TSR CAPITAL BERHAD

REG.NO.200101005393 (541149-W)

ANNUAL REPORT 2022

TABLE OF CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Independent Non-Executive Chairman

Tan Sri Dato' Lim Kang Yew
Deputy Executive Chairman

Mr Lim Dian Hoong
Executive Director

Tengku Ab Hadi Bin Tengku Mustafa
Executive Director

Mr Lim Dian Ping
Executive Director

Mr Ng Kim Keong
Executive Director

Mr Lim Kuan Hwang
Non-Independent Non-Executive Director

Mr Tan En Chong
Senior Independent Non-Executive Director

Dato' Ahmad Fadzli Bin Yaakob
Independent Non-Executive Director

COMPANY SECRETARIES

Ms Leong Yue Han, MAICSA
Mr Leow Chi Loong, MIA

AUDIT COMMITTEE

Mr Tan En Chong
Chairman

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Member

Dato' Ahmad Fadzli Bin Yaakob
Member

NOMINATION COMMITTEE

Mr Tan En Chong
Chairman

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Member

Dato' Ahmad Fadzli Bin Yaakob
Member

REMUNERATION COMMITTEE

Mr Tan En Chong
Chairman

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Member

Dato' Ahmad Fadzli Bin Yaakob
Member

REGISTERED ADDRESS

Level 16, Menara TSR, No. 12
Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel : 603 - 7717 7717
Fax : 603 - 7717 7617
Email : general@tsrcap.com
Website : www.tsrcap.com.my

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
Suite 50-3, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Tel : 603 - 3343 0730
Fax : 603 - 3344 3036

SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd
149 Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 603 - 7729 5529 / 7727 3873
Fax : 603 - 7728 5948

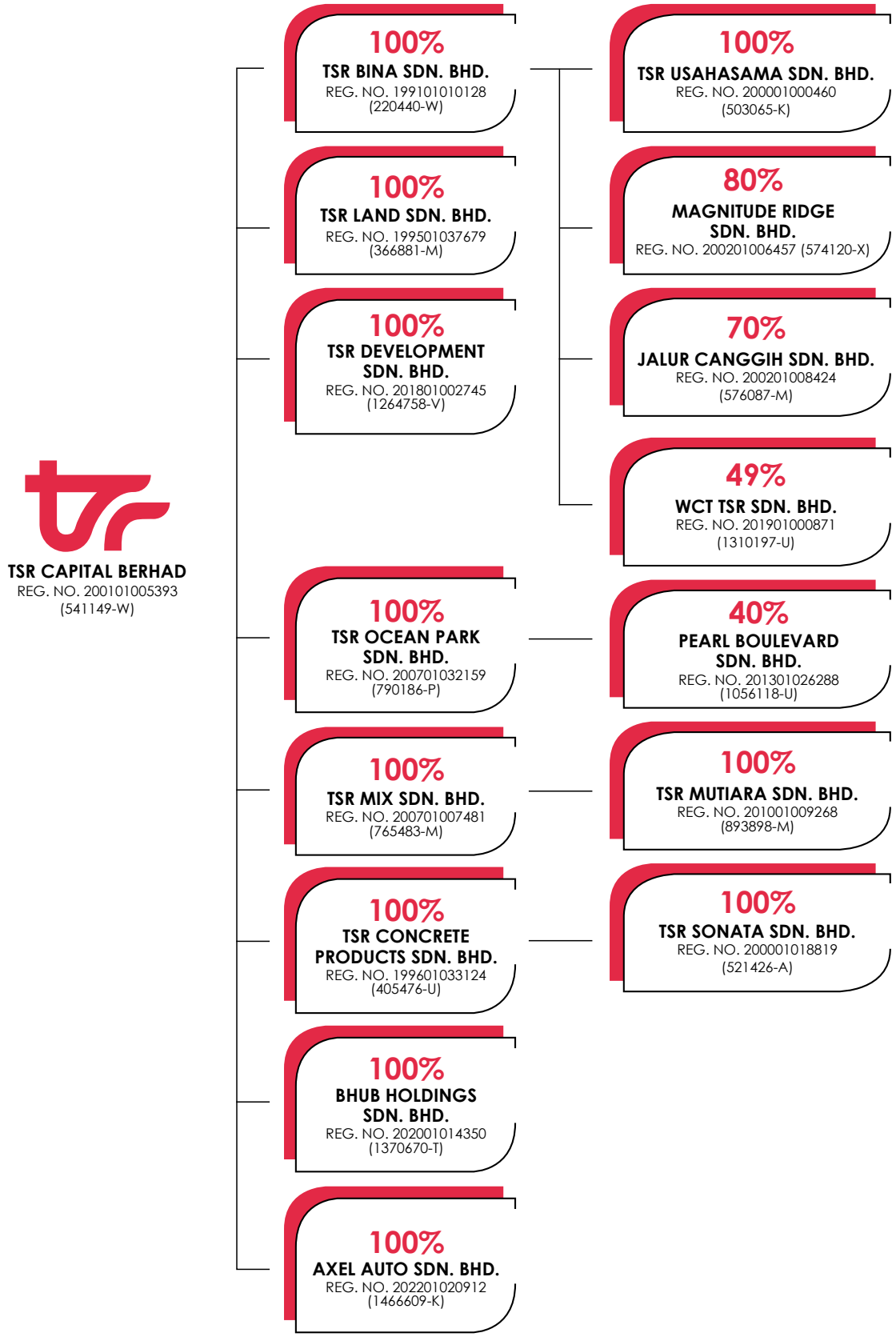
PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
Ambank (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad
Sector : Construction
Stock Name : TSRCAP
Stock Code : 5042

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

On behalf of the Board of Directors, it is my great pleasure to present to you the Annual Report and Audited Financial Statements of TSR Capital Berhad ("the Company" or "TSR") and its subsidiaries ("the Group" or "TSR Group") for the financial year ended 30 June 2022 ("FYE 2022").

MARKET OVERVIEW

The Malaysian economy recorded an accelerated growth of 8.9% in the second quarter of 2022 compared to a growth of 5.0% in the first quarter of 2022. The growth was primarily underpinned by the continued recovery in labour market conditions and policy support. Following the transition into the endemic phase and with the reopening of the border since 1 April 2022, the key economic sectors continued to expand in the second quarter of 2022.

Notwithstanding the above-mentioned, the construction sector faced immense challenges throughout the financial year, including a severe shortage of construction workers, escalation of construction materials prices, and a low number of sizeable tenders rolled out in the market.

FINANCIAL HIGHLIGHTS

For the financial year under review, the Group posted operating revenue of RM43.71 million compared to RM70.68 million reported in the preceding year. Despite lower revenue, the Group managed to narrow its loss to RM2.94 million for the FYE 2022, from RM37.64 million a year ago.

PROSPECTS

The Malaysian economy is expected to remain on the path of recovery with the normalisation of economic activities as the country moves toward the endemic phase.

The Board is mindful that the construction sector is operating in a challenging business environment. The Group shall continue leveraging its competitive strength to tap into suitable opportunities in the industry to replenish its order book. Moving forward, we shall prioritise the timely execution and completion of our existing projects.

The Group has expanded its emphasis on property development in the expectation that the construction sector will experience a slowdown in job flows. In the following years, we envisaged that our property development division would make a more significant contribution to the total revenue of the Group.

Having taken the necessary prudent measures, the Group is confident in weathering the challenges ahead. The Group shall strive to manage the current business risks to ensure the sustainability of the business operations.

DIRECTORATE

On behalf of the Board, I wish to thank Dato' Wan Abd Razak Bin Ismail, who has retired as Non-Independent Non-Executive Director of the Company on 14th January 2022, for his years of contribution to the Group. At the same time, I would like to extend a warm welcome to Mr Ng Kim Keong who joined our Board as Executive Director with effect from 14th January 2022.

ACKNOWLEDGMENT AND APPRECIATION

On behalf of the Board, I would like to express our gratitude and appreciation to our valued customers, shareholders, government authorities, business associates, bankers and other professionals for their continued support and confidence in TSR.

Thank you to my fellow Board members, the management team and staff for their dedication and effort throughout the year.

TAN SRI DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS OVERVIEW

The Group maintained its focus on the construction and property development business.

The Construction division, under TSR Bina Sdn Bhd, undertakes various types of civil engineering works, including the construction of highways, buildings and infrastructure. The building works generally comprise universities, office towers and high-rise apartments. Some notable projects completed by the Division include MRT Depot Kajang, Jawi Prison, UiTM Bukit Besi and Lebuhraya Pantai Timur.

TSR Ocean Park Sdn Bhd, the property arm of the Group, is involved in the development of residential and commercial properties as well as property investment and management. Its flagship project is the development of PD Waterfront located in Port Dickson, Negeri Sembilan.

TSR Development Sdn Bhd is incorporated to undertake the development project that consists of 260 units of residential properties at Kwasa Damansara township, Selangor.

FINANCIAL REVIEW

The Group's revenue for the current financial year decreased by 38%, from RM70.68 million in FYE 2021 to RM43.71 million in FYE 2022. The decrease in Group revenue can be attributed to the Construction Division, whose revenue reduced by 42% from the previous year.

Approximately eighty-nine percent (89%) of total revenue was generated by the construction segment, which continues to be the Group's largest revenue generator.

Despite the decline in the Group's revenue, the bottom line was considerably improved as the Group trimmed its loss before taxation to RM2.83 million from a loss before tax of RM31.10 million in FYE 2021. The lower loss was due to the Group's proactive steps to enhance operational efficiency and implement cost control.

The Group manages its capital to ensure the Group will maintain an optimal capital structure to support the businesses and maximise shareholder value.

During the FYE 2022, the Group managed to reduce its borrowing to RM22.03 million, compared to RM32.38 million a year ago. As a result, the gearing level of the Group was improved, as shown below:-

Financial ratio	FYE 2022	FYE 2021
Debt-to-equity ratio	0.16	0.22

The Group's low gearing level would place it in an advantageous position, allowing it to utilise bank financing for business operations and expansion with great flexibility.

OPERATIONS REVIEW

Construction division

FYE 2022 was still a tough year for the Group and even the industries in which it operates. Throughout the financial year, the construction industry experienced sluggish contract flows, resulting in stiff competition among industry players bidding on a handful of projects.

The Group's construction business continued to be negatively impacted by prolonged labour shortage issues, a hike in construction materials prices, and higher project preliminary costs due to the prolongation of the construction period. These challenges are reflected in the financial result of the Group for FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Continued

In light of the challenging landscape in the construction industry, we have taken measures to streamline and rationalise the operating cost structure to remain competitive and mitigate the financial risks.

The construction division contributed RM38.99 million in revenue for FYE 2022, which is 42% less than the RM67.67 million reported in the previous financial year. The decline in top-line revenue was mainly owing to a decrease in ongoing projects and a lower revenue realisation, as the majority of existing projects were nearing completion. The construction division's primary concentration throughout FYE 2022 was on the execution of its projects. During the current financial year, the construction division has continued to deliver works for ongoing projects and has completed the construction of common infrastructure works in Kwasa Damansara Township.

The construction projects contributed to the performance in FYE 2022 were as follows:-

- Kwasa Damansara Township – Elevated roads, earthwork and infrastructure works
- Kwasa Damansara Township – common infrastructure works
- Merdeka 118 – Retail Mall (undertake via a joint venture company)
- Putrajaya – 4 blocks of condominium and multi-level car park blocks

Property division

The Property division's revenue remained stable at RM4.17 million during FYE 2022 (FYE 2021: RM3 million), with the majority of this revenue coming from the rental income generated by its investment properties, which primarily consist of commercial and retail shops in PD Waterfront.

Throughout the year, the Property Division maintained its efforts to diligently work on the pipeline of development projects. As a result of these efforts, the Group successfully obtained the planning permission for the residential development known as ARI Kwasa Damansara, which is situated in Kwasa Damansara township, Selangor. The development will be implemented in two phases over the course of five years, with Phase 1 consisting of semi-detached homes and a bungalow, and Phase 2 consisting of town villas and condominiums. We intend to launch Phase 1 of ARI Kwasa Damansara in the upcoming financial year 2023, after obtaining the Advertising Permit and Developer's License. In addition, we have commenced construction work for the proposed commercial retail shops in Phase 3 of PD Waterfront, Port Dickson, Negeri Sembilan.

OUTLOOK AND PROSPECTS

As the country approaches the endemic phase with the tapering of COVID-19 cases, we are cautiously optimistic that the Government will shift its focus on economic recovery and development of the country. We look forward to accelerating the Government's infrastructure spending to support the country's development and economic growth.

The Group's construction division is expected to continue to be supported by its projects in hand to deliver a sustainable level of financial results. The Group shall capitalise on its core competencies to tender the projects with a reasonable margin.

The property market has shown steady improvements in tandem with better economic sentiments. It is anticipated that sales launching for ARI Kwasa Damansara and commercial retail shops of Phase 3 PD Waterfront will commence during the third quarter of the financial year 2023. The level of buyer interest in both of these developments is strong, and we are positive that the sales take-up rates will be promising. It is expected that both development projects will contribute favourably to the Group's future earnings.

The Group has leveraged opportunities in the property market to monetise some of its non-core properties and land bank. We are confident that these sales will have a beneficial impact on the earnings and cash flow of the Group during the financial year 2023.

The projects in hand, continued participation in project tenders and the impending launch of new development projects will continue to provide the Group with sufficient revenue streams.

FIVE YEARS FINANCIAL HIGHLIGHTS

	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
STATEMENTS OF COMPREHENSIVE INCOME					
REVENUE	43,706	70,684	127,822	204,706	407,439
(LOSS)/PROFIT BEFORE TAXATION	(2,831)	(31,106)	21,979	(22,838)	9,487
(LOSS)/PROFIT AFTER TAXATION	(2,935)	(37,636)	18,745	(22,450)	5,750
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	(2,930)	(37,550)	18,748	(22,444)	5,211
STATEMENTS OF FINANCIAL POSITION					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	135,913	138,843	176,393	157,645	180,089
NUMBER OF SHARES ISSUED ('000)	174,450	174,450	174,450	174,450	174,450
RATIO					
BASIC (LOSS)/EARNINGS PER SHARE (SEN)	(1.68)	(21.52)	10.75	(12.87)	2.99
NET ASSETS PER SHARE (RM)	0.78	0.80	1.01	0.90	1.03

BOARD OF DIRECTORS' PROFILE

TAN SRI DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM

CHAIRMAN

Aged 77. Malaysian. Tan Sri Dato' Seri Mohamad Noor was appointed as an Independent Non-Executive Director on 22 August 2008 and subsequently on 5 October 2010 as an Independent Non-Executive Chairman. He is also a member of the Audit, Nomination and Remuneration Committees.

Tan Sri Dato' Seri Mohamad Noor holds a Bachelor of Arts (Hons) Degree from University of Malaya. He has held various positions in the government sector. He was the Secretary General of the Ministry of Home Affairs, the Secretary General of the Ministry of Domestic Trade and Consumer Affairs, State Secretary of Penang, State Financial Officer of Perak and Under Secretary for both the Ministry of Defence and Ministry of Finance.

Currently Tan Sri Dato' Seri Mohamad Noor also sits on the Board of Mitrajaya Holdings Berhad as Independent Non-Executive Director. He is also the Vice President of Olympic Council of Malaysia (OCM). He previously held the position as the Deputy President of Malaysian TenPin Bowling Congress (MTBC) and President of Malaysian Petanque Federation. He is now currently President of Asian Boules Confederation.

He attended all the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. Tan Sri Dato' Seri Mohamad Noor also does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

TAN SRI DATO' LIM KANG YEW

DEPUTY EXECUTIVE CHAIRMAN

Aged 65. Malaysian. Tan Sri Dato' Lim was appointed to the Board on 5 October 2005 as the Deputy Non-Executive Chairman and redesignated as Deputy Executive Chairman on 15 April 2014.

He is a businessman with over 40 years of experience in the construction, property development and plantations related industries. His vast experience in this field have proven to be invaluable to the Group as he established good rapport with some government agencies. At present, he is the Managing Director of PLS Plantations Berhad and Executive Director of Astral Asia Berhad. He is also a director of several other private limited companies.

He attended three (3) out of the five (5) meetings held during the financial year. He has a direct shareholdings of 3,000,000 ordinary shares and indirect shareholdings of 51,258,018 ordinary shares. He is the father to Mr Lim Dian Hoong and Mr Lim Dian Ping and uncle to Mr Lim Kuan Hwang. Tan Sri Dato' Lim has no any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE

Continued

LIM DIAN HOONG
EXECUTIVE DIRECTOR

Aged 34. Malaysian. Mr Lim was appointed to the Board as Executive Director on 20 August 2013.

Mr Lim Dian Hoong graduated with a Master of Engineering in Civil Engineering from Imperial College London, UK. Mr Lim Dian Hoong started his career with TSR Bina Sdn Bhd, a wholly-owned subsidiary of TSR Capital Berhad in 2011. He has been involved in the building construction and infrastructure projects managed by the group. He also has an active role in helping the group to expand its property development and hospitality business.

Currently, Mr Lim is an Alternate Director to Tan Sri Dato' Lim Kang Yew at Astral Asia Berhad. He is also a director of several other private limited companies.

He attended four (4) out of the five (5) meetings held during the financial year. He has indirect shareholdings of 51,258,018 ordinary shares in the Company. Mr Lim is the son of Tan Sri Dato' Lim Kang Yew, brother to Mr Lim Dian Ping and cousin to Mr Lim Kuan Hwang. He does not hold any directorship in other public companies. Mr Lim has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

TENGKU AB HADI BIN TENGKU MUSTAFA
EXECUTIVE DIRECTOR

Aged 53. Malaysian. Tengku Ab Hadi was appointed to the Board as Executive Director on 1 June 2016.

Tengku Ab Hadi graduated with a Bachelor of Science in Business Management from Huron University USA in London in 1998. He is currently the Director of Oakhurst Energy Pte Ltd, a Company based in Singapore focusing on oil and gas assets acquisitions in ASEAN region.

He began his career as Assistant General Manager in local IT Company named as Medical Online Sdn Bhd, which deals mainly in IT-health projects from the Government and promoted to General Manager within a year.

In 2002, he was appointed as Business Development Director where he was exposed to the vibrant local property and construction scenes.

In 2007, he was appointed as Chief Executive Officer at a Korean Company, GS Holdings for their branch in Kuala Lumpur known as Phobees Sdn Bhd which handle multi-million projects in Information Technology and Oil & Gas Industry for the ASEAN region.

He attended four (4) out of the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. Tengku Ab Hadi also does not have any family relationship with any director and/or major shareholder of the Company. He does not hold any directorship in other public companies. He has no conflict of interest in any business arrangement involving the Company and has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE

Continued

MR LIM DIAN PING
EXECUTIVE DIRECTOR

Aged 28. Malaysian. Mr Lim was appointed to the Board as Executive Director on 26 August 2020.

Mr Lim Dian Ping graduated with a Master of Engineering in Civil Engineering and obtained Associateship Award in Civil Engineering by Citi & Guilds of London Institute from Imperial College London, UK. He is currently a Project Coordinator in TSR Bina Sdn Bhd, a wholly-owned subsidiary of the Company, a position where he has held since 2017.

Mr Lim has been involved in all pre-construction, on-going and post-completion projects for serviced apartment, mixed development, commercial, infrastructure works and other related property development.

Currently, Mr Lim is an Alternate Director to Tan Sri Dato' Lim Kang Yew at PLS Plantations Berhad. He is also a director of several other private limited companies.

He attended all the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. Mr Lim is the son of Tan Sri Dato' Lim Kang Yew, brother to Mr Lim Dian Hoong and cousin to Mr Lim Kuan Hwang. Mr Lim has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

MR NG KIM KEONG
EXECUTIVE DIRECTOR

Aged 50. Malaysian. Mr Ng was appointed to the Board as Executive Director on 14 January 2022.

Mr Ng holds a MBA (Financial Studies) from the University of Nottingham and a Degree in Bachelor of Accounting from University Malaya. He is a member of the Malaysian Institute of Accountants. Upon graduation, he joined KPMG Malaysia as external auditor for 3 years. He had more than 20 years working experience in the financial and accounting division of private and public companies in Malaysia. He is currently the Chief Operating Officer of TSR Capital Berhad.

He attended two (2) meetings held during the financial year. He has no direct or indirect shareholdings in the Company and does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE

Continued

MR TAN EN CHONG

SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

Aged 73. Malaysian. Mr Tan was appointed as an Independent Non-Executive Director on 2 November 2001 and was redesignated as Senior Independent Non-Executive Director on 25 April 2014. He is also the Chairman of Audit, Nomination and Remuneration Committees.

He is a Fellow of the Certified Chartered Accountants (London) and a member of the Malaysian Institute of Accountants (MIA). He also holds a Bachelor of Science (Hons) degree from Royal Holloway College, University of London, United Kingdom. Upon graduation, he joined CHUBB Fire Security (UK) as Financial Assistant in 1976. He later obtained his Registered Accountants status with MIA in 1980.

Currently Mr Tan also sits on the Board of Astral Asia Berhad as Senior Independent Non-Executive Director. He is also a director of several other private limited companies.

He attended all the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. Mr Tan also does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

DATO' AHMAD FADZLI BIN YAAKOB

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Aged 44. Malaysian. Dato' Ahmad Fadzli was appointed to the Board as Independent Non-Executive Director on 6 June 2018.

Dato' Ahmad Fadzli graduated with a Bachelor of Commerce & Administration (BCA) in Finance and Management at Victoria University of Wellington and Master of Business Administration at Institute Technology, Australia (IOTA).

He was the Executive Director for Putra World Trade Centre for 10 years managing property development, property management and international events from 2001 until 2010. He started his career as an auditor with the renown conglomerate Renong Berhad specifically managing United Engineers Malaysia Berhad (UEM). He has been auditing various companies under the same group such as PLUS, Propel and Faber Group.

Currently, he is the consultant to many international and local brands, managing research and development, corporate marketing strategies and brand development where he specializes in strategic partnerships, brand reconstruction and marketing and brand development.

He attended three (3) out of the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. He does not have any family relationship with any directors and/or substantial shareholders of the Company. Dato' Ahmad Fadzli does not hold any shares in TSR. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

BOARD OF DIRECTORS' PROFILE

Continued

MR LIM KUAN HWANG

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Aged 34. Malaysian. Mr Lim was appointed to the Board as Non-Independent Non-Executive Director on 5 August 2020.

Mr Lim Kuan Hwang graduated with a Bachelor of Degree in Arts (Hons) from University College of London, UK.

He is a director of Tasja Development Sdn Bhd, a position he has held since 2018 and manages a new e-commerce startup initiative under Clean Link Sdn Bhd. Both the Companies are wholly-owned subsidiaries of Astral Asia Berhad. He had served in various managerial positions for several businesses in property management, trade distribution, food & beverage, digital & physical retail.

He attended all the five (5) meetings held during the financial year. He has no direct or indirect shareholdings in the Company. Mr Lim is the nephew of Tan Sri Dato' Lim Kang Yew and cousin to Mr Lim Dian Hoong and Mr Lim Dian Ping. He does not hold any directorship in other public companies. Mr Lim has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year ended 30 June 2022.

SENIOR MANAGEMENT PROFILE

The Group is managed by a team of experienced and diversified Managers and Executives led by our Deputy Executive Chairman, Tan Sri Dato' Lim Kang Yew, Executive Directors, Mr Lim Dian Hoong, Tengku Ab Hadi Bin Tengku Mustafa and Mr Lim Dian Ping, whose profile are disclosed in the Directors' profiles.

MR NG KIM KEONG
CHIEF OPERATING OFFICER

Aged 50. Malaysian. Mr Ng joined the Group in 2001 as a Senior Accountant and was promoted to Group Accountant in 2006, Chief Financial Officer in 2012 and Chief Operating Officer in July 2020. Mr Ng was appointed to the Board as Executive Director on 14 January 2022. He is a chartered accountant by profession and is a member of the Malaysian Institute of Accountants.

Mr Ng began his career at Messrs KPMG before joining the Group. Mr Ng has extensive exposure in financial management with his working experience of over 20 years which covers the principal area of auditing, accounting, corporate affairs and finances.

Throughout the years, Mr Ng has accumulated various experiences in development project planning, sales marketing planning and strategy, hotel management, and project management in construction and development projects.

Mr Ng also does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, other than for traffic offences, if any.

MR LIM CHONG WEI
PROPERTY GENERAL MANAGER

Aged 49. Malaysian. Mr Lim joined the Group in 2018 as Property General Manager.

Mr Lim holds a Bachelor of Civil Engineering degree from Oklahoma State University and is a Member of the Institution of Engineers, Malaysia and the Board of Engineers of Malaysia.

Mr Lim began his professional career as a master developer, being involved with the development of the Al Bukhary Complex in Alor Setar. To date, he continues to be involved in various property developments and property investment projects ranging from master planning of townships, hotel resorts, Islamic educational developments and integrated developments with retail, commercial, medical, hospitality and leisure components. He has more than 20 years of experience in the property development industry as well as relevant fields which include construction, engineering, and project management consultancy.

Mr Lim does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no conviction for any offence within the past 5 years, other than for traffic offences, if any.

SENIOR MANAGEMENT PROFILE

Continued

MR IVAN CHONG WOH KWAN
ASSISTANT GENERAL MANAGER

Aged 47. Malaysian. Mr Ivan joined the Group in 2022.

Mr Ivan holds a Bachelor of Building (Hons), major in Quantity Surveying from University of South Australia and Certificate in Architecture from Tunku Abdul Rahman College.

He has been in the construction industries for 24 years and he has gained extensive exposure in development, construction, engineering, real estate and management from local and international organizations.

Mr Ivan does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no conviction for any offence within the past 5 years, other than for traffic offences, if any.

MR LEOW CHI LOONG
FINANCIAL CONTROLLER

Aged 42. Malaysian. Mr Leow joined the Group in 2010 as an Accountant and was promoted to Financial Controller in 2020. He is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants.

Mr Leow has extensive exposure in financial management with his working experience of over 15 years which covers the principal area of auditing, accounting, corporate affairs and finances.

Mr Leow also does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, other than for traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors supports the objective of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and also acknowledges its role to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of other stakeholders.

The Directors believe that good corporate governance results in quantifiable long-term success and creation of long-term shareholders' value. The Board of Directors of the Company has endeavoured to observe the best practices and guidance by MCCG 2021 and will continue to review its compliance of the same to further strengthen and enhance corporate governance practices within the Group.

Pursuant to Bursa Malaysia's corporate governance disclosure requirements per Paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirement ("MMLR"), the Board is pleased to set out a summary of the Group's corporate governance practices during the financial year ended 30 June 2022 ("FYE 2022") in this Corporate Governance Overview Statement ("CG Overview Statement"). In addition to this, the application of each of the Practices set out in the MCCG 2021 is disclosed in our Corporate Governance Report ("CG Report") which is available on the Group's corporate website at www.tsrcap.com.my and an announcement made by the Company on the website of Bursa Malaysia at www.bursamalaysia.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board views the importance of sustainable and responsible business practices in developing the corporate strategy of the Group. The Group's businesses are conducted in responsible, trustworthy and ethical manner while accepting accountability for impacts on environment, social and governance.

The Company is led by an experienced and dynamic Board. It has a balanced board composition with effective independent directors. The Board provides leadership and stewardship to the Group's strategic direction and operations and ultimately enhancing shareholders value. To fulfil this role, the Board is responsible for:-

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth and profitability of the Company;
- Overseeing the conduct of the Company's business and to evaluate whether the business is being properly managed;
- Determining the level of risk tolerance and identify, assess and monitor principal risks of the business and ensure implementation of appropriate systems to manage these risks; and
- Reviewing adequacy and effectiveness of the Company's risk management and internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

No individual or group of individuals dominates the Board's decision making processes and the number of independent directors reflects fairly the investment of the minority shareholders. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account long-term interest of stakeholders of the Group.

Separation of Positions of the Chairman and Chief Operating Officer

The Board is led by an Independent Non-Executive Chairman. The distinction of responsibilities between the roles of the Chairman and Chief Operating Officer which is to ensure the balance of power and authority is also stated in the Board Charter.

The Independent Non-Executive Chairman, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim is primarily responsible for the orderly conduct and working of the Board whilst the Chief Operating Officer, Mr Ng Kim Keong is responsible for the overall operations of the business and the implementation of Board strategy and policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Separation of Positions of the Chairman and Chief Operating Officer (Cont'd)

The Chief Operating Officer leads the management team to ensure high level of work efficiency and plans towards profitable growth and operation of the Group. The Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations.

Qualified Company Secretaries

The Company has appointed two named secretaries who are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 ("CA") for the Company and its subsidiaries. Ms Leong Yue Han is an associate member of The Institute of Chartered Secretaries and Administrators, an associate member of The Chartered Governance Institute and she also holds an LLB (Hons) from University of London. On the other hand, Mr Leow Chi Loong is a member of Malaysian Institute of Accountant. The Company Secretaries provide support to the Board in fulfilling their fiduciary duties and leadership roles in shaping the corporate governance of TSR Group. In this respect, they play an advisory role to the Board, particularly with regard to the Company's constitution, Board policies, procedures and its compliance with regulatory requirements, codes, guidance and legislations. The Company Secretaries also support the Board in managing the Group Governance Model to ensure its relevance and effectiveness.

The Company Secretaries are constantly keep themselves abreast of the evolving capital market environment, regulatory change and developments in CG through attendance at relevant conferences and training programmes. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging in functions.

Meeting Materials and Supply of Information

The Senior Management has an obligation to supply the Board and its Committees with adequate information, in a timely manner. The agenda and full set of Board papers (including qualitative information of the Company) for consideration are distributed 7 days before each meeting of the Board to ensure that the Directors have sufficient time to study them and be properly prepared for discussion and decision making.

The Board's deliberation of the issues discussed and conclusions reached is duly recorded in the minutes of meetings which will be circulated to Board members and subsequently confirmed by the Chairman in the next meeting. Chairman of the respective Committees informs the Board at its meetings any salient matters raised at the Committee meetings which require the Board's approval.

All Directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and they could seek independent professional advice where necessary to discharge their duties.

The Company Secretaries attend all board meetings and ensure that accurate and adequate records of the proceedings of board meetings and decisions made are properly kept. The Board is updated by the Company Secretaries on the follow-up of its decisions and recommendations by the Management. During the FYE 2022, the Board was updated by the Company Secretaries with new practices, regulatory, regulations or requirements concerning their duties and responsibilities mainly on the implementation of Malaysian Code on Corporate Governance 2021, amendments in the MMLR of Bursa Malaysia and Companies Act 2016.

Board Charter

The Board Charter, which clearly sets out the roles and responsibilities of the Chairman, Chief Operating Officer and the Board, is available on the corporate website of TSR Capital Berhad at www.tsrcap.com.my for easy access by the stakeholders and the public alike. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect and on behalf of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Committees

The Board delegates specific responsibilities to the respective committees of the Board, namely Audit Committee, Nomination Committee and Remuneration Committee in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Board Committees will brief the Board on the matters discussed at the respective Committees' meeting and minutes of these meetings are circulated to the Board. All the Board Committees operate within their clearly defined terms of reference and operating procedures whereupon the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

Audit Committee is responsible for oversight of the Group's financial and reporting processes, the integrity of the financial statements, the external and internal audit and the systems of internal control and management.

Nomination Committee is responsible for review and recommend to the Board on the board composition and board evaluation while Remuneration Committee is responsible to the remuneration policy and recommend the remuneration packages of the Executive Directors and other members of the Executive Committee.

Code of Conduct

The Board has formulated ethical standards through a Code of Conduct and Ethics for the Directors, Management and Employees. The Code of Conduct includes principles related to conflict of interest, dealing with confidential information, to ensure safety, security and adherence to Group's rules, dealing with suppliers, customers and third parties. The Board has formalized a Code of Conduct to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

1. To establish a standard of ethical behaviour for Directors based on trustworthiness and values that can be accepted, are held or upheld by any one person; and

2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.

The Code of Conduct can be accessed at the Company's website at www.tsrcap.com.my.

Directors' Fit and Proper Policy

The Company has formulated a fit and proper policy for the appointment and/or re-election of Directors of the Company and its subsidiaries ("Group") pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The Directors' Fit and Proper Policy ("Policy") sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group.

The Policy serves as a guide to ensure all Directors of the Group have the necessary character, experience, integrity, competence and time to effectively discharge their role as Directors of the Group; and to the Nomination Committee of the Company ("NC"), the Board of Directors ("Board") and Management of the Group in conducting the necessary assessment on candidates before appointment, or on existing Directors of the Group seeking for re-appointment and/or re-election.

The Directors' Fit and Proper Policy can be accessed at the Company's website at www.tsrcap.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Whistleblowing Policy

The Board believes in promoting high standard of integrity and accountability in managing its day-to-day businesses and operations and aims to conduct its affairs in an ethical, responsible and transparent manner.

The Board has established a Whistleblowing Policy for the Group to encourage employees and stakeholders to report or disclose any improper conduct in accordance with the procedures and provide protection to them from reprisal as consequences of making such disclosure.

The Whistleblowing Policy has been reviewed in 2020 to enhance its appropriateness and relevance to the Company and its compliance with the relevant laws, rules and regulations. The full version of the Whistleblowing Policy is published on the Company's website.

Anti-Bribery and Anti-Corruption Policy

A formal Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") was adopted on 12 October 2020. The ABAC Policy serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of business. The ABAC Policy is applicable to all Board, Employees and the Third Parties.

The ABAC Policy is available on the Company's website at www.tsrcap.com.my.

Board Composition

The Board currently comprises of Nine (9) members, One (1) Independent Non-Executive Chairman, One (1) Deputy Executive Chairman, Four (4) Executive Directors, One (1) Senior Independent Non-Executive Director, One (1) Independent Non-Executive Director and One (1) Non-Independent Non-Executive Director. This composition fulfils the requirements as set out under Main Market Listing Requirement ("MMLR") of Bursa Malaysia, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Board continues to give close consideration to its size, composition and spread of experience and expertise to the Group's construction and civil engineering works, property development and other businesses.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion in the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, competency, professionalism, independence, foresight and good judgement to ensure that the Board and management team function effectively and is able to discharge its duties in the best interests of the Group and shareholders.

The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. Their combined expertise and business experience provides insights and diversity of perspective to lead and guide the Group in an increasing complex and competitive environment.

The profile of each Director is set out on pages 8 to 12 in this Annual Report.

The presence of the Independent Non-Executive Directors promotes objectivity and they have the competence necessary to advise the Board on its decisions. They provide an effective check and balance to the Board's decision making process. The Board's composition brings together an extensive group of experienced directors from varied backgrounds and they bring with them a wide range of skills and experience in areas relevant to managing and directing the Group's operations. The Board is satisfied that the current Board's composition fairly protects the investment of the minority shareholders and represents a balanced mix of skills and experience to discharge the Board's duties and responsibilities. In addition, no individual director or group of directors dominates the Board's decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

The Senior Independent Non-Executive Director acts as a point of contact for shareholders and other stakeholders with concerns or queries relating to the Group to be communicated through the normal channels.

The Board not only considered the state of mind of the long-serving Independent Directors but also focused on their background, current professional activities, economic and family relationships. The assessment also took into account that they have performed their duties without being subject to the influence of the Management. The quantitative aspects of independence was dealt with under the Listing Requirements and for the qualitative aspects, the Board took into consideration various factors including character, values, and skills of the individual director.

Nomination

The Nomination Committee ("NC") comprises members who are all Independent Non-Executive Directors ("INED"). The NC has clearly defined terms of reference approved by the Board and is responsible for proposing and recommending new nominees to the Board and assessing the performance of the Directors of the Company on an on-going basis, their skills, knowledge, experience and professionalism. The NC also assesses the effectiveness of the Board as a whole and the contribution of each individual Director and Board Committee member.

The NC consists of three (3) Independent Non-Executive Directors and may meet at least once a year or more frequently as deemed necessary.

The Nomination Committee comprises of the following directors:

Chairman	:	Mr Tan En Chong
Members	:	Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
		Dato' Ahmad Fadzli Bin Yaakob

During the financial year ended 30 June 2022, the NC had one (1) meeting and the following activities were carried out by the Committee:

i) Reviewed the composition of the Board of Directors;
ii) Assessed the effectiveness of the Board, Board Committees and the contributions of each individual Directors through a set of questionnaires;
iii) Reviewed the required mix of skills and experience and other core competencies, which Non-Executive Directors should bring to the Board;
iv) Assessed the independence of Independent Directors based on the criteria of independence adopted by the Company;
v) Reviewed the profile of Directors retiring at the 21st AGM and recommended the same for re-election by shareholders; and
vi) Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Group operates.

All Directors shall abstain when matters affecting their own interests are discussed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination (Cont'd)

Develop, maintain and review criteria for recruitment and annual assessment of Directors

The Board recognises the importance of having succession plan and will ensure that appropriate plans are in place, including appointing, training for replacing Board members and Senior Management of the Group.

The selection, nomination and appointment of suitable candidates to the Board follow a transparent process. Review of candidates for Board appointment has been delegated to the NC. NC recommend to the Board a suitable candidate with relevant skillsets, expertise and experience. This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias. The Board does not have a specific policy on gender diversity pursuant to Practice 5.10 of MCCG 2021. Nevertheless, the Committee will take into consideration gender diversity for future new appointment.

The names of the 3 Directors who are seeking for re-election due to retire by rotation at the forthcoming 21st AGM and the name of a newly appointed director who is seeking for re-election at the forthcoming 21st AGM are disclosed in the Notice of AGM. The Board after having evaluated the recommendation of the Nomination Committee, and with related Directors abstaining, had endorsed the re-election of the related Directors.

During the financial year under review, the Nomination Committee and the Board, having evaluated the annual assessment of Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim and Mr Tan En Chong who have served a cumulative term of more than nine (9) years each on the Board as Independent Non-Executive Directors, satisfied that Tan Sri Dato' Seri Mohamad Noor and Mr Tan have fulfilled the criteria of Independent Directors set by the Company. Their long tenures have to this day not created any adverse effect on their independency and have no conflict of interest or undue influence from interested parties. Further, Tan Sri Dato' Seri Mohamad Noor and Mr Tan's intellectual honesty, bona fide commitment and vast knowledge in various areas of leadership and finance matters warrant their retention as Independent Non-Executive Directors of the Company. Tan Sri Dato' Seri Mohamad Noor and Mr Tan are not involved in any operational matters of the Group nor having their own businesses which are in the same industry as the Group's.

The Board recommends that Tan Sri Dato' Seri Mohamad Noor and Mr Tan who have served in the capacity as Independent Directors for more than nine (9) years to continue to serve on the Board. In line with the MCCG 2021, the shareholders' approval will be sought through a two-tier voting process at the forthcoming 21st AGM for Tan Sri Dato' Seri Mohamad Noor and Mr Tan to continue serving the Company as Independent Directors.

In respect of the assessment for the financial year ended 30 June 2022, the Board was satisfied that the NC has discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is deemed satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.

Time Commitment

All the Board members shall notify the Chairman of the Board at least one (1) week before accepting any new directorships in public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The Chairman of the Board shall notify all the Board members at least one (1) week before accepting any new directorships in public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same industry. The notification should include an indication of the time that will be spent on the new appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Meetings

The Board meets on a scheduled basis of at least four (4) times a year, with additional meetings convened when necessary. Five (5) Board Meetings were held during the financial year ended 30 June 2022. Details of the attendance of the Directors are as follows:

Members of the Board	Designation	Attendance
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	Independent Non-Executive Chairman	5/5
Tan Sri Dato' Lim Kang Yew	Deputy Executive Chairman	3/5
Mr Lim Dian Hoong	Executive Director	4/5
Tengku Ab Hadi Bin Tengku Mustafa	Executive Director	4/5
Mr Lim Dian Ping	Executive Director	5/5
Mr Ng Kim Keong *(Appointed on 14 January 2022)*	Executive Director	2/2
Dato' Ahmad Fadzli Bin Yaakob	Independent Non-Executive Director	3/5
Mr Lim Kuan Hwang	Non-Independent Non-Executive Director	5/5
Mr Tan En Chong	Senior Independent Non-Executive Director	5/5
Dato' Wan Abd Razak Bin Ismail *(Resigned on 14 January 2022)*	Non-Independent Non-Executive Director	2/3

Besides Board meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors' Resolutions.

Directors' Training

The Board recognises the needs to attend trainings in order to enhance their skills and knowledge and keep abreast with the relevant change in laws, regulations and business environment so that they can discharge their duties effectively.

During the financial year, the following directors had attended the following training programmes:

Members of the Board	Training Attended
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim Tan Sri Dato' Lim Kang Yew Mr Lim Dian Hoong Tengku Ab Hadi Bin Tengku Mustafa Mr Lim Dian Ping Mr Ng Kim Keong *(Appointed on 14 January 2022)* Mr Lim Kuan Hwang Mr Tan En Chong Dato' Ahmad Fadzli Bin Yaakob Dato' Wan Abd Razak Bin Ismail *(Resigned on 14 January 2022)*	2022 Budget Highlights

The Company will continue to arrange further development and training programmes for the Directors in order to update and enhance their skills and knowledge, which are important for carrying out their role effectively as a Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration

The Remuneration Committee ("RC") assists the Board in reviewing and making recommendations relating to the remuneration, terms of employment, reward structure and benefits in-kind for Directors and key senior management position of the Group. The authority and duties of the RC has been formalised in the Terms of Reference of the RC. The RC meets at least once a year or more frequently as deemed necessary. During the financial year, the RC met once and all members attended the meeting. During the meeting, the RC undertook its tasks in accordance with the MCCG and MMLR in relation to the remuneration of directors of listed companies. These tasks include:

i) To review and recommend to the Board on the total individual remuneration package for executive directors and senior management personnel including salaries, bonuses, benefit-in-kind and other emoluments based on individual performance;
ii) To review and recommend to the Board on the remuneration of non-executive directors, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken; and
iii) To carry out such other responsibilities as may be delegated by the Board from time to time and such other matters as the RC considers appropriate.

The RC comprises of the following Directors, all of whom are Independent Non-Executive Directors, as follows:

Chairman : Mr Tan En Chong
Members : Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Dato' Ahmad Fadzli Bin Yaakob

Details of the remuneration of the Directors for the financial year ended 2022 for the Group and the Company are as follows:

	Group			Company		
	Fee RM'000	Salaries, bonuses and other benefits RM'000	TOTAL RM'000	Fee RM'000	Salaries, bonuses and other benefits RM'000	TOTAL RM'000
Names						
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	60	–	60	60	–	60
Tan Sri Dato' Lim Kang Yew	60	887	947	60	–	60
Mr Lim Dian Hoong	–	591	591	–	–	–
Tengku Ab Hadi Bin Tengku Mustafa	–	64	64	–	–	–
Mr Lim Dian Ping	–	147	147	–	–	–
Dato' Wan Abd Razak Bin Ismail *(Resigned on 14 January 2022)*	19	12	31	19	–	19
Mr Ng Kim Keong *(Appointed on 14 January 2022)*	–	341	341	–	–	–
Mr Lim Kuan Hwang	24	–	24	24	–	24
Mr Tan En Chong	24	–	24	24	–	24
Dato' Ahmad Fadzli Bin Yaakob	24	–	24	24	–	24
Subtotal	211	2,042	2,253	211	–	211
Subsidiaries' Directors (Excluding Company's Common Directors)	6	117	123	–	–	–
Total	**217**	**2,159**	**2,376**	**211**	**–**	**211**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration (Cont'd)

The Board opines that the disclosure of the Senior Management personnel's names, exclude the Executive Directors, and the various remuneration components (salaries, bonuses, benefit-in-kind and other emoluments) would not be in the best interest of the Group to safeguard the confidentiality of the compensation among the Senior Management personnel and to avoid the poaching of our executives by competitors.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee comprises of three (3) Independent Non-Executive Directors, having explicit authority from the Board to investigate any matter and is given full responsibility within its Term of Reference and necessary resources which it needs to do so and has full access to information of the Group.

For the details of Audit Committee's composition and activities during the FYE 2022, please refer to the "Audit Committee Report" section in this Annual Report.

It is required under the Terms of Reference of Audit Committee for a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. In the annual assessment on the suitability, objectivity and independence of the external auditors, the Audit Committee is guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The composition of the Audit Committee was reviewed by the Nomination Committee in October 2021 and recommended to the Board for approval to maintain the current membership of the Audit Committee. With the view to maintain an independent and effective Audit Committee, an Independent Non-Executive Director who is financially literate, possesses the appropriate level of expertise and experience, and has the strong understanding of the Group's business would be considered for membership on Audit Committee.

The specific responsibilities of the Audit Committee are set out in its Terms of Reference and are available at the Company's website at www.tsrcap.com.my.

In presenting the annual financial statements and quarterly announcement of results, the Directors aim to present a balanced, clear and understandable assessment of the Group's financial position and prospects. Each financial report and the information to be disclosed are reviewed by the Audit Committee and approved by the Board prior to its release to Bursa Securities. Timely release of announcements on quarterly and full year financial reports reflects the Board's accountability to its shareholders.

During the FYE 2022, the amount of statutory audit and non-audit fees payable to the external auditors by the Company and the Group respectively were as follows:

	Audit Fee (RM)	Non-Audit Fee (RM)
Company	40,000	11,000
Group	122,000	14,000

The Audit Committee is empowered by the Board to review all issues in relation to the appointment and re-appointment, resignation or dismissal of external auditors. In reviewing the nomination of Crowe Malaysia PLT for re-appointment for the FYE 2022, the Audit Committee, had assessed and affirmed the independence and suitability of the external auditors to continue in office until close of the upcoming Annual General Meeting and the Audit Committee had evaluated the external auditors based on review of performance and written assurances from the external auditors as well as discussion with Management on the independence of the external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Audit Committee (Cont'd)

The External Auditors had confirmed, at an Audit Committee Meeting, that they are and have been, independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements.

The Audit Committee is satisfied with the competence and independence of the external auditors and had recommended to the Board the re-appointment of the external auditors, upon which the shareholders' approval will be sought at the forthcoming 21st Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is primarily responsible for ensuring that the audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2022 and of the results and cash flows of the Group and Company for the financial year ended on that date.

In the preparation of the financial statements, the Directors have taken the following steps:

(a) adopted suitable accounting policies and applied them consistently;
(b) made judgments and estimates that are prudent and reasonable;
(c) ensured the adoption of applicable approved accounting standards; and
(d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and are kept in accordance with the Companies Act 2016. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

Relationship with External Auditors

The Board maintains a formal and transparent relationship with its External Auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The External Auditors regularly bring up relevant matters that need to be addressed during the Audit Committee Meetings.

During the financial year under review, the external auditors were invited to attend two meetings of the Audit Committee without the presence of the Executive Directors and Management and were given access to books and records of the Group.

Risk Management and Internal Control Framework

The Board has the ultimate responsibility for reviewing the Group's policy, approving the risk management framework policy and overseeing the Group's strategic risk management and internal control framework. The Board also has established an independent internal audit function that reports to the Audit Committee. The summary of the work of the internal audit function during the financial year under review is provided in the Audit Committee Report.

The Statement on Risk Management and Internal Control is set out on pages 35 to 36 of this annual report detailing the features of the risk management and internal control frameworks of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board acknowledges the need for stakeholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its stakeholders and investors. The Board will ensure the timely release of financial results on a quarterly basis to provide stakeholders with an overview of the Group's performance and operations in addition to the various announcements made during the year. These announcements are also available on the Group's website at www.tsrcap.com.my in the Investors relation section.

The Group conducts dialogues with financial analysts and/or the media from time to time as a means of effective communication to enable the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting stakeholders' interests.

Conduct of General Meetings

The Board presents the progress and performance of the Group to provide shareholders with the opportunity to seek clarification on the Group's businesses and financial performance during the general meeting. Notices of each general meeting are issued in a timely manner to all shareholders to ensure that they have sufficient time to prepare and digest issue to be raised during the meeting. The Directors of the Company together with the Chairman of the Board Committees and External Auditors participate in the AGM to facilitate discussion on matters such as audit, nomination and remuneration and to respond to the questions of shareholders during the Annual General Meeting.

At the 20th Annual General Meeting held on 22 December 2021, notice was sent more than 28 days in accordance with the requirements of MCCG, enabling shareholders a longer time to review the details of the resolution being proposed for better decision. The notice included details of resolutions to be passed in the general meeting.

All resolutions tabled at general meetings will be carried out by way of poll.

Summary of Corporate Governance Practices

The Board is pleased to report that during the financial year ended 30 June 2022, the Company has applied and adopted 35 of the 48 Practices (34 Practices and 1 Step Up) encapsulated in the 3 Principles of MCCG. The breakdown of the status of application by Principle is provided below:

Principle	Practice			Step-up	
	Applied	Departure	Not Applicable	Adopted	Not Adopted
A - Board Leadership and Effectiveness	22	5	–	–	3
B - Effective Audit and Risk Management	8	–	–	1	1
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	4	4	–	–	–
Total	**34**	**9**	**–**	**1**	**4**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Summary of Corporate Governance Practices (Cont'd)

The summary of the 9 departed Practices is as follows:

Principle	Practice	Gap Summary
A - Board Leadership and Effectiveness	**Practice 1.4** The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.	The Chairman of the Board, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim is a member of the Audit Committee, Nomination Committee and Remuneration Committee. The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committee- level deliberations by the Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the Terms of Reference of each Committee as well as all other applicable policies, procedures and laws. Given his background, the Audit Committee, Nomination Committee and Remuneration Committee are often able to leverage on the implicit knowledge, accumulated experience and insights of the Chairman in making key Committee decisions, that are made in the best interests of the Company.
	Practice 4.2 The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.	The Board is aware of the shortfall in the Company's sustainability reporting suite and therefore, has put necessary action plans into considerations. The Board shall undertake incremental steps to further develop the Company's sustainability reporting regime for the benefit of all stakeholders within the timeframe of 3 years.
	Practice 5.2 At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.	3 out of 9 directors or 33.33% of the Board are independent directors. Mr Tan En Chong had been appointed as a Senior Independent Non-Executive Director to ensure that board decisions are made objectively in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Summary of Corporate Governance Practices (Cont'd)

The summary of the 9 departed Practices is as follows (Cont'd):

Principle	Practice	Gap Summary
	Practice 5.9 The board comprises at least 30% women directors.	The Board recognises that diversity in its composition is crucial in ensuring effectiveness and good corporate governance. The Nomination Committee reviews and recommends the the criteria for appointment of Directors based on the skills, composition and requirements of operations. The search for suitable female candidates for nomination to the Board is currently in progress.
	Practice 8.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	Due to confidentiality of the remuneration package of Senior Management, it would be in the best interest of the Company not to disclose their remunerations on named basis. However, the Senior Management's remunerations are included in the total employee benefits expense as disclosed in the Company's Annual Report 2022. The Board wishes to give assurance that the remuneration of Senior Management commensurate with their individual performance, taking into consideration of Company's performance. The remuneration packages of Senior Management are based on experience, expertise, and skills. The Board opines that the current remuneration package are competitive to attract, retain and motivate its Senior Management to lead and operate the Company successfully. The Board will continue to observe and monitor the market practice in respect of the required disclosure for future consideration.
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	**Practice 12.2** Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	The Group does not fall under the category of "Large Companies". The Group does take efforts to provide meaningful and adequate information to investors, the general public and other stakeholders on the Group's strategy, business operations, business structure as well as sustainability and corporate social responsibility efforts.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Summary of Corporate Governance Practices (Cont'd)

The summary of the 9 departed Practices is as follows (Cont'd):

Principle	Practice	Gap Summary
	Practice 13.2 All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions. The Board Chairman and the chairpersons of Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting. The Board will ensure its full attendance in the Annual General Meeting. The respective Chairmen of the Board Committees will attend to questions raised pertaining to their duties. Majority Board members had attended the last Annual General Meeting. The shareholders questions were fully answered and responded to. The absenteeism should only be excused with valid reasons.
	Practice 13.3 Listed companies should leverage technology to facilitate– • voting including voting in absentia; and • remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.	The Board will explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Continued

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Summary of Corporate Governance Practices (Cont'd)

The summary of the 9 departed Practices is as follows (Cont'd):

Principle	Practice	Gap Summary
	Practice 13.5 The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.	The 20th Annual General Meeting ("20th AGM") of the Company held on 22 December 2021 was conducted via the mode of fully physical. The Board encourages participation of shareholders during questions and answers sessions. The Chairman was prepared to answer question(s) raised by the shareholder(s) and to provide his responses to the respective question(s) accordingly in an orderly manner. The Board will explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice.

Further information about the Company's corporate governance practices, in the form of the Corporate Governance Report, is available on the Company's website at www.tsrcap.com.my.

Key Focus Areas and Future Priorities

The Group will embrace the new norms and constantly strive to meet the Group's objectives, strategies, plans and initiatives in the context of the Group's business.

Moving forward, the Group will focus to observe the changes in MCCG 2021 that came into effect in year 2021, MMLR, the applicable rules and regulations and to keep tabs on industry best practices.

This Corporate Governance Overview Statement was approved by the Board of Directors on 12 October 2022.

Compliance Statement

The Board had deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considered that the Corporate Governance Overview Statement provides the information necessary to enable shareholders of the Company to evaluate how the principles and best practices as set out in the MCCG have been complied with. The Board shall remain committed in attaining the possible standards through the continuous adoption of the principles and best practice of the MCCG and all other applicable laws and regulations.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

Mr Tan En Chong
(Chairman / Senior Independent Non-Executive Director)
(Member of the Malaysian Institute of Accountants)

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
(Member / Independent Non-Executive Director)

Dato' Ahmad Fadzli Bin Yaakob
(Member / Independent Non-Executive Director)

SECRETARIES OF THE AUDIT COMMITTEE

Ms Leong Yue Han, MAICSA
Mr Leow Chi Loong, MIA
(Company Secretaries)

TERMS OF REFERENCE

1. Objectives

The principal objective of the Audit Committee ("AC") is to assist the Board of Directors in discharging their duties and responsibilities in the area of corporate disclosure and transparency, public accountability of the Company and its subsidiaries. The AC also endeavours to adopt practices aimed at maintaining appropriate standards of corporate responsibility and integrity to the Company's shareholders.

2. Composition

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR").

All members of the AC are financially literate and the AC Chairman, Mr Tan En Chong, is a Fellow of the Certified Chartered Accountants (London) and member of the Malaysia Institute of Accountants (MIA). This statement is made in compliance with paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia Securities Berhad.

Members of AC shall possess sound judgment, objectivity, management experience, integrity and knowledge of the industry. A member of the AC shall excuse himself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him. This is to avoid AC members from participating in matters that will create conflict of interests.

The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference, and supported the Board in ensuring the Group upholds appropriate Corporate Governance standards.

3. Chairman

The members of the AC shall elect a Chairman from amongst their committee members who shall be an independent director.

In the absence of the Chairman of the AC, the other members of the AC shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.

AUDIT COMMITTEE REPORT

Continued

TERMS OF REFERENCE (CONT'D)

4. Authority

The AC is authorised by the Board to:

a) investigate any activity within the scope of the Committee's duties;
b) have the resources which are required to perform its Terms of Reference;
c) have full and unrestricted access to any information as required to perform their duties;
d) obtain any information it requires from any employee(s);
e) obtain outside legal or independent professional advice;
f) be able to convene meetings with the external auditors, excluding the attendance of other directors and employees of the Group, whenever deemed necessary;
g) have the authority to form management / sub-committee(s) if deemed necessary and fit; and
h) have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit.

5. Duties and Responsibilities

5.1 To review the following and report the same to the Board of Directors of the Company:

a) the audit plan with external auditors before the audit commences;

b) with the external auditors, their evaluation of the system of the internal controls;

c) with the external auditors, their management letter and the management's response;

d) with the external auditors, their independent auditors' report;

e) the assistance given by the employees of the Company to the external auditors;

f) the nomination or re-appointment of the external auditors and their audit fees as well as matters pertaining to resignation or change of the external auditors;

g) to assess and report to the Board on the independence of the external auditors, obtaining from the external auditors a written statement delineating all relationships between the audit and the Group and delineating any other relationships that may adversely affect the independence of the external auditors;

h) to meet with the external auditors at least twice in the financial year (without the presence of other directors and employees, whenever deemed necessary) to discuss problems and reservations arising from the interim and final audits, and any matters the external auditors may wish to discuss;

i) to monitor the extent of non-audit work to be performed by the external auditors which include reviews of quarterly financial statements and the annual review of Statement on Risk Management and Internal Control. In considering the nature and scope of non-audit fees, the Committee was satisfied that they were not likely to create any conflict of interest nor impair the independence and objectivity of the external auditor;

j) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

k) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

AUDIT COMMITTEE REPORT

Continued

TERMS OF REFERENCE (CONT'D)

5. Duties and Responsibilities (Cont'd)

5.1 To review the following and report the same to the Board of Directors of the Company (Cont'd):

l) to review and oversee Bursa Malaysia's financial reporting quarterly results, and year end financial statements, prior to the approval of the Board of Directors, focusing particularly on:

- changes in or implementation of major accounting policy changes;
- significant adjustments and unusual events;
- compliance with approved accounting standards and other legal requirements;
- compliance with the Listing Requirements; and
- the going concern assumption.

m) to review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

n) to report its findings on the financial and management performance and other material matters to the Board;

o) to consider the major findings of internal investigations and management's response;

p) whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment; and

q) any other matters as directed by the Board.

5.2 The AC shall establish an internal audit function which is independent of the activities it audits.

5.3 The AC shall oversee all internal audit functions and is authorised to commission investigations to be conducted by internal audit as it deems fit.

5.4 The internal auditor shall report directly to the AC and shall have direct access to the Chairman of the AC.

5.5 All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the AC.

5.6 The AC shall reviewed the Audit Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Sustainability Statement prior to the recommendation of their adoption to the Board and inclusion in the Company's Annual Report.

5.7 Provides oversight to Sustainability strategies and action items.

5.8 The AC may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Securities.

AUDIT COMMITTEE REPORT

Continued

TERMS OF REFERENCE (CONT'D)

6. Meetings

a) The AC shall meet at least four (4) times per financial year to discuss any matters raised by the Auditors in discharging their functions. The quorum for a meeting of the AC shall be two (2) of which the majority must be independent directors.

b) The Secretaries to the AC shall be the Company Secretaries of the Company or any other person appointed by the AC. The Secretaries shall be responsible for the co-ordination of administrative details including calling the meetings, voting and keeping of minutes.

c) A representative of the Company's department heads and the external auditors shall normally attend the meeting as and when required.

d) The procedures of the meeting are as follows:

- The members may regulate their meetings as they think fit;
- Every notice convening meetings shall specify the place, the day, the hour and the agenda of the meeting and shall be given to all members at least (1) week before the meeting;
- Any question arising at any meeting of members shall be decided by a majority of votes and a determination by a majority of members. In the case of an equality of votes, the Chairman shall not have any casting vote including but not limiting to the case where the quorum is made up of only two (2) members;
- The minutes of the meetings shall be kept at the registered office of the Company; and
- The AC shall report on each meeting to the Board.

7. Summary of Activities of Audit Committee

During the financial year ended 30 June 2022, the following activities were undertaken by the AC:

(a) Reviewed the compliance of the Company's quarterly results with the enhanced disclosure requirements under the Listing Requirements. The first quarter ended 30 September 2021 was reviewed by AC members at the meeting held on 29 November 2021, second quarter ended 31 December 2021 on 28 February 2022, third quarter ended 31 March 2022 on 30 May 2022 and the fourth quarter ended 30 June 2022 on 30 August 2022.

(b) At the meeting held on 30 August 2022 and 12 October 2022, the AC met with the external auditors in the absence of the Executive Board Members to discuss on any significant audit issues which may have arisen in the course of their audit of the Group.

(c) At the meeting held on 30 August 2022, the AC met with the internal auditors in the absence of the Executive Board Members to discuss on any significant audit issues which may have arisen in the course of their audit of the Group.

(d) Discussed the audit planning memorandum for the financial year ended 30 June 2022 presented by the External Auditors and the results of their audit plan.

(e) Reviewed and approved the Internal Audit Plan.

(f) Reviewed the internal audit reports and ensured that appropriate action has been taken by Management to implement the recommendations of the internal auditors.

AUDIT COMMITTEE REPORT

Continued

TERMS OF REFERENCE (CONT'D)

7. Summary of Activities of Audit Committee (Cont'd)

(g) Reviewed the audited financial statements of the Group and the Company and recommended the same to the Board.

(h) Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report.

(i) Recommended the external auditors fees and the re-appointment of auditors.

(j) Reviewed the proposed shareholders' circular on recurrent related party transactions, related party transactions and conflict of interest situations that may arise within the Group.

(k) Reviewed the Sustainability Statement.

(l) Noted emerging financial reporting issues pursuant to the introduction of a new accounting standards and additional statutory and regulatory disclosure requirements.

8. Number of Audit Committee Meetings Held During The Financial Year and Details of Attendance of Each Audit Committee Member

During the financial year ended 30 June 2022, the Committee met five (5) times. The attendance of the members of the Committee meetings during the financial year under review are as follows:

Name of Committee Members	Attendance
Mr Tan En Chong	5/5
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	5/5
Dato' Ahmad Fadzli Bin Yaakob	3/5

9. Internal Audit Functions

The internal audit function of the Group and the Company was outsourced to a professional services firm to assist the AC in ensuring the adequacy and effectiveness of the internal control system of the Group.

The professional service provider is headed by Mr Quincy Gan Hoong Huat from Vaersa Advisory Sdn Bhd who reports to the Audit Committee. He is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is supported by a team of qualified and experienced internal audit professionals.

During the financial year, the internal auditors have conducted periodic reviews on the internal control in accordance with the audit plan which has been approved by the AC. Internal audit findings, recommendations for improvement and Management's comment were incorporated in the audit reports and circulated to the members of the Audit Committee who considered the implementation of action plans to address control deficiencies. Follow-up reviews would subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements. The costs incurred for the internal audit function in respect of the financial year ended 30 June 2022 was RM7,551.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Bursa Malaysia Securities Listing Requirements requires that the Board of Directors of public listed companies include in its annual report a "Statement on Risk Management and Internal Control" also referred to as the "SRMIC" as promulgated by the Guidelines for Directors of Listed Issuers on SRMIC under the Malaysian Code on Corporate Governance 2021. The Group takes into consideration of the said SRMIC guidelines in implementing and reviewing its Risk Management and Internal Control framework. The Board is pleased to provide the Statement which outlines the nature, process and scope of the internal controls of the Group during the financial year.

BOARD RESPONSIBILITY

The Board acknowledges its responsibilities and reaffirms its commitments for the maintenance of an effective system of internal control and risk management practices for the Group's sound system of internal control to enhance good corporate governance, covering not only operational, financial and compliance controls as a safeguard to the assets of the Group and shareholders' investments. The internal control system which involves key management and the Board is designed to meet the Group's particular needs and to evaluate, manage and control risks faced by the Group, appropriately, rather than eliminate the risk of failure to achieve business objectives and it can provide reasonable, but not absolute assurance against material misstatement, loss or fraud. Due to the ever changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The Board is of the view that the system of internal control currently in place throughout the Group is sufficient to safeguard the Group's interest.

RISK MANAGEMENT FRAMEWORK

The Board has delegated the responsibility of monitoring the internal control system to the Audit Committee ("AC"). The AC principally develops, executes and maintains the risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. Its reviews cover responses to significant risks identified including non-compliance with applicable laws, rules, regulations and guidelines, changes to internal controls and management information systems, and output from monitoring processes.

Achievement of strategic, financial, operational and other business objectives, using quantitative and qualitative aspects to assess their likelihood and impact, and the controls for assuring the Board that processes put in place continue to operate adequately and effectively, is prepared annually by each business unit.

As the business risk profile changes, new areas are introduced for risk assessment and necessary changes are made to the existing risks. The Group's Head Office considers the risks associated with the Group's strategic objectives and overall risk appetite which are not addressed by the respective business units. The consolidated risks and the mitigating actions are reported to the AC before being presented to the Board.

OTHER KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM

The Group has an organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board and its committees. The key processes established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- The Executive Directors to manage the Group's operating divisions in accordance with corporate objectives, strategies, policies and key performance indicators. The Audit Committee ("AC") of the Group performs regular risk management assessments through the Internal Audit Function. The internal audit function is outsourced to an independent consultant who undertakes internal audit reviews on selected key risk areas of the Group and its finding are presented directly to the AC. The AC also seeks the observations of the independent external auditors of the Group. Further details are set out in the Audit Committee Report;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Continued

OTHER KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM (CONT'D)

- The Internal Auditors perform internal audits on various operating units within the Group on a risk-based approach based on the annual audit plan approved by the AC. The Internal Auditors check for compliance with policies and procedures and the effectiveness of the internal control system and highlights significant findings of non-compliance in the quarterly AC meetings of the Company and major subsidiaries;

- The Remuneration Committee assists the Board to review and recommend appropriate remuneration policies for Directors and senior management to ensure that their remuneration commensurate with their performance while the Nomination Committee reviews and recommends candidates to the Board of the Company, and evaluates the performance of Directors (including Board Committees) on an annual basis;

- Management/departmental meetings were held regularly to identify, discuss and resolve operational, financial and key management issues;

- Regular visits to the project sites by Senior Management; and

- Staff training and development programmes to equip staff with appropriate knowledge and skills to enable them to carry out their job functions productively and effectively.

INTERNAL AUDIT FUNCTION

The AC has appointed a firm of Chartered Accountants to provide internal audit services on an outsourced basis.

The internal audit function provides the AC with reports, wherein it highlights observations and recommends to the Management where action plans necessary to be taken to improve the system of internal control.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the SRMIC for inclusion in the Annual Report of the Company for the financial year ended 30 June 2022 and reported to the Board that nothing has come to their attention that causes them to believe that the SRMIC is not prepared, in all material respects, in accordance with the disclosure required by paragraph 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers to be set out, nor the Statement is factually inaccurate.

THE BOARD'S COMMITMENT

The Board is of the view that the system of internal control and risk management of the Group in place for the year under review, and up to the date of approval of this statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments and the interests of customers, regulators, employees and other stakeholders. Assurance has been received by the Board from the Chief Operating Officer and Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the framework adopted by the Group and there are no major weaknesses at the existing level of operations of the Group. The Group will continue with the process of undertaking risk assessments on all existing businesses and new business opportunities that may present itself in the future.

This Statement was approved by the Board of Directors on 12 October 2022.

SUSTAINABILITY STATEMENT

TSR Capital Berhad ("TSR" or "Group") acknowledges the importance of incorporating sustainability matters into our business operations. Hence, the Group strives to operate its businesses in a sustainable manners to ensure its long-term growth and value creation.

The Group's sustainability practices focus on people and environmental protection, community development and economic growth which aim to deliver greater value to our stakeholders.

ABOUT THIS REPORT

The objective of this Sustainability Statement is to share the Group's sustainability initiatives and practices with regard to the areas of Economic, Environmental and Social ("EES").

In preparing this report, we referred to Sustainability Reporting Guide issued by the Bursa Malaysia Securities Berhad.

SCOPE OF SUSTAINABILITY REPORTING

This Sustainability Statement covers the period from 1 July 2021 to 30 June 2022, in line with the Annual Report.

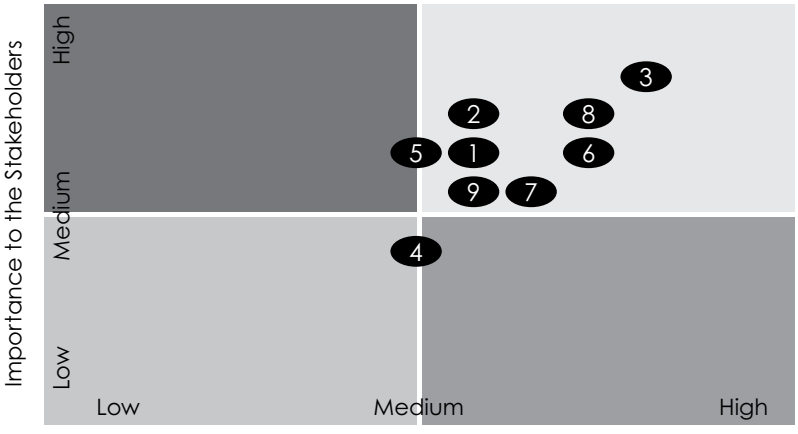
This Statement covers our construction segment, which is the core business of the Group and generates 89% of the Group's overall revenue.

MATERIALITY

We conducted the materiality assessment to identify relevant sustainability matters that could significantly affect not only our ability to create long-term value but also the assessment and decision making of our stakeholders. The process begins with identification of a comprehensive list of sustainability matters that are relevant to our business by taking into account both internal and external factors. Thereafter, we categorised the identified matters into three broad themes, i.e. Economic, Environmental and Social ("EES").

The material aspects identified as most relevant to the Group and our stakeholders through the materiality assessment form the basis for our sustainability management and reporting.

The outcome of Materiality Assessment – Materiality Matrix is shown below:-



Economic
1. Sustainable procurement
2. Local hiring and creation of employment oppurtunities
3. Business ethics and compliance

Environmental
4. Waste management
5. Air emissions

Social
6. Equal employment opportunity
7. Training and development
8. Occupational health and safety
9. Community programmes

SUSTAINABILITY STATEMENT

Continued

STAKEHOLDER ENGAGEMENT

The Group's key stakeholder are those who have a considerable influence on our business and operations. The Group's key stakeholders include the Board of Directors, shareholders, employees, customers, suppliers and regulators.

We consistently engage with our key stakeholder group through various formal and informal platforms to enhance accountability.

The table below outline the details of our engagement with our key stakeholder group.

Stakeholder Group	Focus Area	Engagement method
Shareholders	Profitability Dividend	Annual General Meeting Extraordinary General Meeting Corporate Website Public announcement
Customers	Product and service quality	Regular meetings Site visits
Employees	Career development Health and safety Fair employment practices	Job related trainings and workshops
Suppliers	Terms of contract Pricing	Contractual engagement
Regulators	Compliance to regulatory requirements	Compliance and licensing

SUSTAINABILITY GOVERNANCE

The Board is tasked with developing a sustainable strategic direction and oversees the execution of strategies and business plans of the Group. With the support of the Board, the Executive Management monitors and implements sustainability-related strategies, as well as coordinates with various departments on the identification and management of material sustainability matters.

ECONOMIC

The Group has completed various types of civil engineering works which include the construction of highway, buildings and infrastructure works. TSR has played a significant role in major national infrastructure projects, including Mass Rapid Transit Line 1 and Line 2, the East Coast Economic Region, East Coast Expressway Phase 2 and many other projects.

TSR works towards the creation of sustainable indirect value and benefits through our business activities.

Sustainable Procurement

In our construction projects, we strive to attract local suppliers and use local material as much as possible to stimulate the local economy.

Local hiring and Creation of Employment Opportunities

Our business operations provide for employment opportunities for people within the community. In addition, we are dedicated in fostering community involvement by prioritising local hiring.

SUSTAINABILITY STATEMENT

Continued

ECONOMIC (CONT'D)

Business Ethics and Compliance

TSR strongly believe that good corporate governance would result in sustainable growth and stronger safeguard of interest of all shareholders and stakeholders. The Group is committed to conduct its businesses with high standard of integrity and strict compliance with the laws.

Apart from the above, we strive to continuously improve our practices through the implementation of the following policies:-

- Code of Conduct
- Whistle-Blowing Policy
- Anti-Bribery and Corruption Policy

Further details pertaining to the above are available at TSR Capital's website at www.tsrcap.com.my.

ENVIRONMENTAL

The Group is mindful of the impact of its business operations on the environment. As such, we are committed to ensure our business activities are conducted in compliance with the local environmental rules and regulations to minimise environmental impacts arising from our operations.

Waste Management

Construction waste generated from our project are transported to designated disposal sites appropriately.

Aside from that, we encourage our employees of all levels to reduce wastage in all business processes and to cut down the usage of papers by recycling them for internal use.

Air Emissions

We acknowledge the importance of the health and living conditions of the nearby communities from fire hazards and air pollution caused by open burning practices. Therefore, we continually endeavour to prohibit open burning in our construction sites.

SOCIAL

The Group believes that employees are crucial to drive the sustainable growth of the business. Henceforth, we strive to provide a safe, pleasant and conducive workplace for our employees.

The Group is committed to establish a fair working environment by having a diverse workforce with equal opportunity regardless of ethnicity, gender and age.

We seek to develop employees by providing on-site training and development opportunities to enhance their knowledge and skill.

Equal Employment Opportunity

Human resources are our valuable assets. As such, we aim to ensure equal opportunities for our employees regardless of age, ethnicity and gender.

SUSTAINABILITY STATEMENT

Continued

SOCIAL (CONT'D)

Training and Development

We continue to build talents in order to be an efficient and productive organisation. As such, we have always been creating opportunities to grow and develop our employees to maximise their fullest potential. With this in mind, we invested in effective training programmes to uplift the competencies of our employees for a fast-changing business environment.

Some of our training programmes carried out during the year are as follows:-

Training Programmes	Number of Attendees
Introduction to IBS and IBS Project Management	1
Classroom training and on site training for LV MSB	2
Certified Construct ion Site Supervisor (CSS) Training	1
Kursus Traffic Management Officer	1
World OSH Day 2022 Webinar	1

Occupational Health and Safety

It is the policy of TSR to provide a safe working environment for its employees to ensure that site operations are carried out in a safe and efficient manner with due regard for the environment.

We strive to ensure adequate safety measures and proper protection are in place to prevent injuries and fatalities at construction sites and workplace.

To further this end, we direct our efforts to:-

✓ provide properly trained and experienced personnel in various operations.
✓ provide suitable plant, equipment and tools for the works.
✓ provide site personnel with adequate safety instructions, training and supervision.
✓ comply at all times with the statutory and contractual requirements on health and safety.

Community Programmes

TSR recognises that it has social obligations to the local community. Therefore, the Group has continuously participated in supporting the community programmes. During the year, the Group has made several contributions and donations to organisations for the support of their welfare.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and its subsidiaries ("Group") as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that financial year then ended. In preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2022, the Directors have:-

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that applicable accounting standards have been followed.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors have responsibilities to ensure that the Company and the Group keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company and also to ensure that the financial statements comply with the regulatory requirements.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution passed by the Directors on 12 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following are additional information in respect of the financial year ended 30 June 2022 to be disclosed in the Annual Report:-

a. Utilisation of Proceeds

The Company has not implemented any corporate proposal during the financial year ended 30 June 2022.

b. Non-Audit Fee

The amount of non-audit fee incurred for services rendered to the Company and the Group by the External Auditors for the financial year ended 30 June 2022 amounted to RM11,000.00 and RM14,000.00 respectively.

c. Recurrent related party transactions

At the 20th Annual General Meeting of the Company held on 22 December 2021, the Company had obtained shareholders' approval to enter into new and renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business with related parties. The said mandate took effect on 22 December 2021 until the conclusion of the forthcoming Annual General Meeting of the Company.

The Company is seeking shareholders' approval to renew the existing mandate for recurrent related party transactions of revenue or trading nature at the forthcoming Annual General Meeting to be held on 29 November 2022. The details of the shareholders mandate to be sought are furnished in the Circular to shareholders dated 28 October 2022, accompanying this Annual Report.

The aggregate values of transactions conducted pursuant to the shareholders' mandate during the financial year ended 30 June 2022 are as follows.

No.	Nature of Transactions	Related Party	Interested Directors/ Major Shareholders	Actual value transacted from 22 December 2021 to 30 June 2022 (RM'000)
1.	Renting of Premises by TSRB from UMSB Tenancy Period: 3 years Rental and service charge: RM43,731 per month	U-Ni Magna Sdn Bhd ("UMSB")	Tan Sri Dato' Lim Kang Yew Dato' Lim Kang Poh Lim Dian Hoong Lim Guan Shiun Lim Dian Ping Lim Kuan Hwang	262
2.	Renting of Premises by TSRB from LSCSB Tenancy Period: 2 years Rental: RM20,000 per month	Limbongan Setia Corporation Sdn Bhd ("LSCSB")	Tan Sri Dato' Lim Kang Yew Dato' Lim Kang Poh Lim Dian Hoong Lim Guan Shiun Lim Dian Ping Lim Kuan Hwang	120
3.	Sharing cost of renting of Premises Rental and service charge: RM11,279 per month	PLS Plantations Berhad ("PLSB")	Tan Sri Dato' Lim Kang Yew Lim Dian Ping	70

ADDITIONAL COMPLIANCE INFORMATION

Continued

d. Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interests for the financial year under review.

e. Contracts Relating to Loans

There were no contracts relating to loans by the Company and its subsidiaries in respect of the preceding item.

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022. All values shown in this report are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Loss for the financial year attributable to:		
- Owners of the Company	(2,930)	(364)
- Non-controlling interests	(5)	–
	(2,935)	(364)

DIVIDENDS

No dividends were recommended, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

SHARE OPTIONS

The Company did not grant any share options during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

DIRECTORS' REPORT

Continued

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Continued

DIRECTORS

The names of directors who served during the financial year and up to the date of this report are as follows:-

Directors of the Company

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim
Tan Sri Dato' Lim Kang Yew
Lim Dian Hoong
Tengku Ab Hadi Bin Tengku Mustafa
Lim Dian Ping
Tan En Chong
Dato' Ahmad Fadzli Bin Yaakob
Lim Kuan Hwang
Ng Kim Keong (Appointed on 14.1.2022)
Dato' Wan Abd Razak Bin Ismail (Resigned on 14.1.2022)

Directors of Subsidiaries (Other than Directors of the Company as stated above)

Muzzaini Binti Abd Rahman
Rahaimi Bin Abdul Rahman

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests in shares of the Company of the directors in office at the end of the financial year are as follows:-

	Number of Ordinary Shares			
Name of Director	**Balance at 1.7.2021**	**Bought**	**Sold**	**Balance at 30.6.2022**
Tan Sri Dato' Lim Kang Yew				
- Direct	3,000,000	–	–	3,000,000
- Indirect*	51,258,018	–	–	51,258,018
Lim Dian Hoong				
- Indirect*	51,258,018	–	–	51,258,018

* *Deemed interests through Segi Satria Sdn. Bhd., a major shareholder of the Company, by virtue of Section 8 of the Companies Act 2016 in Malaysia.*

By virtue of their interest in shares of the Company, Tan Sri Dato' Lim Kang Yew and Lim Dian Hoong are deemed to have interests in shares of the subsidiaries to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016 in Malaysia.

Save as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Continued

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 28 to the financial statements.

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fee	211	211
Salaries, bonuses and other benefits	1,930	–
Defined contribution benefits	112	–
	2,253	211

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity given to or liability insurance effected for any director or officer of the Group and the Company during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

Continued

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM136,000 and RM51,000 respectively.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 21 OCTOBER 2022

Tengku Ab Hadi Bin Tengku Mustafa

Lim Dian Hoong

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tengku Ab Hadi Bin Tengku Mustafa and Lim Dian Hoong, being two of the directors of TSR Capital Berhad, state that, in the opinion of the directors, the financial statements set out on pages 58 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 21 OCTOBER 2022

Tengku Ab Hadi Bin Tengku Mustafa **Lim Dian Hoong**

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Leow Chi Loong (MIA Membership Number: MIA 32892), being the officer primarily responsible for the financial management of TSR Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 110 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Leow Chi Loong,
at Klang
in the State of Selangor Darul Ehsan
on this 21 October 2022

Leow Chi Loong

Before me

Tee Hsiao Mei (No. B272)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TSR CAPITAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TSR Capital Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 58 to 110.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Audit Response

Revenue recognition for construction contracts (Refer to Note 20 to the financial statements)
 	
The Group considers the effects of variable consideration in determining the transaction price of a performance obligation satisfied over time, and recognises revenue accordingly by measuring the progress towards complete satisfaction of the performance obligation (i.e. by reference to the stage of completion of the contract activity). These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience and continuous monitoring mechanism.
	Our audit procedures included, amongst others, the following:
	
	• Obtaining an understanding of:
	  • the Group's budgeting process; and
	  • how the Group estimates the total costs and outcome of the contract activity.
	• Reviewing the contract budgets and evaluating the reasonableness thereof by examining supporting documentation such as contracts, letters of award, variation orders, quotations, etc.
	• Verifying major costs incurred to supporting documentation such as progress claims, invoices, etc.

INDEPENDENT AUDITORS' REPORT

Continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	Audit Response
Going Concern In previous financial year ended 30 June 2021, a "Material Uncertainty Related to Going Concern" paragraph has been disclosed in the independent auditors' report due to the following conditions, whereby the Group and the Company recorded:- i. A substantial loss of RM37.64 million; and ii. Negative operating cash flows for two consecutive years of RM21.76 million and RM2.98 million respectively (2020 - RM13.69 million and RM9.3 million). For the financial year ended 30 June 2022, the Group reported a net loss of RM2.94 million. However, the net operating cash flow has turned positive compared to the previous year, where net cash inflow of RM7.39 million was generated from operating activities. In the preparation of the Group and the Company financial statements, the management has made an assessment on its working capital sufficiency and with the support of a cash flow projection for the immediate twelve months after the end of the reporting period. The management has concluded that the Group and the Company will have sufficient working capital to finance their operations and to meet their financial obligations as and when they fall due. Accordingly, the directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group and the Company on the going concern basis is appropriate. This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the going concern basis for the preparation of the financial statements of the Group and of the Company.	Our audit procedures included, amongst others, the following: • Reviewing and obtaining an understanding of the key assumptions used in the preparation of the cash flow projection. • Evaluating the reasonableness of the assumptions used in the preparation of the cash flow projection. • Performing a sensitivity analysis of the key assumptions used. • Made inquiries of management and reviewing the event subsequent to year end to evaluate any possible event which may affect the Group's and the Company's ability to continue as a going concern. • Considering the ability of the Group and of the Company to continue as a going concern and meet their obligations for the next twelve months from the date of financial statements based on the utilisation plan for cash proceeds from disposal of properties as disclosed in Note 34 and Note 35.

INDEPENDENT AUDITORS' REPORT

Continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	Audit Response

Impairment of contract assets and receivables (Refer to Note 11 and 12 to the financial statements)
 	
The Group carries significant contract assets and receivables and is subject to major credit risk exposures. The assessment of credit risk involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.
	Our audit procedures included, amongst others, the following:
	
	• Obtaining an understanding of:
	  • the Group's control over the receivable collection process;
	  • how the Group identifies and assesses the impairment of receivables and contract assets; and
	  • how the Group makes the accounting estimates for impairment.
	• Reviewing ageing analysis of receivables and testing the reliability thereof.
	• Reviewing subsequent cash collections for major receivables and overdue amounts.
	• Making inquiries of management regarding the action plans to recover overdue amounts.
	• Comparing and challenging management's view on the recoverability of overdue amounts to historical patterns of collections, current conditions and forecasts of future economic conditions.
	• Examining other evidences including customer correspondences, proposed settlement plans, performing company search and etc.
	• Evaluating reasonableness and adequacy of the allowance for impairment loss recognised for identified exposures.
	• Reviewing the adequacy of the presentation and disclosure made in the financial statements.

INDEPENDENT AUDITORS' REPORT

Continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key Audit Matter	Audit Response
Impairment assessment on investment properties (Refer to Note 5 to the financial statements) The Group carries significant balances of investment properties as at 30 June 2022. At the reporting date, the Group reviewed its investment properties for indications of impairment and where such indications exist, the Group performed an impairment assessment to determine the recoverable amounts of the investment properties. The Group has identified the impact of COVID-19 pandemic and/or continuous losses, as the indication of impairment for the investment properties. The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement and uncertainty. We focus on this area because the estimation of recoverable amount for the investment properties required significant assumptions and judgements by the Group.	Our audit procedures included, amongst others, the following: • Reviewing the methodology adopted by the directors in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry. • Evaluating the data used by the directors in their estimation of the fair value for the investment properties, and assessing the key assumptions applied in their valuation process; and • Comparing and challenging the input and data used by the directors in the estimation of the fair values to external market data.
Valuation of inventories (Refer to Note 10 to the financial statements) The Group carries significant balances of inventories as at 30 June 2022 which include completed property development units and land held for future development. The current economic outlook and property market environment posed challenges to the sale of these inventories. We considered the net realisable value of completed property development units and land held for future development to be an area of audit focus as such assessment includes significant judgement and estimates made by the directors.	Our audit procedures included, amongst others, the following: • Obtaining an understanding of the internal controls performed by management in estimating the net realisable value of these inventories; and • Evaluating the management's assessment of the estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity.

INDEPENDENT AUDITORS' REPORT

Continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

Continued

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threat or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

Continued

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ong Beng Chooi
03155/05/2023 J
Chartered Accountant

Shah Alam

21 October 2022

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	797	1,048	–	–
Investment properties	5	73,746	79,381	–	–
Right-of-use assets	6	1,698	3,599	–	–
Investments in subsidiaries	7	–	–	98,011	97,811
Investments in associates	8	–	–	–	–
Investment in joint venture	9	5,948	3,882	–	–
Inventories	10	51,360	50,481	–	–
		133,549	138,391	98,011	97,811
CURRENT ASSETS					
Contract assets	11	11,363	9,668	–	–
Inventories	10	14,731	14,072	–	–
Receivables	12	56,091	83,715	93,525	94,087
Current tax assets		1,357	1,984	–	–
Cash and cash equivalents	13	2,280	4,166	22	54
		85,822	113,605	93,547	94,141
Assets classified as held for sale	14	2,823	–	–	–
		88,645	113,605	93,547	94,141
TOTAL ASSETS		222,194	251,996	191,558	191,952

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2022

Continued

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	113,299	113,299	113,299	113,299
Reserves		22,614	25,544	76,754	77,118
Equity attributable to owners of the Company		135,913	138,843	190,053	190,417
Non-controlling interests	16	(1,012)	(1,007)	–	–
TOTAL EQUITY		134,901	137,836	190,053	190,417
NON-CURRENT LIABILITIES					
Loans and borrowings	17	4,873	10,121	–	–
Lease liabilities	18	726	1,381	–	–
		5,599	11,502	–	–
CURRENT LIABILITIES					
Loans and borrowings	17	17,152	22,260	–	–
Lease liabilities	18	672	1,382	–	–
Payables	19	63,870	79,016	1,505	1,535
		81,694	102,658	1,505	1,535
TOTAL LIABILITIES		87,293	114,160	1,505	1,535
TOTAL EQUITY AND LIABILITIES		222,194	251,996	191,558	191,952

The annexed notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Revenue	20	43,706	70,684	–	–
Cost of sales		(37,890)	(80,772)	–	–
Gross profit/(loss)		5,816	(10,088)	–	–
Other income		7,912	2,828	–	–
Administrative and other operating expenses		(15,415)	(17,815)	(364)	(434)
Finance costs		(1,408)	(2,008)	–	–
Net impairment losses on financial assets and contract assets	21	(1,802)	(5,729)	–	(1,012)
Share of profit of joint venture		2,066	1,706	–	–
Loss before taxation	22	(2,831)	(31,106)	(364)	(1,446)
Income tax expense	24	(104)	(6,530)	–	(90)
Loss for the financial year		(2,935)	(37,636)	(364)	(1,536)
Other comprehensive income		–	–	–	–
Total comprehensive loss for the financial year		(2,935)	(37,636)	(364)	(1,536)
Loss attributable to:					
- Owners of the Company		(2,930)	(37,550)	(364)	(1,536)
- Non-controlling interests		(5)	(86)	–	–
		(2,935)	(37,636)	(364)	(1,536)
Total comprehensive loss attributable to:					
- Owners of the Company		(2,930)	(37,550)	(364)	(1,536)
- Non-controlling interests		(5)	(86)	–	–
		(2,935)	(37,636)	(364)	(1,536)
Loss per share:					
- Basic (sen)	25	(1.68)	(21.52)		
- Diluted (sen)	25	(1.68)	(21.52)		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Non-distributable						
The Group	**Share capital RM'000**	**Capital reserve RM'000**	**Warrant reserve RM'000**	**Accumulated losses RM'000**	**Equity attributable to owners of the Company RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Balance at 1 July 2020	113,299	58,150	7,922	(2,978)	176,393	(921)	175,472
Transfer of warrant reserve upon expiry of warrants to accumulated losses	–	–	(7,922)	7,922	–	–	–
Loss (representing total comprehensive loss) for the financial year	–	–	–	(37,550)	(37,550)	(86)	(37,636)
Balance at 30 June 2021/ 1 July 2021	113,299	58,150	–	(32,606)	138,843	(1,007)	137,836
Loss (representing total comprehensive loss) for the financial year	–	–	–	(2,930)	(2,930)	(5)	(2,935)
Balance at 30 June 2022	113,299	58,150	–	(35,536)	135,913	(1,012)	134,901

	Non-distributable			
The Company	**Share capital RM'000**	**Capital reserve RM'000**	**Warrant reserve RM'000**	**Retained profits RM'000**	**Total equity RM'000**
Balance at 1 July 2020	113,299	58,150	7,922	12,582	191,953
Transfer of warrant reserve upon expiry of warrants to retained profits	–	–	(7,922)	7,922	–
Loss (representing total comprehensive loss) for the financial year	–	–	–	(1,536)	(1,536)
Balance at 30 June 2021/1 July 2021	113,299	58,150	–	18,968	190,417
Loss (representing total comprehensive loss) for the financial year	–	–	–	(364)	(364)
Balance at 30 June 2022	113,299	58,150	–	18,604	190,053

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Loss before taxation		(2,831)	(31,106)	(364)	(1,446)
Adjustments for:-					
Depreciation of plant and equipment		764	2,343	–	–
Depreciation of investment properties		1,786	1,815	–	–
Depreciation of right-of-use assets		1,337	1,544	–	–
Impairment loss on receivables		2,918	1,626	–	–
Impairment loss on contract assets		–	8,482	–	–
Impairment loss on amount owing by subsidiaries		–	–	–	1,012
Impairment loss on goodwill		193	–	–	–
Interest expense on financial liabilities measured at amortised cost		1,179	1,914	–	–
Interest expense on lease liabilities		112	134	–	–
Inventories written down		59	646	–	–
(Gain)/Loss on disposal of property, plant and equipment		(1,188)	802	–	–
(Gain)/Loss on disposal of investment properties		(79)	249	–	–
Gain on disposal of right-of-use assets		(68)	–	–	–
Interest income on financial assets measured at amortised cost		(4)	(40)	–	–
Share of profit of joint venture		(2,066)	(1,706)	–	–
Reversal of impairment loss on receivables		(1,116)	(4,250)	–	–
Reversal of impairment loss on amount owing by an associate		–	(129)	–	–
Operating profit/(loss) before working capital changes		996	(17,676)	(364)	(434)
Changes in:-					
Inventories		(895)	(2,162)	–	–
Contract assets		(1,695)	(3,782)	–	–
Amount owing from associates		69	2,734	–	–
Receivables		27,019	17,545	–	–
Payables		(17,341)	(11,315)	(30)	5
Cash from/(for) operations		8,153	(14,656)	(394)	(429)
Interest paid		(1,291)	(2,048)	–	–
Tax refunded/(paid)		523	(5,055)	–	(2,549)
Net cash from/(for) operating activities and balance carried forward		7,385	(21,759)	(394)	(2,978)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

	Note	The Group 2022 RM'000	The Group 2021 RM'000	The Company 2022 RM'000	The Company 2021 RM'000
Balance brought forward		7,385	(21,759)	(394)	(2,978)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investments in an existing subsidiary		–	–	(199)	–
Interest received		4	40	–	–
Net cash inflow/(outflow) from acquisition of a subsidiary	26(a)	24	–	(1)	–
Proceeds from disposal of an associate		–	7,948	–	7,948
Proceeds from disposal of property, plant and equipment		1,210	48,517	–	–
Proceeds from disposal of investment properties		1,426	1,369	–	–
Proceeds from disposal of right-of-use assets		127	–	–	–
Acquisition of plant and equipment	27	(54)	(36)	–	–
Acquisition of right-of-use assets	27	–	(230)	–	–
Renovation expenditure incurred on investment properties		(72)	(216)	–	–
Repayment from/(Advances to) an associate		(799)	2,386	–	6,727
Advances to a joint venture		(402)	(6)	–	–
Repayment from subsidiaries		–	–	562	2,393
Net cash from investing activities		1,464	59,772	362	17,068
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Repayment to directors		(150)	–	–	–
Withdrawal of pledged term deposits		213	499	–	–
Repayment of lease liabilities	27	(1,365)	(1,816)	–	–
Repayment of term loans	27	(3,248)	(18,610)	–	–
Net decrease in other loans and borrowings	27	(8,103)	(10,829)	–	–
Net repayment to related parties		1,136	(9,159)	–	(14,128)
Net cash for financing activities		(11,517)	(39,915)	–	(14,128)
Net decrease in cash and cash equivalents		(2,668)	(1,902)	(32)	(38)
Cash and cash equivalents brought forward		3,019	4,921	54	92
Cash and cash equivalents carried forward	13	351	3,019	22	54

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 16, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 7 to the financial statements.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") unless otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 October 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation of Financial Statements (Cont'd)

The Group has not applied in advance the following MFRSs and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year as follows:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standard(s) 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.

2.2 Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of Consolidation (Cont'd)

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:

(a) The aggregate of:

(i) The acquisition-date fair value of the consideration transferred;
(ii) The amount of any non-controlling interests; and
(iii) In a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

(b) The net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.9. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary is recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.3 Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.9.

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Furniture, fittings and office equipment	10%
Motor vehicles	20%
Plant and machinery	20%
Site equipment	20%
Renovation	20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

Fully depreciated plant and equipment are retained in the financial statements and no further charge for depreciation is made, until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investment Properties

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.9.

Leasehold land and buildings are depreciated on a straight-line basis over their estimated useful lives of 50 to 75 years.

2.5 Investments in Subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.9.

2.6 Investments in Associates

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control of those policies.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the investments are assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investments are tested for impairment in accordance with Note 2.9.

In the separate financial statements of the Company, investments in associates are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.9.

2.7 Investment in Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves an unincorporated entity or the establishment of a separate entity in which each party has an interest.

In the consolidated financial statements, investment in joint venture is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of joint venture's net assets. After application of the equity method, the investment is assessed for any objective evidence of impairment. If any such evidence exists, the carrying amount of the investment is tested for impairment in accordance with Note 2.9.

In the separate financial statements of the Company, investment in joint venture is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Assets Held For Sale

Asset that is expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the asset is remeasured in accordance with the Company's accounting policies. Upon classification as held for sale, the asset is not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

2.9 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than deferred tax assets, inventories and contract assets, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.10 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Inventories of completed property development units are valued at the lower of cost (determined principally on the specific identification basis) and net realisable value. Cost consists of costs associated with the acquisition of land, costs that relate directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as inventory under non-current asset and is stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price of intended properties to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realisable value. Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Land held for property development is transferred to property development costs (under current assets) during development activities, including activities associated with obtaining approvals prior to commencement of physical development, have commenced and the development is expected to be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Inventories (Cont'd)

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities, such as direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development. Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

2.11 Contract Assets and Contract Liabilities

A contract is presented in the statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.13. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.12 Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statements of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statements of comprehensive income.

2.13 Financial Assets

Financial assets of the Group and of the Company consist of receivables and cash and cash equivalents.

Initial Recognition and Measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial Assets (Cont'd)

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 Financial Instruments. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.14 Financial Liabilities

Financial liabilities of the Group and of the Company consist of payables, loans and borrowings, lease liabilities and financial guarantee contracts.

Initial Recognition and Measurement

A financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent Measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process. Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Lease

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor Accounting

When the Group or the Company acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group and the Company have not entered into any finance lease.

Lessee Accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate is used. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.9.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term as follows:-

Long-term leasehold land	60 years
Leasehold land	4 years
Motor vehicles	5 years
Office premise	3 years
Site equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Lease (Cont'd)

Lessee Accounting (Cont'd)

Subsequent measurement (Cont'd)

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

As a practical expedient, the Group and the Company has elected not to assess whether a rent concession occurring as a direct consequence of the Covid-19 pandemic is a lease modification. Accordingly, any change in lease payments resulting from such rent concession is accounted for as a variable lease payment in profit or loss.

2.16 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.17 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:

(i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.

(ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

(iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

(i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Fair Value Measurement (Cont'd)

Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents, payables, loans and borrowings and lease liabilities which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

2.18 Revenue from Contracts with Customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.

Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.

Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.

Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.

Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Construction Contracts

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Accordingly, revenue from construction contracts is recognised over time during the construction period. The Group measures the progress towards complete satisfaction of the performance obligation using an input method, i.e. costs incurred relative to the total expected costs. The effects of any costs incurred that do not depict the Group's performance are excluded from the calculation.

Sale of Completed Development Units

For sale of completed development units, the Group determines that the transfer of control generally coincides with the delivery of vacant possession. Accordingly, revenue is recognised at a point in time when the vacant possession has been delivered to the customer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Other Income

Interest income is recognised in profit or loss using the effective interest method.

Rental income is recognised in profit or loss on a straight-line basis over the lease term.

2.20 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in property development costs, where appropriate, in the period in which the associated services are rendered by the employee.

Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss or included in property development costs, where appropriate, in the period in which the associated services are rendered by the employee.

2.21 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Income Taxes

Income taxes for the financial year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

2.24 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Construction contracts

The Group considers the effects of variable consideration in determining the transaction price of a performance obligation satisfied over time, and recognises revenue accordingly by measuring the progress towards completion satisfaction of the performance obligation. These procedures involve judgements and estimation uncertainty in predicting the outcome of the performance obligation based on past experience, work of experts and continuous monitoring mechanism. Any changes in these accounting estimates will affect the carrying amounts of contract assets and contract liabilities as disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

Sources of Estimation Uncertainty (Cont'd)

Impairment of contract assets and receivables

The Group recognises loss allowance for expected credit losses on contract assets and receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of contract assets and receivables as disclosed in Note 11 and Note 12 to the financial statements respectively.

Impairment of investment properties

The Group determines whether an item of its investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment properties as at the reporting date is disclosed in Note 5 to the financial statements.

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories as disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

4. PROPERTY, PLANT AND EQUIPMENT

The Group

	At 1.7.2021 RM'000	Additions RM'000	Disposal RM'000	Transfer from right-of-use assets (Note 6) RM'000	Acquisition of a subsidiary (Note 26) RM'000	Depreciation RM'000	At 30.6.2022 RM'000
Carrying Amount							
Furniture, fittings and office equipment	584	26	(22)	–	181	(176)	593
Motor vehicles	143	–	(158)	–	–	(128)	15
Plant and machinery	165	7	–	–	–	(165)	7
Site equipment	156	21	–	256	–	(286)	147
Renovation	–	–	–	–	44	(9)	35
	1,048	54	(180)	256	225	(764)	797

The Group

	At 1.7.2020 RM'000	Addition RM'000	Disposal RM'000	Transfer from right-of-use assets (Note 6) RM'000	Depreciation RM'000	At 30.6.2021 RM'000
Carrying Amount						
Freehold land	49,319	–	(49,319)	–	–	–
Furniture, fittings and office equipment	711	36	–	–	(163)	584
Motor vehicles	298	–	–	88	(243)	143
Plant and machinery	1,444	–	–	–	(1,279)	165
Site equipment	291	–	–	523	(658)	156
	52,063	36	(49,319)	611	(2,343)	1,048

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.6.2022			
Furniture, fittings and office equipment	5,038	(4,445)	593
Motor vehicles	8,064	(8,049)	15
Plant and machinery	23,669	(23,662)	7
Site equipment	15,223	(15,076)	147
Renovation	58	(23)	35
	52,052	(51,255)	797

The Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.6.2021			
Furniture, fittings and office equipment	4,733	(4,149)	584
Motor vehicles	8,658	(8,515)	143
Plant and machinery	25,306	(25,141)	165
Site equipment	13,883	(13,727)	156
	52,580	(51,532)	1,048

5. INVESTMENT PROPERTIES

The Group	At 1.7.2021 RM'000	Addition RM'000	Disposal RM'000	Classified as Held for Sale (Note 14) RM'000	Depreciation RM'000	At 30.6.2022 RM'000
Carrying Amount						
Leasehold land and buildings	79,381	72	(1,347)	(2,574)	(1,786)	73,746

The Group	At 1.7.2020 RM'000	Addition RM'000	Disposal RM'000	Depreciation RM'000	At 30.6.2021 RM'000
Carrying Amount					
Leasehold land and buildings	82,598	216	(1,618)	(1,815)	79,381

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

5. INVESTMENT PROPERTIES (CONT'D)

The Group At 30.6.2022	At cost RM'000	Government grant RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Leasehold land and buildings	93,022	(6,183)	(13,093)	73,746

The Group At 30.6.2021	At cost RM'000	Government grant RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Leasehold land and buildings	97,893	(6,475)	(12,037)	79,381

The fair values of investment properties were measured based on appraisals performed by directors using the market comparison approach at approximately RM102,362,000 (2021 - RM105,699,000). The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2). For investment properties purchased during the financial year, the arm's length costs were reasonable approximations of fair values.

The carrying amounts of investment properties pledged as security for credit facilities granted to the Group are as follows:-

	The Group 2022 RM'000	 2021 RM'000
Leasehold land and buildings	37,865	41,657

6. RIGHT-OF-USE ASSETS

The Group

	At 1.7.2021 RM'000	Disposal RM'000	Transfer to property, plant and equipment (Note 4) RM'000	Classified as Held for Sale (Note 14) RM'000	Depreciation RM'000	At 30.6.2022 RM'000
Carrying Amount						
Long-term leasehold land	255	–	–	(249)	(6)	–
Leasehold land	725	–	–	–	(212)	513
Motor vehicles	1,494	(59)	–	–	(454)	981
Office premise	612	–	–	–	(408)	204
Site equipment	513	–	(256)	–	(257)	–
	3,599	(59)	(256)	(249)	(1,337)	1,698

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

6. RIGHT-OF-USE ASSETS (CONT'D)

The Group

	At 1.7.2020 RM'000	Additions RM'000	Transfer to property, plant and equipment (Note 4) RM'000	Depreciation RM'000	At 30.6.2021 RM'000
Carrying Amount					
Long-term leasehold land	262	–	–	(7)	255
Leasehold land	–	849	–	(124)	725
Motor vehicles	1,152	918	(88)	(488)	1,494
Office premise	1,020	–	–	(408)	612
Site equipment	1,553	–	(523)	(517)	513
	3,987	1,767	(611)	(1,544)	3,599

The Group At 30.6.2022	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Leasehold land	849	(336)	513
Motor vehicles	2,226	(1,245)	981
Office premise	1,224	(1,020)	204
	4,299	(2,601)	1,698

The Group At 30.6.2021	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Long-term leasehold land	378	(123)	255
Leasehold land	849	(124)	725
Motor vehicles	2,396	(902)	1,494
Office premise	1,224	(612)	612
Site equipment	1,282	(769)	513
	6,129	(2,530)	3,599

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

6. RIGHT-OF-USE ASSETS (CONT'D)

Included in the right-of-use assets of the Group were motor vehicles and site equipment acquired under the hire purchase terms, which had been pledged as security for the hire purchase payables of the Group as disclosed in Note 18 to the financial statements.

The Group also has leases with lease terms of 12 months or less and low value leases. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The Group leases certain pieces of leasehold land, an office premise, various motor vehicles and site equipment of which the leasing activities are summarised below:-

(i)	Leasehold land	The Group has entered into 1 non-cancellable operating lease agreement for the use of land. The lease is for a period of 4 years with an option to renew the lease after that date. In addition, the Group had disposed of a piece of long-term leasehold land with lease period of 60 years in during the financial year.
(ii)	Office premise	The Group has entered into 1 non-cancellable operating lease agreement for the use of office premise. The lease is for a period of 3 years with renewal option included in the agreement but not exercise.
(iii)	Motor vehicles	The Group has leased its motor vehicles under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
(iv)	Site equipment	The Group has leased its site equipment under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount. The hire purchase obligation of these site equipment has been fully settled during the financial year.

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	**2021**
	RM'000	**RM'000**
Unquoted shares, at cost:		
- At 1 July 2021/2020	98,911	98,911
- Addition during the year	200	–
- At 30 June	99,111	98,911
Accumulated impairment losses	(1,100)	(1,100)
	98,011	97,811

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activity
TSR Bina Sdn. Bhd. ("TSRB")	Malaysia	100	100	Construction and civil engineering works.
TSR Concrete Products Sdn. Bhd. ("TCPSB")	Malaysia	100	100	Manufacturing and marketing of pre-cast concrete products.
TSR Land Sdn. Bhd.	Malaysia	100	100	Property developer and investment holding.
TSR Ocean Park Sdn. Bhd. ("TSROP")	Malaysia	100	100	Property developer and investment holding.
TSR Mix Sdn. Bhd. ("TMSB")	Malaysia	100	100	Property developer and investment holding.
TSR Development Sdn. Bhd.	Malaysia	100	100	Property developer.
BHUB Holdings Sdn. Bhd. #	Malaysia	100	–	Trading of bakery and food products.
Axel Auto Sdn. Bhd. #*	Malaysia	100	–	Dormant.
Subsidiaries of TSRB				
Magnitude Ridge Sdn. Bhd.	Malaysia	80	80	Property developer.
Jalur Canggih Sdn. Bhd.	Malaysia	70	70	Dormant.
TSR Usahasama Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiary of TCPSB				
TSR Sonata Sdn. Bhd.	Malaysia	100	100	Trading of building and construction materials.
Subsidiary of TMSB				
TSR Mutiara Sdn. Bhd.	Malaysia	100	100	Dormant.

Acquired in the current financial year.

* *Newly incorporated and consolidation of this subsidiary is based on unaudited financial statements as the first financial period of this subsidiary is made up from the date of incorporation, 13 June 2022 to 30 June 2023.*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

a) During the current financial year, the Company acquired 100% equity interests in BHUB Holdings Sdn. Bhd. and incorporated a new subsidiary, Axel Auto Sdn. Bhd. The details of the acquisition are disclosed in Note 26 to the financial statements.

b) The summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

8. INVESTMENTS IN ASSOCIATES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost:				
- At 1 July 2021/2020	40	7,988	–	7,948
- Disposal during the year	–	(7,948)	–	(7,948)
- At 30 June	40	40	–	–
Share of post-acquisition changes in net assets	(40)	(40)	–	–
	–	–	–	–

The details of the associates are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activity
U-Ni Magna Sdn. Bhd. [(a)/(c)/#] ("UMSB")	Malaysia	–	–	Property investment and property management.
Associate of TSROP				
Pearl Boulevard Sdn. Bhd. [(a)/(b)/#] ("PBSB")	Malaysia	40	40	Property management.

(a) The audited financial statements and auditors' report of the associates are not available. For the purpose of applying the equity method of accounting, the management accounts of the associates have been used.

(b) Financial year end of 31 December.

(c) Disposed of in the previous financial year.

 # These associates were audited by other firms of chartered accountants.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

8. INVESTMENTS IN ASSOCIATES (CONT'D)

The Group has not recognised losses relating to Pearl Boulevard Sdn. Bhd., where its share of losses exceeds the Group's equity interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM1,839,915 (2021 - RM1,642,778). The Group has no obligation in respect of these losses.

The summarised financial information of the associate are as follows:-

	2022[(a)] RM'000	2021[(a)] RM'000
Non-current assets	1,859	2,147
Current assets	1,156	1,158
Non-current liabilities	–	–
Current liabilities	(8,235)	(8,027)
Net liabilities	(5,220)	(4,722)
Revenue	4,459	2,655
(Loss)/Profit (representing total comprehensive (loss)/income)	(492)	122

(a) Based on unaudited management accounts.

The carrying amount of investment in Pearl Boulevard Sdn. Bhd. was fully impaired in prior years and hence, the reconciliation is not presented.

9. INVESTMENT IN JOINT VENTURE

	The Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	1,470	1,470
Share of post-acquisition changes in net assets	4,478	2,412
	5,948	3,882

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

9. INVESTMENT IN JOINT VENTURE (CONT'D)

The details of the joint venture are as follows:-

Name of Joint Venture	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %	Principal Activity
Joint venture of TSRB				
WCT TSR Sdn. Bhd.#	Malaysia	49	49	Construction and civil engineering works.

 # The joint venture was audited by other firms of chartered accountants.

The financial year end of the above joint venture is non-coterminous with the Group. In applying the equity method of accounting, the management accounts of the joint venture for the financial year ended 30 June 2022 (2021 - 30 June 2021) have been used.

The summarised financial information of the joint venture is as follows:-

	2022[(a)] RM'000	2021[(a)] RM'000
Non-current assets	35,173	21,864
Current assets	154,202	30,816
Non-current liabilities	(6,653)	(2,379)
Current liabilities	(170,583)	(42,379)
Net assets	12,139	7,922
Revenue	199,653	77,075
Interest income	209	102
Depreciation	(2,654)	(1,867)
Income tax expense	(831)	(804)
Profit (representing total comprehensive income)	4,216	3,482

The reconciliation of the above summarised financial information to the carrying amount of the investment in joint venture are as follow:-

	2022[(a)] RM'000	2021[(a)] RM'000
Net assets	12,139	7,922
Effective ownership interest	49%	49%
Carrying amount	5,948	3,882

[(a)] Based on unaudited management accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

10. INVENTORIES

	The Group 2022 RM'000	2021 RM'000
Non-current		
At Cost:		
- Land held for property development:		
- Leasehold land	24,581	24,581
- Freehold land	7,668	7,668
- Development costs	19,111	18,232
	51,360	50,481
Current		
At Cost:		
- Property development costs	432	188
- Completed properties held for sale	12,378	12,378
	12,810	12,566
At net realisable value:		
- Finished goods	415	–
- Completed properties held for sale	1,506	1,506
	1,921	1,506
	14,731	14,072
Total inventories	66,091	64,553
Recognised in profit or loss:-		
Inventories recognised as cost of sales	1,003	–
Amount written down to net realisable value	59	646

The freehold land has been pledged as security for credit facilities granted to the Group as disclosed in Note 17 to the financial statements.

11. CONTRACT ASSETS

	The Group 2022 RM'000	2021 RM'000
Balance at 1 July 2021/2020	9,668	14,368
Revenue recognised during the financial year	38,999	67,678
Progress billings raised during the financial year	(37,304)	(63,896)
Impairment loss on contract asset (Note 21)	–	(8,482)
Balance at 30 June	11,363	9,668

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

11. CONTRACT ASSETS (CONT'D)

	The Group	
	2022 RM'000	2021 RM'000
Represented by:		
- Contract assets relating to construction contracts	11,363	9,668

The changes in accumulated impairment losses are as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Balance at 1 July 2021/2020	8,482	–
Addition during the financial year (Note 21)	–	8,482
Balance at 30 June	8,482	8,482

As disclosed in Note 2.18, the Group generally satisfies its performance obligations over time during the construction period. Any excess of revenue recognised over progress billing is presented as contract asset, whereas any deficit is presented as contract liability.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

Remaining Performance Obligations

As at 30 June 2022, the aggregate transaction price allocated to the remaining performance obligations amounted to approximately RM92,869,000 (2021 - RM145,855,000) and the Group expects to recognise this revenue when the projects are completed over the next 1 to 2 years (2021 - 1 to 2 years).

12. RECEIVABLES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables:				
- Associate	–	72	–	–
- Accumulated impairment losses	–	(3)	–	–
	–	69	–	–
- Unrelated parties	28,544	50,798	–	–
- Accumulated impairment losses	(3,787)	(2,760)	–	–
	24,757	48,038	–	–
	24,757	48,107	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

12. RECEIVABLES (CONT'D)

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables:				
- Associate	6,780	5,978	–	–
- Accumulated impairment losses	(5,981)	(5,978)	–	–
	799	–	–	–
- Joint venture	690	288	–	–
- Subsidiaries	–	–	98,989	99,551
- Accumulated impairment losses	–	–	(5,467)	(5,467)
	–	–	93,522	94,084
- Unrelated parties	35,535	40,235	149	149
- Accumulated impairment losses	(5,690)	(4,915)	(146)	(146)
	29,845	35,320	3	3
	31,334	35,608	93,525	94,087
Total receivables	56,091	83,715	93,525	94,087

Trade Receivables

Included in trade receivables are retention sums for contract work amounting to approximately RM17,261,000 (2021 - RM31,782,000).

Management determines credit risk concentrations in terms of counterparties. As at 30 June 2022, there were 2 (2021 - 2) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounting to approximately RM22,686,000 (2021 - RM38,014,000).

Trade receivables are unsecured, non-interest bearing and generally on 14 to 60 days terms.

The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status (stated at gross) is as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Not past due	22,751	45,182
Past due 1 to 30 days	–	941
Past due 31 to 120 days	–	65
Past due more than 120 days	5,793	4,682
	28,544	50,870

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

12. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

Trade receivables that are neither past due nor impaired are mainly creditworthy customer with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

	Not past due RM'000	1 to 30 days past due RM'000	31 to 120 days past due RM'000	More than 120 days past due RM'000	Credit-impaired RM'000	Total RM'000
As at 30 June 2022						
Gross carrying amount	21,063	–	–	3,717	3,764	28,544
Average credit loss rate	0.00%	0.00%	0.00%	0.62%	100.00%	13.27%
Loss allowance	–	–	–	23	3,764	3,787
As at 30 June 2021						
Gross carrying amount	43,627	941	65	3,500	2,737	50,870
Average credit loss rate	0.00%	0.00%	0.00%	0.74%	100.00%	5.43%
Loss allowance	–	–	–	26	2,737	2,763

The average credit loss rates were based on the payment profile of revenue over a period of 12 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

12. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

The changes in the accumulated impairment losses are as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Balance at 1 July 2021/2020	2,763	1,281
Addition during the financial year (Note 21)	1,045	1,611
Reversal during the financial year (Note 21)	(18)	(129)
Transfer to Other receivables	(3)	–
Balance at 30 June	3,787	2,763

Other Receivables

Other receivables are unsecured and non-interest bearing. The amount owing by subsidiaries, joint venture and associate are repayable on demand.

The amount owing by unrelated parties consist of refundable deposits, advances and other balances as disclosed below:

(a) A sum of approximately RM11,928,000 (2021 - RM4,000,000) being the deposit paid to Kwasa Development (3) Sdn. Bhd. for the acquisition of the Development Right to develop and sell residential properties including villas and condominiums for which the construction works have yet to commence as at the end of the reporting date.

(b) A sum of approximately RM7,829,000 (2021 - RM7,829,000) known as Adjudication Sum paid to the Group's solicitor as stakeholder in an interest-bearing account, is in respect of the dispute with Hiform (M) Sdn. Bhd. ("HSB") on sub-contractor works performed by HSB., to defer the enforcement of the Adjudication Decision previously fixed on 3 June 2019. The Group's solicitor had obtained an order for stay of the Enforcement Order pending appeal to the Court of Appeal. The said appeal is now fixed for hearing on 25 November 2022.

(c) Total sum of approximately RM2,878,000 (2021 - Nil) being the Settlement Sum receivable from Permodalan Kedah Berhad ("PKB"), as a result of Court Judgement and Consent Judgement in favour of the Company.

The changes in the accumulated impairment losses are as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Balance at 1 July 2021/2020	10,893	15,128	5,613	4,601
Addition during the financial year (Note 21)	1,873	15	–	1,012
Reversal during the financial year (Note 21)	(1,098)	(4,250)	–	–
Transfer from trade receivables	3	–	–	–
Balance at 30 June	11,671	10,893	5,613	5,613

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulty and has defaulted on payment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

13. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Term deposits (fixed rate)	–	213	–	–
Cash and bank balances	2,280	3,953	22	54
	2,280	4,166	22	54

In the previous financial year, the term deposits of the Group have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use. The term deposits bore an effective interest rate of 1.30% per annum at the end of the previous reporting period.

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged term deposits as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and cash equivalents	2,280	4,166	22	54
Bank overdraft (Note 17)	(1,929)	(934)	–	–
Term deposits pledged as security	–	(213)	–	–
	351	3,019	22	54

14. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2022 RM'000	2021 RM'000
At 1 July 2021/2020	–	–
Transfer from investment properties (Note 5)	2,574	–
Transfer from right-of-use assets (Note 6)	249	–
At 30 June	2,823	–

The carrying amount of these assets are the same as their carrying value before they were reclassified as held for sale.

Investment properties classified as held for sale

On 17 June 2022, the Group entered into a Sale and Purchase Agreement with a third party to dispose of a piece of leasehold land and building for a total consideration of RM6,000,000. The completion of transaction is subject to fulfilment of conditions precedent, which includes obtaining the necessary approval for the sub-division of the master title and issuance of document of title to the property. The transaction is expected to be completed in 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

14. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

Right-of-use assets classified as held for sale

On 24 March 2022, the Group entered into a Sale and Purchase Agreement with a third party to dispose of a piece of long-term leasehold land for a total consideration of RM1,100,000. The completion of transaction is subject to fulfilment of conditions precedent, which include obtaining the state authority's consent to transfer. The transaction is expected to be completed in 2023.

15. SHARE CAPITAL

	The Group/The Company			
	2022	2021	2022	2021
	Number of Ordinary Shares ('000)		RM'000	RM'000
Issued and fully paid-up:-				
Balance at 30 June	174,450	174,450	113,299	113,299

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

16. NON-CONTROLLING INTERESTS ("NCI")

The Group	Accumulated NCI		Loss Allocated to NCI	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Magnitude Ridge Sdn. Bhd.	(293)	(290)	(3)	(84)
Jalur Canggih Sdn. Bhd.	(719)	(717)	(2)	(2)
	(1,012)	(1,007)	(5)	(86)

The details of the subsidiaries (as disclosed in Note 7) that have NCI are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Equity Interest Held by NCI 2022 %	2021 %	Principal Activity
Subsidiaries of TSRB				
Magnitude Ridge Sdn. Bhd.	Malaysia	20	20	Property developer.
Jalur Canggih Sdn. Bhd.	Malaysia	30	30	Dormant.

The summarised financial information of the above subsidiaries has not been disclosed as the NCI are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

17. LOANS AND BORROWINGS

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Secured:-		
Term loans (floating rate)	8,122	11,370
Bank overdraft (floating rate)	1,929	934
Banker acceptances (fixed rate)	974	3,077
Revolving credits (fixed rate)	11,000	17,000
	22,025	32,381
Disclosed as:		
- Non-current liabilities	4,873	10,121
- Current liabilities	17,152	22,260
	22,025	32,381

The secured loans and borrowings are secured against certain property, plant and equipment (Note 4), investment properties (Note 5), development land (Note 10) and term deposits (Note 13).

The effective interest rates of loans and borrowings as at 30 June 2022 ranged from 3.23% to 6.42% (2021 - 3.18% to 6.17%) per annum.

Except for term loans, other loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Term Loans

Term loans are repayable not later than 5 years. The repayment analysis is as follows:-

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Gross loan instalments:		
- Within 1 year	3,920	3,795
- Later than 1 year and not later than 2 years	5,545	8,702
Total contractual undiscounted cash flows	9,465	12,497
Future finance charges	(1,343)	(1,127)
Present value of term loans	8,122	11,370
Disclosed as:		
- Within 1 year	3,249	3,249
- Later than 1 year and not later than 2 years	4,873	8,121
	8,122	11,370

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

17. LOANS AND BORROWINGS (CONT'D)

The fair values of term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated close to the effective interest rates of the term loans.

18. LEASE LIABILITIES

	The Group	
	2022	**2021**
	RM'000	**RM'000**
At 1 July 2021/2020	2,763	3,042
Additions	–	1,537
Interest expense recognised in profit or loss	112	134
Repayment of principal	(1,365)	(1,820)
Repayment of interest expense	(112)	(130)
At 30 June	1,398	2,763
Gross lease liabilities:		
- Within 1 year	724	1,496
- Later than 1 year and not later than 5 years	785	1,490
Total contractual undiscounted cash flows	1,509	2,986
Future finance charges	(111)	(223)
Present value of lease liabilities payables	1,398	2,763
Disclosed as:		
- Non-current liabilities	726	1,381
- Current liabilities	672	1,382
	1,398	2,763

Included in lease liabilities is an amount of RM645,517 (2021 - RM1,372,264), which are secured by the Group's motor vehicles and site equipment acquired under the hire purchase arrangements as disclosed in Note 6 to the financial statements, with lease terms ranging from 1 to 5 years (2021 - 1 to 4 years) and bore effective interest rates ranging from 4.15% to 6.17% (2021 - 4.46% to 6.17%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

19. PAYABLES

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables:				
- Unrelated parties	34,042	45,995	–	–
Other payables:				
- Subsidiaries	–	–	1,417	1,417
- Directors of the Company	1,136	–	–	–
- Related parties *	6,105	4,969	–	–
- Unrelated parties	22,587	28,052	88	118
	29,828	33,021	1,505	1,535
	63,870	79,016	1,505	1,535

* *Being companies in which certain directors of the Company have substantial financial interests.*

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 60 days terms.

Included in trade payables are retention sums for contract work amounting to approximately RM21,661,000 (2021 - RM23,822,000).

Other Payables

Other payables are unsecured and non-interest bearing. The amount owing to subsidiaries and directors of the Company are repayable on demand. The amount owing to unrelated parties consist of sundry payables and accruals for operating expenses which are generally due within 30 to 60 days.

Included in amounts owing to unrelated parties are as follows:

(a) A sum of approximately RM5,300,000 (2021 - RM5,300,000) being the outstanding special damages claimed by Josu Engineering Sdn. Bhd. against TSR Bina Sdn. Bhd., a wholly-owned subsidiary of the Company in a legal action involving the unlawful termination of the Letter of Award dated 10 January 2002. The assessment of damages was partially heard. The Court has fixed a Case Management date on 24 June 2022, however it was postponed due to changing of Deputy Registrar that was handling this matter. The new date for the trial has yet to be fixed.

(b) A sum of RM1,560,000 (2021 - RM1,560,000) being a provision of alleged outstanding sum claimed by Hiform (M) Sdn. Bhd. ("HSB") against TSR Bina Sdn. Bhd. ("TSRB"), a wholly-owned subsidiary of the Company in a legal action involving the dispute on the sub-contract works performed by HSB.

The above dispute went through adjudication proceedings whereby TSRB paid an Adjudication Sum as disclosed in Notes 12(b) to the financial statements.

(c) A sum of RM1,945,000 (2021 - RM2,013,000) being the refundable deposits received from tenants for renting out the investment properties held under TSR Ocean Park Sdn. Bhd. (a wholly-owned subsidiary of the Company) as disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

20. REVENUE

	The Group	
	2022 RM'000	2021 RM'000
Revenue from contracts with customers:		
- Construction contracts	38,999	67,678
Other sources of revenue:		
- Rental income from investment properties	4,173	3,006
- Sale of goods	534	–
	43,706	70,684
Timing of revenue recognition:		
- Over time	43,172	70,684
- At a point in time	534	–
	43,706	70,684

Information about disaggregation of revenue has not been disclosed as the Group generates revenue within Malaysia.

21. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Impairment losses:				
- trade receivables (Note 12)	1,045	1,611	–	–
- other receivables (Note 12)	1,873	15	–	–
- contract assets (Note 11)	–	8,482	–	–
- amount owing by subsidiaries (Note 12)	–	–	–	1,012
	2,918	10,108	–	1,012
Reversal of impairment losses:				
- trade receivables (Note 12)	(18)	–	–	–
- other receivables (Note 12)	(1,098)	(4,250)	–	–
- amount owing by an associate (Note 12)	–	(129)	–	–
	(1,116)	(4,379)	–	–
	1,802	5,729	–	1,012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

22. LOSS BEFORE TAXATION

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- Crowe Malaysia PLT				
- Audit fee:				
- current year	122	135	40	40
- over-provided in prior years	(12)	(11)	–	–
- Non-audit fee				
- current year	14	11	11	11
- under-provided in prior years	–	11	–	11
Depreciation:				
- Plant and equipment (Note 4)	764	2,343	–	–
- Investment properties (Note 5)	1,786	1,815	–	–
- Right-of-use assets (Note 6)	1,337	1,544	–	–
Employee benefits expense (Note 23)	10,433	11,911	211	250
Impairment loss on goodwill (Note 26(a))	193	–	–	–
Interest expense on financial liabilities measured at amortised cost	1,179	1,914	–	–
Interest expense on lease liabilities	112	134	–	–
Inventories written down	59	646	–	–
Net impairment losses on financial assets and contract assets (Note 21)	1,802	5,729	–	1,012
Partial waiver of liquidated ascertained damages receivable from a sub-contractor	1,750	–	–	–
Short term lease expenses	867	1,308	–	-
Subsidy received from the government	–	69	–	-
(Gain)/Loss on disposal of property, plant and equipment	(1,188)	802	–	–
(Gain)/Loss on disposal of investment properties	(79)	249	–	–
Gain on disposal of right-of-use assets	(68)	–	–	–
Interest income on financial assets measured at amortised cost	(4)	(40)	–	–
Rental income from investment properties	(5,462)	(3,059)	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

23. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company:				
- Fee	211	250	211	250
- Other short-term employee benefits	1,930	1,655	–	–
- Defined contribution plans	112	78	–	–
	2,253	1,983	211	250
Directors of subsidiaries:				
- Fee	6	6	–	–
- Other short-term employee benefits	106	100	–	–
- Defined contribution plans	11	11	–	–
	123	117	–	–
Other employees:				
- Short-term employee benefits	7,274	8,811	–	–
- Defined contribution plans	783	1,000	–	–
	8,057	9,811	–	–
	10,433	11,911	211	250

The directors' remuneration represents the entire key management personnel compensation of the Group and of the Company as there were no other key management personnel apart from all the directors who have the authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group and of the Company.

24. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax based on results for the financial year:				
- Real Property Gains Tax	–	3,563	–	90
- Deferred tax	–	2,967	–	–
	–	6,530	–	90
Tax under-provided in previous year:				
- Malaysian income tax	104	–	–	–
	104	6,530	–	90

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

24. INCOME TAX EXPENSE (CONT'D)

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before taxation	(2,831)	(31,106)	(364)	(1,446)
Tax at the statutory tax rate of 24%	(679)	(7,465)	(87)	(347)
Non-deductible expenses	1,298	6,676	87	347
Non-taxable income	(420)	–	–	–
(Decrease)/Increase in unrecognised deferred tax assets	(199)	3,756	–	–
Current tax under-provided in previous year	104	–	–	–
Real Property Gains Tax	–	3,563	–	90
	104	6,530	–	90

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

As at 30 June 2022, the future availability of unutilised deductible temporary differences, unabsorbed capital allowances and unutilised tax losses for which no deferred tax assets have been recognised in the statements of financial position are as follows:-

	The Group	
	2022 RM'000	2021 RM'000
- Deductible temporary differences of property, plant and equipment	1,258	916
- Unabsorbed capital allowances	2,546	2,811
- Unutilised tax losses	49,185	50,091

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the Group's unutilised losses are now imposed with a time limit of utilisation. Any accumulated unutilised losses brought forward from year of assessment 2018 can only be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

25. LOSS PER SHARE

The basic loss per share is calculated by dividing the Group's loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:-

	The Group	
	2022	**2021**
Loss for the financial year attributable to owners of the Company (RM'000)	(2,930)	(37,550)
Weighted average number of shares for computing basic earnings per share ('000)	174,450	174,450
Weighted average number of shares for computing diluted earnings per share ('000)	174,450	174,450
Basic loss per share (sen)	(1.68)	(21.52)
Diluted loss per share (sen)	(1.68)	(21.52)

26. ACQUISITION OF SUBSIDIARIES

a) On 24 November 2021, the Company acquired 100% equity interests in BHUB Holdings Sdn. Bhd. The acquisition of this subsidiary is to enable the Group to diversify its business into the trading of bakery and food products.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2022 RM'000
Plant and equipment	225
Inventories	702
Trade and other receivables	65
Cash and bank balances	25
Trade and other payables	(1,209)
Net identifiable liabilities assumed	(192)
Add: Goodwill on acquisition	193
Total purchase consideration settled by cash	1
Less: Cash and bank balances of subsidiary acquired	(25)
Net cash inflow from the acquisition of a subsidiary	(24)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

26. ACQUISITION OF SUBSIDIARIES (CONT'D)

(a) The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:- (cont'd)

	The Group 2022 RM'000
Goodwill	
Cost:-	
Acquisition of subsidiary	193
Less: Impairment loss during the financial year	(193)
At 30 June	–

The subsidiary has contributed the following results to the Group since the date of acquisition:-

	The Group 2022 RM'000
Revenue	534
Loss after tax	(549)

b) On 13 June 2022, the Company incorporated a wholly owned subsidiary, Axel Auto Sdn. Bhd. by subscribing for 2 ordinary shares with a total cash consideration of RM2, representing the entire issued share capital of the subsidiary. The incorporation of this subsidiary is to enable the Group to diversify its business into the trading of car sales, services and spare parts. The subsidiary was dormant during the financial year.

27. NOTES TO STATEMENTS OF CASH FLOWS

	The Group 2022 RM'000	2021 RM'000
Acquisition of Plant and Equipment		
Cost of plant and equipment acquired	54	36
Net cash disbursed	54	36
Acquisition of Right-of-Use Assets		
Cost of right-of-use assets acquired	–	1,767
Acquisition by means of leases	–	(1,537)
Net cash disbursed	–	230

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

27. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

	The Group	
	2022	**2021**
	RM'000	**RM'000**
Term Loans		
Balance at 1 July 2021/2020	11,370	29,980
Repayments	(3,248)	(18,610)
Balance at 30 June (Note 17)	8,122	11,370
Other Loans and Borrowings		
Balance at 1 July 2021/2020	20,077	30,906
Net cash flow changes	(8,103)	(10,829)
Balance at 30 June	11,974	20,077
Represented by:		
- Banker acceptances (Note 17)	974	3,077
- Revolving credits (Note 17)	11,000	17,000
	11,974	20,077
Lease Liabilities		
Balance at 1 July 2021/2020	2,763	3,042
Additions	–	1,537
Repayment	(1,365)	(1,816)
Balance at 30 June (Note 18)	1,398	2,763

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

28. RELATED PARTY DISCLOSURES

Transactions with a related party during the financial year other than those disclosed elsewhere in the financial statements are as follows:-

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental income from an associate	1,562	–	–	–
Proceeds from disposal of an associate, to a company in which certain directors have substantial financial interests	–	7,948	–	7,948
Lease liabilities paid/payable to companies in which certain directors have substantial financial interests	675	575	–	–
Short term lease expense paid/payable to a company in which certain directors have substantial financial interests	113	113	–	–
Service charge paid/payable to companies in which certain directors have substantial financial interests	117	117	–	–

29. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main reportable segments as follows:-

(i) Construction - Involved in the foundation engineering, soil improvement, construction and civil engineering works.

(ii) Property development - Involved in the property development and management.

Except as indicated above, no other operating segments have been aggregated to form the above reportable segments. "Other operating segments" category consists of small operations related to manufacturing and trading of precast concrete products, investment holding and trading of bakery and food products.

a) The Group Executive Committee assesses the performance of the reportable segments based on their profit or loss for the financial year. The accounting policies of the reportable segments are the same as the Group's accounting policies.

b) Each reportable segment assets are measured based on all assets of the segment other than investment in joint venture and tax-related assets.

c) Each reportable segment liabilities are measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

d) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

29. OPERATING SEGMENTS (CONT'D)

2022	Construction RM'000	Property Development RM'000	Other Operating Segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
Assets					
Segment assets	82,557	145,082	1,005	(13,755)	214,889
Investment in joint venture (Note 9)	1,470	–	–	4,478	5,948
Current tax assets	497	860	–	–	1,357
Consolidated total assets	84,524	145,942	1,005	(9,277)	222,194
Additions to non-current assets	400	9	8	–	417
Liabilities					
Segment liabilities	46,605	15,233	1,419	613	63,870
Loans and borrowings (Note 17)	13,904	8,121	–	–	22,025
Lease liabilities (Note 18)	860	538	–	–	1,398
Consolidated total liabilities	61,369	23,892	1,419	613	87,293
Revenue					
External revenue (Note 20)	38,999	4,173	1,115	(581)	43,706
Intersegment revenue	–	–	–	–	–
Total revenue	38,999	4,173	1,115	(581)	43,706
Results					
Segment (loss)/profit	(3,262)	639	(914)	(73)	(3,610)
Interest income	2	2	–	–	4
Interest expense	(776)	(515)	–	–	(1,291)
Share of profit of joint venture	–	–	–	2,066	2,066
(Loss)/Profit before taxation	(4,036)	126	(914)	1,993	(2,831)
Income tax expense (Note 24)	(104)	–	–	–	(104)
(Loss)/Profit for the financial year	(4,140)	126	(914)	1,993	(2,935)
Other information					
Non-cash income	2,450	–	1	–	2,451
Depreciation	2,575	1,534	30	(252)	3,887
Other non-cash expenses	(2,680)	(237)	(59)	–	(2,976)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

29. OPERATING SEGMENTS (CONT'D)

2021	Construction RM'000	Property Development RM'000	Other Operating Segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
Assets					
Segment assets	122,030	137,707	1,284	(14,891)	246,130
Investment in joint venture (Note 9)	1,470	–	–	2,412	3,882
Current tax assets	1,143	841	–	–	1,984
Consolidated total assets	124,643	138,548	1,284	(12,479)	251,996
Additions to non-current assets	1,077	1,096	–	–	2,173
Liabilities					
Segment liabilities	63,670	14,006	301	1,039	79,016
Loans and borrowings (Note 17)	21,011	11,370	–	–	32,381
Lease liabilities (Note 18)	2,086	677	–	–	2,763
Consolidated total liabilities	86,767	26,053	301	1,039	114,160
Revenue					
External revenue (Note 20)	67,678	3,006	–	–	70,684
Intersegment revenue	–	–	–	–	–
Total revenue	67,678	3,006	–	–	70,684
Results					
Segment (loss)/profit	(30,587)	19,055	(1,470)	(17,802)	(30,804)
Interest income	5	35	–	–	40
Interest expense	(1,150)	(898)	–	–	(2,048)
Share of profit of joint venture	–	–	–	1,706	1,706
(Loss)/Profit before taxation	(31,732)	18,192	(1,470)	(16,096)	(31,106)
Income tax expense (Note 24)	(4)	(2,250)	(90)	(4,186)	(6,530)
(Loss)/Profit for the financial year	(31,736)	15,942	(1,560)	(20,282)	(37,636)
Other information					
Non-cash income	4,795	24,488	–	(25,706)	3,577
Depreciation	(4,588)	(1,366)	–	252	(5,702)
Other non-cash expenses	(13,000)	(2,512)	(1,270)	5,779	(11,003)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

29. OPERATING SEGMENTS (CONT'D)

Geographical Information

Information about geographical areas has not been reported separately as the Group is primarily involved in business operations in Malaysia.

Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2022 RM'000	2021 RM'000	
Customer #1	18,667	25,827	Construction
Customer #2	16,218	34,281	Construction
	34,885	60,108	

30. FINANCIAL GUARANTEE CONTRACTS

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities and bank guarantees granted to certain subsidiaries, a joint venture and a related party in which certain directors of the Company have substantial financial interest, up to a total limit of approximately RM197,426,000 (2021 - RM270,708,000).

The total utilisation of these credit facilities and bank guarantees as at 30 June 2022 amounted to approximately RM112,961,000 (2021 - RM166,329,000). The Company has provided corporate guarantees on behalf on the subsidiaries to trade suppliers up to a limit of approximately RM26,140,000 (2021 - RM9,178,000).

The aforementioned financial guarantee contracts should have been recognised in the statements of financial position in accordance with the recognition and measurement policies as stated in Note 2.14. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

31. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

31. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 30.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 12. The credit risk in respect of property development activities is negligible as title will only be transferred upon receipt of full payment or undertaking of end-financing by the purchaser's end financier. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely loans and borrowings.

The Group observes the movements in interest rates and strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments.

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments:				
- Financial asset	–	213	–	–
- Financial liabilities	13,372	22,840	–	–
Floating rate instruments:				
- Financial liabilities	10,051	12,304	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

31. FINANCIAL RISK MANAGEMENT (CONT'D)

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	The Group	
	(Increase)/ Decrease in Loss 2022 RM'000	(Increase)/ Decrease in Loss 2021 RM'000
Increase in interest rate by 100 basis points	(76)	(94)
Decrease in interest rate by 100 basis points	76	94

32. CAPITAL RISK MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity (including non-controlling interests) and total loans and borrowings to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity as follows:-

	The Group	
	2022 RM'000	2021 RM'000
Loans and borrowings (Note 17)	22,025	32,381
Lease liabilities (Note 18)	1,398	2,763
Cash and cash equivalents (Note 13)	(2,280)	(4,166)
Net debt	21,143	30,978
Total equity	134,901	137,836
Debt-to-equity ratio	0.16	0.22

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

33. FINANCIAL INSTRUMENTS

33.1 Classification of Financial Instruments

	The Group		The Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial Assets				
Amortised Cost				
Receivables	56,091	83,715	93,525	94,087
Cash and cash equivalents	2,280	4,166	22	54
	58,371	87,881	93,547	94,141
Financial Liabilities				
Amortised Cost				
Loans and borrowings	22,025	32,381	–	–
Lease liabilities	1,398	2,763	–	–
Payables	63,870	79,016	1,505	1,535
	87,293	114,160	1,505	1,535

33.2 Fair Value Information

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Company and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Company's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Continued

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) On 24 March 2022, TSR Bina Sdn. Bhd. entered into a Sale and Purchase Agreement with a third party to dispose of a piece of long-term leasehold land for a total consideration of RM1.1 million. The completion of the transaction is subject to fulfilment of conditions precedent. The transaction is expected to be completed in 2023.

(c) On 17 June 2022, TSR Ocean Park Sdn. Bhd. entered into a Sale and Purchase Agreement with a third party to dispose of a piece of leasehold land together with a one and half (1½) storey building for a total consideration of RM6 million. The transaction is pending the completion of certain conditions precedent as at the end of the reporting period. The transaction is expected to be completed in 2023.

35. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 2 August 2022, TSR Ocean Park Sdn. Bhd. entered into a Sale and Purchase Agreement with a third party to dispose of a piece of leasehold land for a total consideration of RM3.7 million. The completion of the transaction is subject to fulfilment of conditions precedent.

(b) On 3 October 2022, TSR Ocean Park Sdn. Bhd. entered into a Sale and Purchase Agreement with a third party to dispose of a leasehold land and building for a total consideration of RM23.8 million. The completion of the transaction is subject to fulfilment of conditions precedent.

36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:

	The Group		
	As Previously Reported RM'000	Adjustments RM'000	As Restated RM'000
Statements of Cash Flows (Extract):- For the financial year ended 30 June 2021			
Cash flows from/(for) investing activities			
Changes in term deposits pledged as security	499	(499)	–
Cash flows from/(for) financing activities			
Withdrawal of pledged term deposits	–	499	499

LIST OF PROPERTIES

Address/Location	Tenure	Land Area	Description/ Existing use	Net Carrying Amount (RM'000)	Approximate age of building (Years)	Date of acquisition
PN49063, Lot 20096, H.S.(D) 38603, PT 817, and No. Hakmilik: 52541, Lot 20212, Mukim Bandar Port Dickson District of Port Dickson Negeri Sembilan	Leasehold 99 years (expiring in 2085 and 2115)	48,844 sq m	Investment Properties	47,296	11	28.06.2011
No. Hakmilik: 52539, Lot 20215 and No. Hakmilik: 52540, Lot 20217, Mukim Bandar Port Dickson District of Port Dickson Negeri Sembilan	Leasehold 99 years (expiring in 2085)	79,455 sq m	Land for Development	16,696	–	28.06.2011
No. Hakmilik: 231379 Lot 35264, Bandar Baru Enstek District of Seremban Negeri Sembilan	Freehold	80,940 sq m	Land for Development	7,668	–	31.12.2007
H.S.(D) 38706, PT747, Mukim Bandar Port Dickson District of Port Dickson Negeri Sembilan	Leasehold 99 years (expiring in 2115)	27,359 sq m	Land for Development	4,254	–	07.09.2012
No. Hakmilik: 52554, Lot 20132, Mukim Bandar Port Dickson District of Port Dickson Negeri Sembilan	Leasehold 99 years (expiring in 2111)	15,995 sq m	Land for Development	3,194	–	28.06.2011
H.S. (D) 3592 Lot PT 1316, Mukim Bandi 24000 Kemaman Terengganu	Leasehold 60 years (expiring in 2063)	48,500 sq m	Industrial land	249	–	07.05.2003

ANALYSIS OF SHAREHOLDINGS

AS AT 3 OCTOBER 2022

Total Number of Issued Shares	:	174,450,000
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
No. of Shareholders	:	1,977

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	Percentage %	No. of Shares	Percentage %
Less than 100	169	8.55	5,656	0.00
100 - 1,000	159	8.04	96,892	0.05
1,001 - 10,000	857	43.35	4,655,251	2.67
10,001 - 100,000	687	34.75	24,024,401	13.77
100,001 and below 5%	101	5.11	59,618,660	34.18
5% and above	3	0.15	83,049,140	47.61
Director	1	0.05	3,000,000	1.72
Total	1,977	100.00	174,450,000	100.00

STATEMENT OF DIRECTORS' HOLDINGS
as per Register of Directors' Shareholdings as at 3 October 2022

Name of Directors	No. of Shares Direct	%	No. of Shares Indirect	%
Tan Sri Dato' Lim Kang Yew	3,000,000	1.72	51,258,018*	29.38
Lim Dian Hoong	–	–	51,258,018*	29.38

SUBSTANTIAL SHAREHOLDERS
as per Register of members as at 3 October 2022

	Name of Shareholders	Direct shareholdings	%	Indirect shareholdings	%
1.	Segi Satria Sdn Bhd	51,258,018	29.38	–	–
2.	Agur Tegap Sdn Bhd	17,979,500	10.31	–	–
3.	Kencang Kuasa Sdn Bhd	13,916,622	7.98	–	–
4.	Tan Sri Dato' Lim Kang Yew	–	–	51,258,018*	29.38
5.	Lim Dian Hoong	–	–	51,258,018*	29.38
6.	Spark Ace Sdn Bhd	–	–	51,258,018*^	29.38

* Deemed interest by virtue of their shareholdings in Segi Satria Sdn. Bhd.

^ Dato' Lim Kang Poh and Mr Lim Guan Shiun deemed interest by virtue of their shareholdings in Spark Ace Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

Continued

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No of Share Held	Percentage %
1	SEGI SATRIA SDN BHD	51,153,018	29.32
2	AGUR TEGAP SDN BHD	17,979,500	10.31
3	KENCANG KUASA SDN BHD	13,916,622	7.98
4	MILLENBRIDGE SDN BHD	6,686,200	3.83
5	YAP KONG WOOI	5,791,705	3.32
6	MOHD SAINI BIN KARIMAN	4,031,750	2.31
7	RUKUN BAYU SDN.BHD.	3,708,000	2.13
8	LIM KANG YEW	3,000,000	1.72
9	WAN AH KEOW	2,794,100	1.60
10	ROSZILAWATI BINTI AKHIR	2,634,800	1.51
11	TIONG SENG YOKE	2,484,150	1.42
12	NGAI SOK TIEN	2,187,550	1.25
13	LIM CHUI HEW @ LIM BEE HUA	1,636,550	0.94
14	OOI CHIN KIANG	1,500,000	0.86
15	CHIANG SIEW ENG @ LE YU AK EE	1,439,300	0.83
16	WONG CHOOI LIN	1,323,000	0.76
17	WANG SHU LAN	1,050,000	0.60
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	1,000,000	0.57
19	TERUSAN AL-MAJU SDN BHD	980,900	0.56
20	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SEE KWAN (AL0089)	830,000	0.48
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' SRI KER CHERK YEE	650,000	0.37
22	CHOO PEI YIN	644,100	0.37
23	HUAN BOON HAW	600,000	0.34
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR QUEK PHAIK IM (E-KLC)	600,000	0.34
25	QUEK PHAIK IM	550,000	0.32
26	LIM HAI	519,000	0.30
27	ONG KIAN CHYE	500,000	0.29
28	YAP KONG WOOI	486,150	0.28
29	OH KOK KHIM	472,000	0.27
30	GOAY THIAM TING	450,000	0.26
TOTAL		**131,598,395**	**75.44**

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the Company will be held at Conference Room, Level 17, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 10.00 a.m. for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. **[PLEASE REFER TO EXPLANATORY NOTE (1)]**

2. To approve the payment of Directors' Fee and Benefits for the financial year ended 30 June 2022. **[RESOLUTION 1]**

3. To approve the payment of Directors' Benefits of up to an amount of RM50,000.00 from the 21st Annual General Meeting until the next Annual General Meeting of the Company. **[RESOLUTION 2]**

4. To re-elect Tengku Ab Hadi Bin Tengku Mustafa who is retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution. **[RESOLUTION 3]**

5. To re-elect Mr Lim Dian Hoong who is retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution. **[RESOLUTION 4]**

6. To re-elect Mr Lim Kuan Hwang who is retiring by rotation pursuant to Clause 76 (3) of the Company's Constitution. **[RESOLUTION 5]**

7. To re-elect Mr Ng Kim Keong who is retiring pursuant to Clause 78 of the Company's Constitution. **[RESOLUTION 6]**

8. To re-appoint Crowe Malaysia PLT, as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **[RESOLUTION 7]**

SPECIAL BUSINESS

9. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

"**THAT** approval be and is hereby given to Mr Tan En Chong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **[RESOLUTION 8]**

"**THAT** approval be and is hereby given to Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **[RESOLUTION 9]**

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Continued

10. **AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016.**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held in accordance with the provisions of the Companies Act 2016, whichever is the earlier." **[RESOLUTION 10]**

11. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("MANDATE")**

"**THAT** authority be and is hereby given pursuant to paragraph 10.09 and Practice Note 12 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in section 2.8 of the Circular to Shareholders dated 28 October 2022 with the related parties listed in section 2.7 which are necessary for the day-to-day operations, in the ordinary course of business, made at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those normally available to the public and are not to the detriment of the minority shareholders; **[RESOLUTION 11]**

AND THAT the authority conferred by this Mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:

i. the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that Annual General Meeting;

ii. the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340(2) of the Companies Act 2016, but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016; or

iii. revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier".

FURTHER THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Continued

12. **PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY ("PROPOSED SHARE BUY-BACK")**

"**THAT** subject to the provisions of the Companies Act 2016, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other relevant authority, approval be and is hereby given for the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad, upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company ("Share Buy-Back mandate"), provided that: **[RESOLUTION 12]**

(i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;

(ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company's retained profits at the time of the purchase(s);

(iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

(iv) the shares so purchased by the Company pursuant to the Share Buy Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Malaysia Securities Berhad and/or cancelled and/or transfer for the purposes of or under an employees' share scheme and/or be dealt with by the Directors of the Company in the manners allowed by the Companies Act 2016;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to implement, finalise and give full effect to the aforesaid with full power to assent to any condition, modification, variation and/or amendment, if any, as may be imposed by the relevant authorities and to do all such acts and things as the Directors of the Company may deem fit and expedient in the interests of the Company."

13. To transact any other business of which due notices have been given in accordance with the Company's Constitution and the Companies Act 2016.

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Continued

BY ORDER OF THE BOARD

LEONG YUE HAN, MAICSA
LEOW CHI LOONG, MIA
JOINT SECRETARIES

Petaling Jaya
28 October 2022

Notes:

1. For the purpose of determining who shall be entitled to attend at the 21st AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 21 November 2022. Only members whose name appears on this Record of Depositors shall be entitled to attend the AGM or appoint a proxy to attend, participate, speak and vote on his/her/ its behalf.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place at the AGM. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend, participate, speak and vote in his place at the AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
8. The appointment of a proxy may be made in a hard copy form or by electronic means and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll, not less than 24 hours before the time appointed for taking the poll.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's share registrar at Insurban Corporate Services Sdn Bhd at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail 60000 Kuala Lumpur, not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging proxy form is on Sunday, 27 November 2022, before 10.00 a.m.

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Continued

EXPLANATORY NOTES

1. The Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence this Agenda item is not put forward for voting.

Ordinary Business

2. **Resolutions 1 & 2**

   Section 230(1) of the CA 2016 provides amongst other, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") agreed that the members' approval shall be sought at the 21st Annual General Meeting ("AGM") on the Directors' fees and benefits.

   - Resolution 1 on payment of Directors' fees and benefits for the financial year ended 30 June 2022

     Details of the Directors' fees and benefits payable to the Directors for the financial year ended 30 June 2022 are disclosed in the Corporate Governance Overview Statement as contained in Annual Report 2022.

   - Resolution 2 on payment of Directors' benefits from the 21st AGM until the next AGM

     The total amount of Directors' benefits payable to the Directors tabled for the members' approval is for an amount up to RM50,000.00. The figure is calculated with the assumption that there will be changes to the Board size during the aforesaid period.

     The Board will seek members' approval at the next AGM in the event the amount of Directors' benefits is insufficient due to an increase in Board size.

3. **Resolutions 3, 4 , 5 & 6**

   Clause 76(3) of the Company's Constitution expressly states that at the Annual General Meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

   Pursuant to Clause 76(3), Tengku Ab Hadi Bin Tengku Mustafa, Mr Lim Dian Hoong and Mr Lim Kuan Hwang are standing for re-elections at this Annual General Meeting.

   The profiles of the Directors standing for re-elections are set out in their respective profiles in the Annual Report. The Nomination Committee of the Company has assessed the criteria and contribution of Tengku Ab Hadi Bin Tengku Mustafa, Mr Lim Dian Hoong and Mr Lim Kuan Hwang and recommend for their re-elections.

   The Board endorsed the Nomination Committee's recommendation that Tengku Ab Hadi Bin Tengku Mustafa, Mr Lim Dian Hoong and Mr Lim Kuan Hwang be re-elected as Directors of the Company.

   Pursuant to Clause 78, Mr Ng Kim Kim Keong is standing for re-election at this Annual General Meeting as a newly appointed director.

4. **Resolution 7**

   The Audit Committee and the Board have recommended the re-appointment of Crowe Malaysia PLT as Auditors of the Company as they have met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Continued

EXPLANATORY NOTES (CONT'D)

Special Business

5. **Resolutions 8 & 9**

The Proposed Resolutions 8 & 9, if passed, will allow Mr Tan En Chong and Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim to continue in office as Independent Non-Executive Directors.

The Malaysian Code on Corporate Governance states that if the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Key justifications for them to continue as Independent Non-Executive Directors are as follows:

a. Fulfill the Independent Director's criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

b. Relevant experience and expertise as set out in their profiles in the Annual Report; and

c. Long service with the Company enhances their knowledge and understanding of the business operations of the Group which enable them to contribute actively and effectively during deliberations or discussion at Audit Committee and Board meetings.

6. **Resolution 10**

The Proposed Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting. As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 22 December 2021 and which will lapse at the conclusion of the 21st Annual General Meeting. The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited for further placing of shares for purpose of funding future investment(s), working capital and/or acquisitions and to avoid incurring any costs or delay in convening a general meeting.

7. **Resolution 11**

The Proposed Resolution 11, if passed, will authorise the Group to enter into new and renewal of recurrent related party transactions as specified in the Circular to Shareholders dated 28 October 2022, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

8. **Resolution 12**

The Proposed Resolution 12 is to obtain Shareholders' Mandate for Proposed Share Buy-Back, if passed, will empower the Board of Directors of the Company to purchase the Company's ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there are no individuals who are standing for election at the 21st Annual General Meeting.

TSR CAPITAL BERHAD
Registration No. 200101005393
(541149-W)

PROXY FORM

No. of Shares held

CDS Account No.

I/We (full name in block) _____ NRIC/Company No. _____

of (full address) _____

being member(s) of TSR Capital Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the 21st Annual General Meeting of the Company to be held on Tuesday, 29 November 2022 at 10.00 a.m. at Conference Room, Level 17, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan and at any adjournment thereof.

No.	Resolutions		FOR	AGAINST
1.	To approve the payment of Directors' Fees and Benefits for the financial year ended 30 June 2022.	(Resolution 1)		
2.	To approve the payment of Directors' Benefits of up to an amount of RM50,000.00 from the 21st AGM until the next Annual General Meeting of the Company.	(Resolution 2)		
3.	To re-elect Tengku Ab Hadi Bin Tengku Mustafa as Director (Clause 76(3))	(Resolution 3)		
4.	To re-elect Mr Lim Dian Hoong as Director (Clause 76(3))	(Resolution 4)		
5.	To re-elect Mr Lim Kuan Hwang as Director (Clause 76(3))	(Resolution 5)		
6.	To re-elect Mr Ng Kim Keong as Director (Clause 78)	(Resolution 6)		
7.	To re-appoint Crowe Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.	(Resolution 7)		
	SPECIAL BUSINESS			
8.	To approve Mr Tan En Chong to continue to act as an Independent Non-Executive Director	(Resolution 8)		
9.	To approve Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim to continue to act as an Independent Non-Executive Director	(Resolution 9)		
10.	Proposed Authority for Directors to Allot and Issue Shares	(Resolution 10)		
11.	Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	(Resolution 11)		
12.	Proposed Share Buy-Back	(Resolution 12)		

* *Strike out whichever not applicable*

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Dated this _____ day of _____2022

_____
Signature of Shareholder

Notes :

1. For the purpose of determining who shall be entitled to attend at the 21st AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 21 November 2022. Only members whose name appears on this Record of Depositors shall be entitled to attend the AGM or appoint a proxy to attend, participate, speak and vote on his/her/ its behalf.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place at the AGM. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend, participate, speak and vote in his place at the AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. An instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney; and in the case of a corporate member, shall be either under its common seal or signed by its attorney or an officer on behalf of the corporation.
8. The appointment of a proxy may be made in a hard copy form or by electronic means and must be received by the Company not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll, not less than 24 hours before the time appointed for taking the poll.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of AGM will be put to vote on a poll.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the office of the Company's share registrar at Insurban Corporate Services Sdn Bhd at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail 60000 Kuala Lumpur, not less than 48 hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote or in case of poll not less than 24 hours before the time appointed for taking the poll. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging proxy form is on Sunday, 27 November 2022, before 10.00 a.m.

1st Fold Here

AFFIX
STAMP

The Share Registrar
TSR CAPITAL BERHAD
c/o Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing

TSR CAPITAL BERHAD

REG.NO.200101005393 (541149-W)

Level 16, Menara TSR, Mutiara Damansara, No. 12 Jalan PJU 7/3, Petaling Jaya, 47810 Selangor Darul Ehsan, Malaysia.
Tel: (603) 7717 7717 • Fax: (603) 7717 7618 • Email: general@tsrcap.com
www.tsrcap.com.my