(981)	3,079
Cash and cash equivalents brought forward	3,019	4,921
Cash and cash equivalents carried forward	2,038	8,000
Cash and cash equivalents comprise the following:		
Cash and bank balances	3,424	8,330
Term deposits	214	211
	3,638	8,541
Bank overdraft	(1,386)	(330)
Term deposits pledged as security	(214)	(211)
	2,038	8,000

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial statements.



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 Malaysian Financial Reporting Standard ("MFRS") 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 year ended 30 June 2021. Certain comparatives were restated to conform with the disclosure for current reporting period.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2021, except for the adoption of the following new or revised standards and Annual Improvements to Standards with effect from 1 July 2021:-

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16:

Interest Rate Benchmark Reform - Phase 2

Amendments to MFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021

The adoption of the above MFRSs and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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 year ended 30 June 2021.

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.



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

Notes to the Interim Financial Report

A9 Segmental Information

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

Segmental Results for 6 Months Ended 31 December 2021

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	7,462	1,722	108	9,292
Elimination of Intersegment Sales	-	-	-	-
External Sales	7,462	1,722	108	9,292
Results				
Segment Results	(1,015)	450	(395)	(960)
Elimination of intersegment Results	-	-	-	-
	(1,015)	450	(395)	(960)
Financing Costs	(430)	(280)	-	(710)
Interest Income	3	-	-	3
Profit/(Loss) before taxation	(1,442)	170	(395)	(1,667)

Segmental Results for 6 Months Ended 31 December 2020

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	38,928	1,469	-	40,397
Elimination of Intersegment Sales	-	-	-	-
External Sales	38,928	1,469	-	40,397
Results				
Segment Results	1,490	(1,089)	(203)	198
Elimination of intersegment Results	-	-	-	-
	1,490	(1,089)	(203)	198
Financing Costs	(842)	(580)	-	(1,422)
Interest Income	3	34	-	37
Profit/(Loss) before taxation	651	(1,635)	(203)	(1,187)

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 31 December 2021.

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 except the following:-

On 24 November 2021, the Company had acquired the entire issued and paid-up share capital of BHUB Holdings Sdn Bhd ("BHUB"). BHUB became a wholly owned subsidiary of the Company.



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

Notes to the Interim Financial Report

A13 Changes in Contingent Liabilities

There were no significant contingent liabilities as at 31 December 2021.

A14 Capital Commitments

There were no significant capital commitments for the purchase of property, plant and equipment as at 31 December 2021.

A15 Significant Related Party Transactions

Significant transaction with companies in which certain directors of the Company have interests are as follows:-

	6 months ended 31 December 2021 RM'000
Rental of Premises charged by companies in which certain directors of the Company have substantial financial interest:	
- U-Ni Magna Sdn Bhd	262
- PLS Plantations Berhad	70
- Limbongan Setia Corporation Sdn Bhd	<u>120</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

The Group's revenue reduced by about 80% in the current quarter from RM21 million to RM4 million. The lower revenue was mainly due to lower construction billings as several on-going projects are nearing completion stages, as such the revenue contribution by these projects were relatively lower.

Despite recording lower revenue, the Group reported a Profit Before Taxation of RM0.3 million for the current quarter as compared to a Loss Before Tax of RM0.6 million in the previous corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

The Group registered a Profit Before Taxation of RM0.3 million in the current quarter compared to the Loss Before Taxation of RM1.9 million reported in the immediate preceding quarter. The current quarter's results were improved due to reversal of impairment losses and recovery of liquidated ascertained damages.

B3 Prospects for the Current Financial Year

The Board expects that the construction and property sectors to remain challenging in financial year ending 30 June 2022. Nevertheless, the Group will selectively participate in tender for construction projects, and the Group will continue to expand in property development.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2021	31 December 2020	6 months ended 31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	104	-	104	-
- Real Property Gains Tax	-	2,250	-	2,250
	104	2,250	104	2,250

The effective tax rate for the Group in the current quarter was higher than the statutory rate mainly due to business losses of certain subsidiaries and certain expenses not deductible for tax purposes.

B6 Status of Corporate Proposal and Utilisation of Proceeds

There were no corporate proposals announced but not completed as at 21 February 2022, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of this report.



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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

B7 Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2021 are as follows:

	RM'000
(a) <u>Short term borrowings:</u>	
Short term borrowings (Secured)	
Portion of term loans payable within one year	3,249
Revolving loans payable within one year	15,000
Bankers acceptance and invoice financing payable within one year	1,557
Bank overdraft	1,386
	21,192
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	6,497
	6,497

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") against 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 matter is now under the stage of assessment proceedings. The Court has fixed the next hearing dates on 23 and 30 March 2022.

b) **Hiform (M) Sdn Bhd ("Claimant" or "HSB") against 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"). On 29 November 2019, the Court had dismissed TSRB's application to set aside and stay application and had allowed HSB's application to enforce the Adjudication Decision.

Thereafter, TSRB filed application of stay pending appeal at Court of Appeal. On 19 December 2019, the Court has granted an interim stay to TSRB pending full hearing. On 28 February 2020, the Court has granted TSRB stay of proceedings until disposal of decision by the Court of Appeal on TSRB's appeal on the dismissal of set aside application by High Court of Kuala Lumpur ("Appeal").

In the case management on 14 April 2021, HSB informed the Court of its intention to file a Notice of Motion to adduce new evidence ("Motion"). The Court had on 28 October 2021 dismissed the Motion.

By way of case management on 30 November 2021, the Court had fixed the hearing date for the Appeal on 16 August 2022.



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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

B8 Material Litigation (Cont'd)

b) Hiform (M) Sdn Bhd ("Claimant" or "HSB") against TSR Bina Sdn Bhd ("Respondent" or "TSRB") (Cont'd)

As it is also a term under the Letter of Award awarding the HSB the said sub-contract, that any dispute arising in connection to the sub-contract shall be referred to and finally resolved by arbitration. TSRB has commenced arbitration proceedings against HSB. Asian International Arbitration Centre had appointed the sole arbitrator ("Arbitrator") for the case. TSRB had on 24th January 2020 served its Statement of Claim to HSB. HSB had vide its solicitor served its Statement of Defence and counterclaim on 27 May 2020.

Upon request by HSB's counsel to vacate the original hearing dates, new hearing dates were fixed on various dates as follows:-

- 10 March 2022, 11 March 2022, 14 March 2022, 21 April 2022, 24 June 2022, 1 July 2022 and 8 July 2022.

c) TSR Bina Sdn Bhd ("Claimant" or "TSRB") against Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("Respondent" or "SPYTL") (collectively as "Parties")

The Claimant had on 14 January 2019 accepted the Letter of Award ("LOA") issued by Respondent in respect of the sub-contract work for civil works for Electrified Double Track from Gemas to Johor Bahru. The Claimant had commenced arbitration proceedings against the Respondent for unlawful termination of the LOA.

The Claimant is claiming for, among others, declaration, order and a total claim at or about RM35 million only and interests of 5% per annum on all sum awarded from the date of the award to date of realisation, cost of the arbitration proceedings, the arbitrator's fees and expenses and such further relief and/or order as the Arbitrator deemed just and fit. In the Respondent's response to the Claimant's notice of arbitration, the Respondent had made a counter-claim with a claim sum at or about RM22 million.

Director of Asian International Arbitration Centre has appointed the presiding arbitrator. TSRB had on 31 January 2020 served its Statement of Claim to SPYTL.

The Parties had on 25 October 2021 mutually agreed to vacate the hearing dates between 29 to 30 November 2021 and 1 to 3 December 2021, the same was approved by the Arbitrators. The hearing dates on 9 to 13 May 2022 and 16 to 20 May 2022 remained. Further, 23 May 2022 to 27 May 2022 are reserved for additionally hearing, if required.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 December 2021.

B10 Earnings/(Loss) Per Share

i) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2021	31 December 2020	6 months ended 31 December 2021	31 December 2020
a Net (Loss)/Profit attributable to owners of the Company(RM'000)	210	(2,911)	(1,768)	(3,435)
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic (loss)/earnings per share (sen)	0.1	(1.7)	(1.0)	(2.0)

ii) Diluted earnings/(loss) per share

	0.1	(1.7)	(1.0)	(2.0)
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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

B11 Profit/(Loss) Before Taxation

The following items have been included in arriving at profit/(loss) before tax:

	Individual quarter ended 31.12.2021	Cumulative quarter ended 31.12.2021
	RM'000	RM'000
(a) Interest income	1	3
(b) Interest expenses	(346)	(710)
(c) Depreciation and amortisation	(912)	(2,351)

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 28 February 2022.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 28 February 2022