



TSR CAPITAL BERHAD

Reg. No. 200101005393 (541149-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the third quarter ended 31 March 2023

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 March		9 months ended 31 March	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	A9	10,115	13,779	30,018	23,071
Cost of sales		(7,888)	(11,848)	(26,158)	(19,680)
Gross Profit		2,227	1,931	3,860	3,391
Other income		2,254	2,134	4,879	3,856
Administration expenses		(3,507)	(3,206)	(9,248)	(7,708)
Finance costs		(250)	(385)	(837)	(1,095)
Share of (loss)/profit of joint venture		-	433	(4,023)	796
Profit/(Loss) before taxation	A9	724	907	(5,369)	(760)
Income tax expenses	B5	-	-	-	(104)
Profit/(Loss) for the period		724	907	(5,369)	(864)
Attributable to:					
Owners of the Company		726	908	(5,367)	(860)
Non-controlling interests		(2)	(1)	(2)	(4)
Profit/(Loss) for the period		724	907	(5,369)	(864)
Earnings/(Loss) per share (sen)					
Basic	B10	0.4	0.5	(3.1)	(0.5)
Diluted	B10	0.4	0.5	(3.1)	(0.5)

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



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	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		9 months ended 31 March	
Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) for the period	724	907	(5,369)	(864)
Other Comprehensive Income/(Expenses)	-	-	-	-
Total comprehensive income/(loss) for the period	724	907	(5,369)	(864)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	726	908	(5,367)	(860)
Non-controlling interests	(2)	(1)	(2)	(4)
	724	907	(5,369)	(864)

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

	31 March 2023	30 June 2022
Note	(Unaudited) RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	672	797
Investment properties	52,649	73,746
Right-of-use assets	935	1,698
Investment in joint venture	1,925	5,948
Inventories - land held for property development	54,096	51,360
	<u>110,277</u>	<u>133,549</u>
Current assets		
Contract assets	8,118	11,363
Inventories - completed properties and others	13,921	14,353
Inventories - property development costs	37,260	378
Trade and other receivables	51,939	56,091
Current tax assets	1,481	1,357
Cash and bank balances	3,955	2,280
	<u>116,674</u>	<u>85,822</u>
Assets classified as held for sale	19,305	2,823
TOTAL ASSETS	<u><u>246,256</u></u>	<u><u>222,194</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	113,299	113,299
Reserves	17,247	22,614
Equity attributable to owners of the Company	<u>130,546</u>	<u>135,913</u>
Non-controlling interests	(1,014)	(1,012)
Total equity	<u>129,532</u>	<u>134,901</u>
Non-current liabilities		
Loans and borrowings	26,009	4,873
Lease liabilities	454	726
	<u>26,463</u>	<u>5,599</u>
Current liabilities		
Loans and borrowings	16,291	17,152
Lease liabilities	360	672
Trade and other payables	73,610	63,870
	<u>90,261</u>	<u>81,694</u>
Total liabilities	<u>116,724</u>	<u>87,293</u>
TOTAL EQUITY AND LIABILITIES	<u><u>246,256</u></u>	<u><u>222,194</u></u>
Net assets per share (RM)	0.75	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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the third quarter ended 31 March 2023

	<----- 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	-	-	(5,367)	(5,367)	(2)	(5,369)
At 31 March 2023	113,299	58,150	(40,903)	130,546	(1,014)	129,532

	<----- 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	-	-	(860)	(860)	(4)	(864)
At 31 March 2022	113,299	58,150	(33,466)	137,983	(1,011)	136,972

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**

Reg. No. 200101005393 (541149-W)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the third quarter ended 31 March 2023

	9 months ended 31 March	
	2023	2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,369)	(760)
Adjustments for:		
Non-cash / non-operating items	6,281	3,159
Operating profit before working capital changes	912	2,399
Changes in contract assets / contract liabilities	3,245	(349)
Changes in amount owing from / to an associate	(725)	(96)
Changes in inventories	(39,186)	(872)
Changes in receivables	4,878	18,302
Changes in payables	9,740	(11,793)
Cash (for)/from operations	(21,136)	7,591
Interest paid	(837)	(1,095)
Net tax (paid)/refunded	(125)	593
Net cash (for)/from operating activities	(22,098)	7,089
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in term deposits pledged as security	-	213
Interest received	3	3
Acquisition of a subsidiary	-	(1)
Subscription of shares in a subsidiary	-	(199)
Proceeds from disposal of property, plant and equipment	1,391	455
Proceeds from disposal of investment properties	2,716	483
Purchase of plant and equipment	(29)	(44)
Expenditure incurred on investment properties	-	(72)
Net cash from investing activities	4,081	838
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown /(repayment) of loans and borrowings	22,205	(9,026)
Repayment of lease liabilities	(584)	-
Net cash from/(for) financing activities	21,621	(9,026)
Net increase/(decrease) in cash and cash equivalents	3,604	(1,099)
Cash and cash equivalents brought forward	351	3,019
Cash and cash equivalents carried forward	3,955	1,920
Cash and cash equivalents comprise the following:		
Cash and bank balances	3,955	3,339
Bank overdraft	-	(1,419)
	3,955	1,920

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 9 Months Ended 31 March 2023

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	25,942	3,518	558	30,018
Elimination of Intersegment Sales	-	-	-	-
External Sales	25,942	3,518	558	30,018
Results				
Segment Results	(5,024)	892	(403)	(4,535)
Elimination of intersegment Results	-	-	-	-
	(5,024)	892	(403)	(4,535)
Financing Costs	(524)	(313)	-	(837)
Interest Income	-	3	-	3
(Loss)/Profit before taxation	(5,548)	582	(403)	(5,369)

Segmental Results for 9 Months Ended 31 March 2022

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	19,866	2,902	303	23,071
Elimination of Intersegment Sales	-	-	-	-
External Sales	19,866	2,902	303	23,071
Results				
Segment Results	9	915	(592)	332
Elimination of intersegment Results	-	-	-	-
	9	915	(592)	332
Financing Costs	(694)	(401)	-	(1,095)
Interest Income	2	1	-	3
(Loss)/Profit before taxation	(683)	515	(592)	(760)

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2023.

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 March 2023.



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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 March 2023.

A15 Significant Related Party Transactions

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

	9 months ended 31 March 2023 RM'000
Rental of Premises charged by companies in which certain directors of the Company have substantial financial interest:	
- U-Ni Magna Sdn Bhd	500
- PLS Plantations Berhad	12
- Limbongan Setia Corporation Sdn Bhd	<u>180</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

For the current quarter ended 31 March 2023, the Group has recorded a revenue of RM10.1 million, a decreased of about 27% as compared to RM13.7 million in the previous corresponding quarter. The lower revenue was mainly due to lower construction billings in tandem with lower construction activities.

Despite the lower revenue, the Group recorded a Profit Before Taxation of RM0.7 million for the current quarter compared to Profit Before Taxation of RM0.9 million in the previous corresponding quarter.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded Profit Before Taxation of RM0.7 million compared to Loss Before Taxation of RM4.6 million reported in the immediate preceding quarter, which included share of loss of a Joint Venture of RM4.58 million.

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 March		9 months ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
- Malaysian income tax	-	-	-	104
- Real Property Gains Tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	-	-	104

B6 Status of Corporate Proposal and Utilisation of Proceeds

There were no corporate proposals announced but not completed as at 23 May 2023, being the latest practicable date ("LPD") which is not earlier than 7 days from the date of this report.

B7 Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2023 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	4,042
Bank overdraft	-
	<u>16,291</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	26,009
	<u>26,009</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

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 had previously fixed the hearing to be continued on 10, 23, 31 March 2023, however, all the hearing were vacated subsequently. The Court has yet to fix new dates for the hearing.

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 ("Adjudication Sum").

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.

The Appeal came up for hearing on 11 April 2023, the panel of court of appeal judges have agreed to grant TSRB stay of proceeding with the conditions that the Adjudication Sum TSRB deposited into its solicitors' account as stakeholder is to be dealt with in the following manner:-

- a) firstly, RM1 million to be released to HSB with the condition that HSB shall repay the RM 1 million within 7 days of the Arbitration award in the event the award is in favour of TSRB, failing which HSB's directors will be personally liable for the repayment.
- b) secondly, 50% of the remaining amount of the Adjudication Sum amounting to RM3.68 million shall be deposited into HSB's solicitors' account as stakeholder until disposal of decision of the arbitration proceedings between TSRB and HSB.
- c) lastly, 50% of the remaining amount of the Adjudication Sum amounting to RM3.68 million shall be remained in TSRB's solicitors' account as stakeholder until disposal of decision of the arbitration proceedings between TSRB and HSB.



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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 proceeding commenced on 14 March 2022. The hearings in March 2023 were completed. The Arbitrator had directed the parties to file in the closing submission by 30 May 2023, and reply of the submission by 20 Jun 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, 10 and 12 October 2023.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 March 2023.

B10 Earnings/(Loss) Per Share

i) Basic earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2023	31 March 2022	9 months ended 31 March 2023	31 March 2022
a Net Profit/(Loss) attributable to owners of the Company(RM'000)	726	908	(5,367)	(860)
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic earnings/(loss) per share (sen)	0.4	0.5	(3.1)	(0.5)
ii) Diluted earnings/(loss) per share	0.4	0.5	(3.1)	(0.5)



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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 31.3.2023 RM'000	Cumulative quarter ended 31.3.2023 RM'000
(a) Interest income	1	3
(b) Interest expenses	(250)	(837)
(c) Depreciation and amortisation	(705)	(2,345)

B12 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 30 May 2023.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 30 May 2023