



TSR CAPITAL BERHAD

Reg. No. 200101005393 (541149-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the fourth quarter ended 30 June 2022

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 30 June		12 months ended 30 June	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	A9	20,625	16,014	43,696	70,684
Cost of sales		(20,174)	(26,881)	(39,854)	(80,772)
Gross Profit / (Loss)		451	(10,867)	3,842	(10,088)
Other income		5,026	(4,035)	8,882	2,828
Administration expenses		(5,645)	(9,495)	(13,353)	(17,815)
Finance costs		(503)	(113)	(1,598)	(2,008)
Net impairment losses on financial assets and contract assets		(2,680)	(5,729)	(2,680)	(5,729)
Share of profit of joint venture		1,270	560	2,066	1,706
Loss before taxation	A9	(2,081)	(29,679)	(2,841)	(31,106)
Income tax expenses	B5	-	(4,276)	(104)	(6,530)
Loss for the period		(2,081)	(33,955)	(2,945)	(37,636)
Attributable to:					
Owners of the Company		(2,080)	(33,874)	(2,940)	(37,550)
Non-controlling interests		(1)	(81)	(5)	(86)
Loss for the period		(2,081)	(33,955)	(2,945)	(37,636)
Loss per share (sen)					
Basic	B10	(1.2)	(19.4)	(1.7)	(21.5)
Diluted	B10	(1.2)	(19.4)	(1.7)	(21.5)

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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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the fourth quarter ended 30 June 2022

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 June		30 June	
	2022	2021	2022	2021
Note	RM'000	RM'000	RM'000	RM'000
Loss for the period	(2,081)	(33,955)	(2,945)	(37,636)
Other Comprehensive Income/(Expenses)	-	-	-	-
Total comprehensive loss for the period	(2,081)	(33,955)	(2,945)	(37,636)
Total comprehensive loss attributable to:				
Owners of the Company	(2,080)	(33,874)	(2,940)	(37,550)
Non-controlling interests	(1)	(81)	(5)	(86)
	(2,081)	(33,955)	(2,945)	(37,636)

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 30 June 2022

	30 June 2022	30 June 2021
Note	(Unaudited) RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	797	1,048
Investment properties	76,320	79,381
Right-of-use assets	1,947	3,599
Investment in joint venture	5,948	3,882
Inventories	51,360	50,481
	<u>136,372</u>	<u>138,391</u>
Current assets		
Contract assets	11,363	9,668
Inventories	14,730	14,072
Trade and other receivables	59,087	83,715
Current tax assets	1,357	1,984
Term deposits	-	213
Cash and bank balances	2,280	3,953
	<u>88,817</u>	<u>113,605</u>
TOTAL ASSETS	<u><u>225,189</u></u>	<u><u>251,996</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	113,299	113,299
Reserves	22,604	25,544
Equity attributable to owners of the Company	<u>135,903</u>	<u>138,843</u>
Non-controlling interests	<u>(1,012)</u>	<u>(1,007)</u>
Total equity	<u>134,891</u>	<u>137,836</u>
Non-current liabilities		
Loans and borrowings	4,873	10,121
Lease liabilities	401	1,381
	<u>5,274</u>	<u>11,502</u>
Current liabilities		
Loans and borrowings	17,152	22,260
Lease liabilities	997	1,382
Trade and other payables	66,875	79,016
	<u>85,024</u>	<u>102,658</u>
Total liabilities	<u>90,298</u>	<u>114,160</u>
TOTAL EQUITY AND LIABILITIES	<u><u>225,189</u></u>	<u><u>251,996</u></u>
Net assets per share (RM)	0.78	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)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the fourth quarter ended 30 June 2022

	<----- 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	-	-	-	(2,940)	(2,940)	(5)	(2,945)
At 30 June 2022	113,299	58,150	-	(35,546)	135,903	(1,012)	134,891

	<----- 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 2020, as restated	113,299	58,150	7,922	(2,978)	176,393	(921)	175,472
Total comprehensive loss for the period	-	-	-	(37,550)	(37,550)	(86)	(37,636)
Transfer of warrant reserve to retained earnings upon expiry	-	-	(7,922)	7,922	-	-	-
At 30 June 2021	113,299	58,150	-	(32,606)	138,843	(1,007)	137,836

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 fourth quarter ended 30 June 2022

	12 months ended 30 June	
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,841)	(31,106)
Adjustments for:		
Non-cash / non-operating items	1,572	13,430
Operating loss before working capital changes	(1,269)	(17,676)
Changes in contract assets / contract liabilities	(1,695)	(3,782)
Changes in amount owing from / to an associate	(720)	2,734
Changes in inventories	(1,538)	(2,162)
Changes in receivables	25,349	17,545
Changes in payables	(12,143)	(11,315)
Cash from/(for) operations	7,984	(14,656)
Interest paid	(1,598)	(2,048)
Net tax refunded/(paid)	523	(5,055)
Net cash from/(for) operating activities	6,909	(21,759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	213	499
Interest received	802	40
Proceeds from partial disposal of an associate	-	7,948
Acquisition of a subsidiary	(1)	-
Subscription of shares in a subsidiary	(199)	-
Proceeds from disposal of property, plant and equipment	1,316	48,517
Proceeds from disposal of investment properties	1,425	1,369
Acquisition of plant and equipment	(346)	(36)
Acquisition of right-of-use assets	-	(230)
Renovation expenditure incurred on investment properties	(72)	(216)
Repayment from/(Advances to) an associate	-	2,386
Advances to a joint venture	-	(6)
Net cash from investing activities	3,138	60,271
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of loans and borrowings	(11,352)	(29,439)
Repayment of lease liabilities	(1,363)	(1,816)
Net repayment to related parties	-	(9,159)
Net cash for financing activities	(12,715)	(40,414)
Net decrease in cash and cash equivalents	(2,668)	(1,902)
Cash and cash equivalents brought forward	3,019	4,921
Cash and cash equivalents carried forward	351	3,019
Cash and cash equivalents comprise the following:		
Cash and bank balances	2,280	3,953
Term deposits	-	213
Bank overdraft	(1,929)	(934)
Term deposits pledged as security	-	(213)
	351	3,019

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 12 Months Ended 30 June 2022

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	38,999	4,163	534	43,696
Elimination of Intersegment Sales	-	-	-	-
External Sales	38,999	4,163	534	43,696
Results				
Segment Results	(2,020)	1,086	(1,111)	(2,045)
Elimination of intersegment Results	-	-	-	-
	(2,020)	1,086	(1,111)	(2,045)
Financing Costs	(879)	(719)	-	(1,598)
Interest Income	800	2	-	802
(Loss)/Profit before taxation	(2,099)	369	(1,111)	(2,841)

Segmental Results for 12 Months Ended 30 June 2021

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	67,678	3,006	-	70,684
Elimination of Intersegment Sales	-	-	-	-
External Sales	67,678	3,006	-	70,684
Results				
Segment Results	(28,881)	241	(458)	(29,098)
Elimination of intersegment Results	-	-	-	-
	(28,881)	241	(458)	(29,098)
Financing Costs	(1,150)	(898)	-	(2,048)
Interest Income	5	35	-	40
Loss before taxation	(30,026)	(622)	(458)	(31,106)

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 June 2022.

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 13 June 2022, the Company had incorporated a wholly-owned subsidiary, Axel Auto Sdn Bhd ("AA") by subscribing for two (2) ordinary shares, represent the the entire issued share capital of AA.

A13 Changes in Contingent Liabilities

There were no significant contingent liabilities as at 30 June 2022.



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

Notes to the Interim Financial Report

A14 Capital Commitments

There were no significant capital commitments for the purchase of property, plant and equipment as at 30 June 2022.

A15 Significant Related Party Transactions

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

**12 months ended
30 June 2022
RM'000**

Rental of Premises charged by companies in which certain directors of the Company have substantial financial interest:

- U-Ni Magna Sdn Bhd	525
- PLS Plantations Berhad	141
- Limbongan Setia Corporation Sdn Bhd	<u>240</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 registered a Loss Before Taxation of RM2.0 million for the current quarter against a Loss Before Taxation of RM29.70 million reported in previous year corresponding quarter on the back of revenue of RM20.60 million and RM16.00 million respectively.

The Group reported a Financial Year ("FY") 2022 revenue of RM43.69 million, which reduced by about 38% from RM70.68 million for FY 2021 mainly due to lower construction billings in tandem with lower construction activities.

On a year to date basis, Loss Before Taxation for FY 2022 has reduced significantly to RM2.80 million as compared to the Loss Before Taxation of RM31.10 million for FY 2021. The comparative year recorded written off of contract costs with a sub-contract work, impairment of inventory and investment properties and higher implementation costs for construction projects.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded Loss Before Taxation of RM2.0 million as compared to Profit Before Taxation of RM0.90 million reported in the immediate preceding quarter, mainly due to provision of impairment losses on receivables and increased in operation expenses.

B3 Prospects for the Forthcoming Financial Year

The Board expects that the construction and property sectors to remain challenging in financial year ending 30 June 2023. Nevertheless, the Group will selectively participate in tender for construction projects, and the Group will continue to expand in property development. It is anticipated that property development segment will contribute a higher proportion to the Group's revenue with the launching of its planned development projects in Kwasa Damansara and PD Waterfront.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	-	-	104	-
- Real Property Gains Tax	-	90	-	2,344
- Deferred tax	-	4,186	-	4,186
	-	4,276	104	6,530

B6 Status of Corporate Proposal and Utilisation of Proceeds

There were no corporate proposals announced but not completed as at 23 August 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 30 June 2022 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	11,000
Bankers acceptance and invoice financing payable within one year	974
Bank overdraft	1,929
	<u>17,152</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	4,873
	<u>4,873</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") 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 a case management on 24 June 2022 however it was postponed. The Court has not fixed any new dates for a continued trial.

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"). The Court has presently fixed the hearing date for the Appeal on 25 November 2022.

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.

The hearing of the arbitration proceedings commenced on 14 March 2022 and continued thereafter on 24 June 2022, 30 June 2022 and 8 July 2022. The matters has been fixed for continuance of hearing on 2 September 2022, 4 October 2022 (tentatively) and 5 October 2022 (tentatively).



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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)

- 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 hearing was held between 9th and 13th May 2022, 17th and 20th May 2022, 24th and 27th May 2022. The matter is fixed for continued hearing between 4th and 7th October 2022, 5th and 6th January 2023, 9th and 12th January 2023, and 16th to 17th January 2023.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 June 2022.

B10 Earnings/(Loss) Per Share

i) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June 2022	30 June 2021	12 months ended 30 June 2022	30 June 2021
a Net Profit/(Loss) attributable to owners of the Company(RM'000)	(2,080)	(33,874)	(2,940)	(37,550)
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic (loss)/earnings per share (sen)	(1.2)	(19.4)	(1.7)	(21.5)
ii) Diluted earnings/(loss) per share	(1.2)	(19.4)	(1.7)	(21.5)

B11 Profit/(Loss) Before Taxation

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

	Individual quarter ended 30.6.2022	Cumulative quarter ended 30.6.2022
	RM'000	RM'000
(a) Interest income	799	802
(b) Interest expenses	(503)	(1,598)
(c) Depreciation and amortisation	(976)	(4,178)
(d) Impairment losses on receivables	(2,680)	(2,680)



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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

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 30 August 2022.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 30 August 2022