



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 2022

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 December		6 months ended 31 December	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	A9	13,817	4,290	19,903	9,292
Cost of sales		(12,874)	(2,690)	(18,270)	(7,832)
Gross Profit		943	1,600	1,633	1,460
Other income		1,929	1,494	2,625	1,722
Administration expenses		(2,653)	(2,183)	(5,741)	(4,502)
Finance costs		(294)	(346)	(587)	(710)
Share of (loss)/profit of joint venture		(4,586)	(252)	(4,023)	363
(Loss)/Profit before taxation	A9	(4,661)	313	(6,093)	(1,667)
Income tax expenses	B5	-	(104)	-	(104)
(Loss)/Profit for the period		(4,661)	209	(6,093)	(1,771)
Attributable to:					
Owners of the Company		(4,662)	210	(6,093)	(1,768)
Non-controlling interests		1	(1)	-	(3)
(Loss)/Profit for the period		(4,661)	209	(6,093)	(1,771)
(Loss)/Earnings per share (sen)					
Basic	B10	(2.7)	0.1	(3.5)	(1.0)
Diluted	B10	(2.7)	0.1	(3.5)	(1.0)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the second quarter ended 31 December 2022

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		6 months ended 31 December	
Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit for the period	(4,661)	209	(6,093)	(1,771)
Other Comprehensive Income/(Expenses)	-	-	-	-
Total comprehensive (loss)/income for the period	(4,661)	209	(6,093)	(1,771)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(4,662)	210	(6,093)	(1,768)
Non-controlling interests	1	(1)	-	(3)
	(4,661)	209	(6,093)	(1,771)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022

	31 December 2022	30 June 2022
Note	(Unaudited) RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	797	797
Investment properties	53,572	73,746
Right-of-use assets	1,034	1,698
Investment in joint venture	1,925	5,948
Inventories	53,557	51,360
	<u>110,885</u>	<u>133,549</u>
Current assets		
Contract assets	3,780	11,363
Inventories	14,833	14,731
Trade and other receivables	66,281	56,091
Current tax assets	1,392	1,357
Cash and bank balances	2,848	2,280
	<u>89,134</u>	<u>85,822</u>
Assets classified as held for sale	19,554	2,823
TOTAL ASSETS	<u><u>219,573</u></u>	<u><u>222,194</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	113,299	113,299
Reserves	16,521	22,614
Equity attributable to owners of the Company	<u>129,820</u>	<u>135,913</u>
Non-controlling interests	<u>(1,012)</u>	<u>(1,012)</u>
Total equity	<u>128,808</u>	<u>134,901</u>
Non-current liabilities		
Loans and borrowings	3,249	4,873
Lease liabilities	552	726
	<u>3,801</u>	<u>5,599</u>
Current liabilities		
Loans and borrowings	18,233	17,152
Lease liabilities	351	672
Trade and other payables	68,380	63,870
	<u>86,964</u>	<u>81,694</u>
Total liabilities	<u>90,765</u>	<u>87,293</u>
TOTAL EQUITY AND LIABILITIES	<u><u>219,573</u></u>	<u><u>222,194</u></u>
Net assets per share (RM)	0.74	0.78

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022

	<----- Attributable to Owners of the Company ----->					
	<----- Non-Distributable ----->					
	Share Capital	Capital Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	113,299	58,150	(35,536)	135,913	(1,012)	134,901
Total comprehensive loss for the period	-	-	(6,093)	(6,093)	-	(6,093)
At 31 December 2022	113,299	58,150	(41,629)	129,820	(1,012)	128,808

	<----- Attributable to Owners of the Company ----->					
	<----- Non-Distributable ----->					
	Share Capital	Capital Reserve	Accumulated losses	Total	Non- controlling interests	Total Equity
	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

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 2022 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 2022

	6 months ended 31 December	
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,093)	(1,667)
Adjustments for:		
Non-cash / non-operating items	6,157	2,637
Operating profit before working capital changes	64	970
Changes in contract assets / contract liabilities	7,583	(6,608)
Changes in amount owing from / to an associate	(425)	110
Changes in inventories	(2,298)	(684)
Changes in receivables	(9,764)	13,731
Changes in payables	4,510	(3,491)
Cash (for)/from operations	(330)	4,028
Interest paid	(587)	(710)
Net tax (paid)/refunded	(35)	688
Net cash (for)/from operating activities	(952)	4,006
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	-	(1)
Interest received	2	3
Acquisition of a subsidiary	-	(1)
Proceeds from disposal of property, plant and equipment	291	175
Proceeds from disposal of investment properties	2,289	483
Acquisition of plant and equipment	(23)	(10)
Expenditure incurred on investment properties	-	(72)
Net cash from investing activities	2,559	577
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of loans and borrowings	(282)	(5,564)
Repayment of lease liabilities	(496)	-
Net cash for financing activities	(778)	(5,564)
Net increase/(decrease) in cash and cash equivalents	829	(981)
Cash and cash equivalents brought forward	351	3,019
Cash and cash equivalents carried forward	1,180	2,038
Cash and cash equivalents comprise the following:		
Cash and bank balances	2,848	3,424
Term deposits	-	214
	2,848	3,638
Bank overdraft	(1,668)	(1,386)
Term deposits pledged as security	-	(214)
	1,180	2,038

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022. 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 2022, except for the adoption of the following new or revised standards and Annual Improvements to Standards with effective from 1 July 2022:-

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before intended use

Amendments to MFRS 137: Onerous Contract - Cost of Fulfilling a Contract

Annual improvements to MFRS Standards 2018 -2020

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 2022.

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 2022

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	17,095	2,336	472	19,903
Elimination of Intersegment Sales	-	-	-	-
External Sales	17,095	2,336	472	19,903
Results				
Segment Results	(5,959)	742	(291)	(5,508)
Elimination of intersegment Results	-	-	-	-
	(5,959)	742	(291)	(5,508)
Financing Costs	(370)	(217)	-	(587)
Interest Income	-	2	-	2
(Loss)/Profit before taxation	(6,329)	527	(291)	(6,093)

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
(Loss)/Profit before taxation	(1,442)	170	(395)	(1,667)

A10 Property, plant and equipment

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

A13 Changes in Contingent Liabilities

There were no significant contingent liabilities as at 31 December 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 31 December 2022.

A15 Significant Related Party Transactions

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

	6 months ended 31 December 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	289
- PLS Plantations Berhad	12
- 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 posted a substantial increase in revenue, from RM4 million in the previous corresponding quarter to RM13.8 million in the current quarter. The improvement resulted from the steady progress of construction projects and thus increased contributions to the Group's revenue.

Despite the above, we recorded a Loss Before Taxation of RM4.6 million in the current quarter compared to a Profit Before Taxation of RM0.3 million in the previous corresponding quarter. The loss reported in the current quarter was mainly due to the share of a Joint Venture's loss, which amounted to RM4.6 million.

B2 Comparison With Immediate Preceding Quarter's Results

The Group had widened its Loss Before Taxation of RM1.4 million reported in the immediate preceding quarter to a Loss Before Taxation of RM4.6 million in the current quarter, mainly due to the share of loss of a Joint Venutre.

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 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 31 December 2022	31 December 2021	6 months ended 31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	-	104	-	104
- Real Property Gains Tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	104	-	104

B6 Status of Corporate Proposal and Utilisation of Proceeds

There were no corporate proposals announced but not completed as at 20 February 2023, 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 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	9,000
Bankers acceptance and invoice financing payable within one year	4,316
Bank overdraft	1,668
	<u>18,233</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	3,249
	<u>3,249</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 the hearing to be continued on 10, 23, 31 March 2023.

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 hearing was fixed on 30th January 2023 on TSRB's application to adduce further new evidence ("Enclosure 105") and Appeal.

On 30th January 2023, HSB's counsel agreed to consent to Enclosure 105, and the Court had allowed Enclosure 105 with costs in the cause. A new date for the hearing of the Appeal is yet to be fixed.



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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.

The hearing of the arbitration proceedings commenced on 14 March 2022. The matter is fixed for continued hearing on 23rd February 2023, 18 and 19 March 2023.

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 hearings in January 2023 are completed. The matter is fixed for continued hearing on 21 to 23 June 2023, 10th and 12th October 2023.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 December 2022.

B10 (Loss)/Earnings Per Share

i) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2022	31 December 2021	6 months ended 31 December 2022	31 December 2021
a Net Profit/(Loss) attributable to owners of the Company(RM'000)	(4,662)	210	(6,093)	(1,768)
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic (loss)/earnings per share (sen)	(2.7)	0.1	(3.5)	(1.0)

ii) Diluted earnings/(loss) per share

	(2.7)	0.1	(3.5)	(1.0)
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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 31.12.2022 RM'000	Cumulative quarter ended 31.12.2022 RM'000
(a) Interest income	1	2
(b) Interest expenses	(294)	(587)
(c) Depreciation and amortisation	(813)	(1,640)

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 27 February 2023.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 27 February 2023