

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has only perused through Part A of this Circular in respect of the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Bursa Securities has not perused the contents of this Circular in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature and Proposed Share Buy-Back Authority (as defined herein) prior to the issuance of this Circular as it is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



**TSR CAPITAL BERHAD**

(Registration No.: 200101005393 (541149-W))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PART A**

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE**

**PART B**

**PROPOSED SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN  
ORDINARY SHARES**

The above proposals will be tabled at the Twenty-First (21st) Annual General Meeting (“AGM”) of TSR Capital Berhad (“TSR” or “the Company”) which will 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 or any adjournment thereof.

The Notice of the 21st AGM and the Form of Proxy are set out in the Annual Report of TSR for the financial year ended 30 June 2022 which are available to download from the Company's website at [www.tsrcap.com.my](http://www.tsrcap.com.my).

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and shall 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 forty-eight (48) hours before the time stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : 27 November 2022 before 10.00 a.m.

Day, date and time of the 21st AGM : 29 November 2022 at 10.00 a.m.

*This Circular is dated 28 October 2022*

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	Companies Act 2016
"AGM"	:	Annual General Meeting
"Board"	:	The Board of Directors of TSR
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Director(s)"	:	The director(s) of TSR and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.

For the purpose of Proposed RRPT Mandate, the definition of director shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company, its subsidiary or holding company or a chief executive of the Company, its subsidiary or holding company.

"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending, as the case may be
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	3 October 2022, being the latest practicable date prior to the printing of this Circular
"Major Shareholder(s)"	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

This includes any person who is or was within the preceding six months of the date on which the terms of the RRPTs were agreed upon, a major shareholder of TSR as defined above or any other company which is a subsidiary or holding company of TSR.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.

"NA"	:	Net assets attributable to ordinary equity holders of the Company
"Persons Connected"	:	Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
"Proposed RRPT Mandate"	:	Proposed New and Renewal of the Shareholders' Mandate for TSR Group to enter into Recurrent Related Party Transactions for the Company and its subsidiaries in its normal course of business and on terms not more favourable than those generally available to the public, to enter into the transactions set out in Section 2.8 of this Circular (Recurrent Related Party Transactions) with persons who are considered to be "related parties" as defined in Chapter 10 of the Listing Requirements.

## DEFINITIONS (CONT’)

- “Related Party(ies)” : Director(s), Major Shareholder(s) and/or Persons Connected with such Director(s) or Major Shareholder(s) or Persons Connected with such Director or Major Shareholder who are interested in the Proposals. For the purpose of this definition, “Director” and “Major Shareholder” includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Director or Major Shareholder or Persons Connected with such Director or Major Shareholder of the Group.
- “RM” : Ringgit Malaysia and sen respectively.
- "RRPTs" : Related party transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of the TSR Group.
- “Proposed Share Buy-Back Mandate” : Proposed authority for the purchase by TSR of up to ten percent (10%) of the issued share capital of the Company
- “Purchased TSR Shares” : Share(s) purchased by TSR pursuant to Section 127 of the Act
- “Proposals” : Proposed New and Renewal of the Shareholders’ Mandate for RRPT and Proposed Share Buy-Back Authority, collectively
- "TSR" or the "Company" : TSR Capital Berhad [Registration No. 200101005393 (541149-W)]
- "TSR Group" or the "Group" : TSR and its subsidiaries, collectively
- "TSR Shares" or "Shares" : Ordinary shares in TSR

Words denoting the singular shall, where applicable, include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.

Any reference to any statute is a reference to that statute as for the time being amended or re-enacted and any subsequent amendment thereof.

All references to “you” and “your” in this Circular are to the shareholders of the Company.

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**PART A**

**PROPOSED NEW AND RENEWAL OF THE EXISTING SHAREHOLDERS'  
MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A  
REVENUE OR TRADING NATURE**



# TSR CAPITAL BERHAD

(Registration No.: 200101005393 (541149-W))  
(Incorporated in Malaysia)

**Registered Office:**

Level 16, Menara TSR  
No. 12, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan

28 October 2022

**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*)

**To: The Shareholders of TSR Capital Berhad**

Dear Sir/ Madam,

**PROPOSED NEW AND RENEWAL OF THE SHAREHOLDERS' MANDATE FOR RRPTS  
OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

On 14 October 2022 the Board announced that the Company proposed to seek shareholders' approval at the forthcoming AGM on the Proposed RRPT Mandate.

Further details of the Proposals are set out in ensuing sections.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSAL AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.**

## **2. DETAILS OF THE PROPOSAL**

### **2.1 Provisions under the Listing Requirements**

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of transactions which are made on an arm's length basis and are necessary for its day-to-day operations subject to, amongst others, the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:-

“in relation to a listed issuer with a share capital of RM60 million and above:-

- (i) the consideration, value of the assets, capital outlay or costs of the transaction is RM1 million or more; or
- (ii) the percentage ratio of such transaction is 1% or more,

whichever is the higher”;

- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Directors, Major Shareholders and Persons Connected with a Director or Major Shareholder, and where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. An interested Director or Major Shareholder must also ensure that Persons Connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholder mandate in respect of the transactions, the provisions under Paragraph 10.08 of the Listing Requirements will not apply to the transactions which are comprise in the said mandate.

**2.2** TSR Group has, in the ordinary course of its business, entered into RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which are set out in Section 2.8 herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

**2.3** Accordingly, the Board proposes to seek Proposed New and Renewal of Shareholders' Mandate for the RRPTs as set out in Section 2.8 herein

These RRPTs which are necessary for the day-to-day operations of TSR Group, will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

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## 2.4 Validity of the Proposed RRPT Mandate

The Proposed New and Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM or any adjournment thereof, will take effect from the date of the passing of the ordinary resolution at the forthcoming AGM or any adjournment thereof and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

## 2.5 Classes of Related Parties

Proposed New and Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Interested Directors;
- (ii) Interested Major Shareholders; and
- (iii) Persons Connected the Directors and/or Major Shareholders.

## 2.6 Principal Activities of the Group, TSRB

The Company is principally engaged in the business of investment holding, whilst its subsidiaries are principally involved in the business of:-

- (a) construction and civil engineering works; and
- (b) property developer and property investment

The subsidiary involved in the Proposals are:-

<b>Subsidiary</b>	<b>Equity Interest (%)</b>	<b>Principal Activities</b>
TSR Bina Sdn Bhd ("TSRB")	100	Construction and civil engineering works

It is envisaged that, in the normal course of the Group's businesses, transaction of a revenue or trading nature between the Group and the Related Parties are necessary for its day-to-day operations. The details of the RRPT under the Proposed New and Renewal of Shareholders' Mandate are set in Section 2.8 of this Circular.

## 2.7 Classes of related parties with whom transactions have been or will be carried out and contemplated

<b>No.</b>	<b>Related Party</b>	<b>Principal Activity</b>
1.	Limbongan Setia Corporation Sdn Bhd	Properties Investment
2.	U-Ni Magna Sdn Bhd	Property Investment and Management Services
3.	PLS Plantations Berhad	Investment holding, civil engineering and construction works



## 2.8 Nature of the RRPTs contemplated under the Proposal

2.8.1 The RRPTs of which is approval being sought under the Proposed Renewal of Existing Shareholders' Mandate are as follows:-

No.	Nature of Transactions	Related Party	Interested Directors/Major Shareholders	Estimated value of transactions as disclosed in the Circular to Shareholders dated 29 October 2021 (RM'000)	Actual value of transacted from 22 December 2021 to LPD (RM'000)	Estimated value from forthcoming AGM to the next AGM (RM'000)
1.	<p>Renting of Premises by TSRB from UMSB for use of office at Level 17, Menara TSR No.12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan</p> <p>Tenancy Period: 3 years from 1 January 2020 to 31 December 2022</p> <p>Renewal term: 2 years from 1 January 2023 to 31 December 2024</p> <p>Rental and service charge: RM43,731 per month</p>	U-Ni Magna Sdn Bhd ("UMSB")	<p>Tan Sri Dato' Lim Kang Yew</p> <p>Dato' Lim Kang Poh</p> <p>Lim Dian Hoong</p> <p>Lim Guan Shiun</p> <p>Lim Dian Ping</p> <p>Lim Kuan Hwang</p>	525	437	525
2.	<p>Renting of Premises by TSRB from LSCSB for use of land at Lot 45, Putra Industrial Park, Jalan BRP, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan</p> <p>Tenancy</p>	Limbongan Setia Corporation Sdn Bhd ("LSCSB")	<p>Tan Sri Dato' Lim Kang Yew</p> <p>Dato' Lim Kang Poh</p> <p>Lim Dian Hoong</p> <p>Lim Guan Shiun</p> <p>Lim Dian Ping</p> <p>Lim Kuan Hwang</p>	240	200	240

	Period: 2 years from 1 December 2020 to 30 November 2022  Renewal term: 2 years from 1 December 2022 to 30 November 2024  Rental: RM20,000 per month					
3.	Sharing cost of renting of by TSRB with PLSB for use of office premises at Level 9-01, Menara TSR, No.12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan  Rental and service charge: RM11,279 per month  (Note 1)	PLS Plantations Berhad (“PLSB”)	Tan Sri Dato’ Lim Kang Yew  Lim Dian Ping	141	82	-

Note 1: PLSB rents the premises at Level 9-01, Menara TSR (“Premises”) from UMSB. TSRB temporarily occupied certain office space of the Premises and thus shared the cost of renting proportionately. The sharing of renting costs ended at the end of July 2022.

2.8.2 The RRPTs of which is approval being sought under the Proposed New Shareholders’ Mandate are as follows:-

No.	Nature of Transactions	Related Party	Interested Directors/Major Shareholders			Estimated value from forthcoming AGM to the next AGM (RM’000)
1.	Renting of Premises by TSRB from UMSB for use of office at Level 16-01, Menara TSR No.12, Jalan PJU 7/3, Mutiara Damansara,	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			RM320

<p>47810 Petaling Jaya, Selangor Darul Ehsan</p> <p>Tenancy Period: 3 years from 1 December 2022 to 30 November 2025</p> <p>Renewal term: 2 years from 1 December 2025 to 30 November 2027</p> <p>Rental and service charge: RM26,720 per month</p>					
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## 2.9 Nature and Extent of Interest

The nature and extent of the interest of the Interested Directors and Substantial Shareholders as stated in the preceding table as at 1 October 2022 are as follows :-

- a. Tan Sri Dato' Lim Kang Yew, Dato' Lim Kang Poh, Lim Dian Hoong and Lim Guan Shiun are the directors and shareholders in U-Ni Magna Sdn Bhd.
- b. Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh are the directors and shareholders in Limbongan Setia Corporation Sdn Bhd.
- c. Tan Sri Dato' Lim Kang Yew is the director and shareholder in PLS Plantations Berhad.
- d. Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh are brothers.
- e. Lim Dian Ping is the son of Tan Sri Dato' Lim Kang Yew, nephew to Dato' Lim Kang Poh, brother to Lim Dian Hoong and cousin to Lim Guan Shiun and Lim Kuan Hwang.
- f. Lim Dian Hoong is the son of Tan Sri Dato' Lim Kang Yew, nephew to Dato' Lim Kang Poh, brother to Lim Dian Ping and cousin to Lim Guan Shiun and Lim Kuan Hwang.
- g. Lim Guan Shiun is the son of Dato' Lim Kang Poh, nephew to Tan Sri Dato' Lim Kang Yew, brother to Lim Kuan Hwang and cousin to Lim Dian Hoong and Lim Dian Ping.
- h. Lim Kuan Hwang is the son of Dato' Lim Kang Poh, nephew to Tan Sri Dato' Lim Kang Yew, brother to Lim Guan Shiun and cousin to Lim Dian Hoong and Lim Dian Ping.

## 2.10 Amount owing by Related Party pursuant to RRPTs

As at LDP, there is no amount due or owing to TSR Group pursuant to the RRPTs which have exceeded the credit terms.

## 2.11 Rationale and Benefit to the Group for Transacting with the Mandated Related Parties

The Proposed RRPT Mandate will benefit the Company by facilitating entry by TSR Group into transactions with the classes of Related Parties in the ordinary course of TSR Group's business on commercial terms, in a timely manner and will enable TSR Group to continue to carry out RRPT(s) necessary for TSR Group's day-to-day operations and enhance TSR Group's ability to pursue business opportunities which are time-sensitive in nature in a more expeditious manner.

The shareholders' mandate for RRPT(s), which is to be renewed annually, will eliminate the requirement by the Company to make regular announcements and convene separate general meetings from time to

time for the entry of the aforesaid RRPT(s). This will serve to substantially reduce expenses associated with the convening of such meetings on an ad-hoc basis, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives and opportunities.

The obtaining of the Proposed RRPT Mandate and the new and renewal of the Proposed RRPT Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when the potential RRPT with a Mandated Related Party arise thereby reducing substantially administrative time and expenses in convening such meetings without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Company and its subsidiaries.

The Proposed RRPT Mandate is intended to facilitate transactions in the normal course of business of the Company and its subsidiaries which are transacted from time to time with the Mandated Related Parties, provided that they are carried out at arm's length and on the Company and its subsidiaries' normal commercial terms and/or negotiated terms and are not prejudicial to shareholders and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

## **2.12 Review Procedures for the RRPTs**

As a matter of practice, TSR ensures the RRPTs are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The Group shall review the RRPTs based on the following parameters/procedures:-

- (i) The review of RRPTs falls within the scope of the Audit Committee;
- (ii) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and Audit Committee, on a quarterly basis. Any member of the Audit Committee may as he/she deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (iii) The pricing, terms and conditions of the RRPTs shall be consistent with the Group's usual business practice and determined with due consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to and/or by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products and/or services and/or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPTs, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPTs are not detrimental to the Company and/or the Group;

- (iv) The Audit Committee shall continue to review the above established procedures, as and when required, on an annual basis with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;

## **2.12 Review Procedures for the RRPTs (Cont'd)**

The Group shall review the RRPTs based on the following parameters/procedures (Cont'd):-

- (v) Where any Director or Persons Connected to him/ her or the Board member or Audit Committee member has an interest (direct or indirect) in any RRPTs, he/ she will abstain from voting on any matter relating to any decision making by the Board or the Audit Committee in respect of such transactions;
- (vi) The said interested Director shall undertake that he/ she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting;
- (vii) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of any one of the Executive Directors and/ or senior management of the Company;
- (viii) The RRPT which is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by the Audit Committee and the Board before the transaction is entered into; and
- (ix) The Audit Committee shall review all the RRPTs entered into by the Group generally on a yearly basis but subject to the requirement as and when necessary.

## **2.13 Disclosure in Annual Report**

Disclosure will be made in the Company's Annual Report on the breakdown of the aggregate value of the RRPTs entered during the financial year, amongst others, based on the following information:-

- (i) The types of RRPTs made; and
- (ii) The names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

## **2.14 Statement by Audit Committee**

The Audit Committee comprises three (3) members as follows.

Mr Tan En Chong

*(Chairman of Audit Committee/ Senior Independent Non-Executive Director)*

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

*(Member/ Independent Non-Executive Chairman)*

Dato' Ahmad Fadzli Bin Yaakob

*(Member/ Independent Non-Executive Director)*

The Audit Committee has seen and reviewed the guidelines and procedures set out in Section 2.12 above and is of the view that they are sufficient to ensure that the RRPTs will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The Audit Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee shall review these procedures and processes once a year. This is to ensure that the RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

### 3. Interest of Directors and Major Shareholders

The following are Interested Directors' Shareholdings and Interested Major Shareholders in the Company as at 1 October 2022.

#### 3.1 INTERESTED DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Tan Sri Dato' Lim Kang Yew	3,000,000	1.72	51,258,018*	29.38
2.	Lim Dian Hoong	-	-	51,258,018*	29.38
3.	Lim Dian Ping	-	-	-	-
4.	Lim Kuan Hwang	-	-	-	-

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

#### 3.2 INTERESTED MAJOR SHAREHOLDERS

No.	Name	Direct Shareholdings	%	Indirect Shareholdings	%
1.	Segi Satria Sdn Bhd	51,258,018	29.38	-	-
2.	Tan Sri Dato' Lim Kang Yew	3,000,000	1.72	51,258,018*	29.38
3.	Lim Dian Hoong	-	-	51,258,018*	29.38
4.	Spark Ace Sdn Bhd	-	-	51,258,018*^	29.38

**Note:** \* 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.

### **3.3 STATEMENTS IN RELATION TO INTERESTED PARTIES**

(a) The following interested directors by virtue of their direct and indirect interest have abstained and will abstain at all board meetings from all deliberations and voting on the Proposed RRPTMandate:

- i. **Tan Sri Dato' Lim Kang Yew**
- ii. **Lim Dian Hoong**
- iii. **Lim Dian Ping**
- iv. **Lim Kuan Hwang**

The aforesaid interested directors shall accordingly also abstain from voting in respect of their direct and/or indirect shareholdings (if any) on the ordinary resolution vis-à-vis the Proposed RRPT Mandate to be tabled at the forthcoming AGM.

(b) The following interested major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution vis-à-vis the Proposed RRPT Mandate to be tabled at the forthcoming AGM:

- i. **Segi Satria Sdn Bhd**
- ii. **Tan Sri Dato' Lim Kang Yew**
- iii. **Lim Dian Hoong**
- iv. **Spark Ace Sdn Bhd**

(c) Further the said interested directors and interested major shareholders will undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed RRPT Mandate at the AGM.

(d) Save as disclosed above, none of the other directors, major shareholders of the Company or persons connected with them have any interest, direct or indirect in the Proposed RRPTMandate.

### **4. EFFECTS OF THE PROPOSAL**

The Proposals are not expected to have any material impact on the share capital, substantial shareholders' shareholdings, earnings, gearing and NA of TSR.

### **5. APPROVAL REQUIRED**

The Proposal is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM or any adjournment thereof.

### **6. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, save and except for Tan Sri Dato' Lim Kang Yew, Lim Dian Hoong, Lim Dian Ping and Lim Kuan Hwang who are deemed interested in the Proposed New and Renewal of Shareholders' Mandate, having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interest of the Group.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM or any adjournment thereof of the Company.

## **7. ANNUAL GENERAL MEETING**

The ordinary resolution pertaining to the Proposed New and Renewal of Shareholders' Mandate for RRPTs is set out in the notice of the 21<sup>st</sup> AGM contained in the 2022 Annual Report of the Company. The AGM of TSR 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.

If you are unable to attend, participate, speak and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to 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 stipulated time for holding the AGM. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

## **8. FURTHER INFORMATION**

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**TSR CAPITAL BERHAD**

**Mr. Tan En Chong**  
Senior Independent Non-Executive Director



**PART B**

**PROPOSED SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS  
OWN ORDINARY SHARES**



# TSR CAPITAL BERHAD

(Registration No.: 200101005393 (541149-W))  
(Incorporated in Malaysia)

**Registered Office:**

Level 16, Menara TSR  
No. 12, Jalan PJU 7/3  
Mutiar Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan

28 October 2022

**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*)

**To: The Shareholders of TSR Capital Berhad**

Dear Sir/ Madam,

**PROPOSED SHARE BUY- BACK AUTHORITY**

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**1. INTRODUCTION**

On 14 October 2022 the Board announced that the Company proposes to undertake the Proposed Share Buy-Back Authority at the forthcoming 21st AGM of the Company. The Proposed Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM. The notice of the AGM together with the Form of Proxy is enclosed in the 2022 Annual Report of the Company for the financial year ended 30 June 2022.

Further details of the Proposals are set out in ensuing sections.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSAL AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.**

## **2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY**

### **2.1 Proposed Share Buy-Back Authority**

The Board is proposing to seek the shareholders' approval to authorize the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time.

Based on the Company's issued and paid-up share capital of RM113,299,000 comprising 174,450,000 TSR Shares. As at the LPD, the maximum number of TSR Shares which may be purchased by the Company pursuant to the proposed share buy-back authority shall not exceed 17,445,000 TSR Shares in aggregate. However, the actual number of TSR Shares to be purchased and the timing of any purchase will depend on the market conditions and sentiments of Bursa Securities, the availability of financial resources and retained profits of our Company. In addition, the Board will ensure that the purchase of TSR Shares will not result in the Company's public shareholding spread falling below the minimum public shareholding spread of twenty-five percent (25%) of the issued and paid-up share capital.

The Proposed Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

### **2.2 Maximum Amount of Funds to be Allocated and the Source of Funds**

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements for the financial year ended 30 June 2022 of the Company, the retained profits of TSR was RM 18,604,000.

The Proposed Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of TSR Shares to be purchased and other relevant factors. The actual number of TSR Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

## **2.3 Treatment of the Purchased TSR Shares**

Pursuant to Section 127(4) of the Act, where the Company has purchased the Shares, the Board may, at their discretion, resolve: -

- i) to cancel the shares so purchased;
- ii) to retain the shares so purchased in treasury, which is referred to as “treasury shares” in the Act; or
- iii) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares.

Upon each Proposed Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Shares purchased or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares so purchased.

## **2.4 Purchase/Resale Price**

Pursuant to the Listing Requirements, the Company may only purchase TSR Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s). The Company may only resell the Purchased TSR Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of TSR Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than 5% to the weighted average share price of TSR Shares for the five (5) Market Days immediately prior to the resale provided that:
  - (i) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
  - (ii) the resale price is not less than the cost of purchase of the shares being resold.

The Proposed Share Buy-Back Authority and/or resale of the Purchased TSR Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The Company shall ensure that all dealing(s) in its own Shares/Purchased TSR Shares are made through stock broker(s) appointed by the Company.

## **2.5 Potential Advantages and Disadvantages of the Proposed Share Buy-Back Authority**

The potential advantages of the Proposed Share Buy-Back Authority are as follows:

- (a) The Proposed Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased TSR Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Share Buy-Back Authority may also stabilise the supply and demand of TSR Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of TSR Shares price is important to maintain investors’ confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Share Buy-Back Authority are as follows:

- (a) The Proposed Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of TSR Group.
- (b) The Proposed Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- (c) The Proposed Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

## **2.6 Public Shareholding Spread**

Pursuant to the Listing Requirements, the Proposed Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance of twenty-five (25%) public spread. Based on the Company's Record of Depositors as at LPD, the public spread of the Company was 50.61%. The Board will endeavor to ensure that the Company complies with the public spread requirements and shall not buy back the Company's own shares if the purchase would result in the public spread requirements not being met.

## **2.7 Implication Relating to the Code**

Pursuant to Rule 4 of the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining TSR Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33% or if his/her/their shareholdings is between 33% and 50% and increases by another 2% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back Authority.

## **2.8 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months**

There were no purchase, resale, transfer or cancellation of shares made by TSR in the previous twelve (12) months preceding the date of this Circular.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY**

The implementation of the Proposed Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the TSR Shares traded on Bursa Securities and thereby support its fundamental value;

- (ii) the EPS of TSR Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased TSR Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased TSR Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased TSR Shares held as treasury shares are resold at prices higher than the purchase price.

#### **4. MATERIAL FINANCIAL EFFECTS OF THE PROPOSED TSR MANDATE**

##### **4.1. Share Capital**

It is the intention of the Company to retain the Purchased Shares as Treasury Shares. Hence, it will not have any effect on the total issued and paid-up share capital of TSR. However, the rights attached to the Purchased Shares will be suspended as long as they are retained as Treasury Shares.

##### **4.2. NA**

The effect of the Share Buy-Back on the consolidated NA of the Group will depend on the purchase price and the number of Shares purchased and the treatment of the Purchased Shares. In the event that the resale price is higher than the purchase price, there will be an increase in the consolidated NA, and vice versa.

If the Treasury Shares are distributed as share dividends, the consolidated NA would decrease by any associated costs incurred in the distribution of the Treasury Shares.

##### **4.3. Working Capital**

The Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which will depend on the actual number of TSR Shares purchased and the price paid and any associated costs incurred for the purchase of the Shares. In the event that the Treasury Shares are subsequently resold on Bursa Securities, the working capital of the Group will increase upon the receipt of the proceeds of the resale.

##### **4.4. EPS**

The effect of the Share Buy-Back on the EPS of the Group will depend on the actual purchase price of TSR Shares, the number of Shares purchased and any effective funding cost of the purchase, if applicable, or any loss of interest income to the Company resulting from funds used for the Share Buy-Back.

Generally, all else being equal, the Share Buy-Back will have a positive impact on the EPS of the Group as the Purchased Shares, whether cancelled or retained as treasury shares, will effectively reduce the total share capital used for the computation of EPS.

In the event that the Treasury Shares are subsequently resold on Bursa Securities, the EPS will increase if the purchase price and associated costs incurred are less than the actual selling price of the Treasury Shares, and vice versa.

##### **4.5. Dividends**

The Share Buy-Back may have an impact on the Company's dividend pay-out as it may reduce the cash available, which could otherwise be used for the dividend payment. Nonetheless, if the Purchased Shares are retained as treasury shares, the dividend rate will also be increased with the suspension of the rights attaching to the Treasury Shares as to dividend entitlement. Moreover, the Treasury Shares so purchased may be distributed as share dividends to shareholders of the Company if the Board so decides.

#### 4.6. Shareholdings of Directors, Major Shareholders and persons connected to them

The effect of the Share Buy-Back on the shareholdings of the Directors and Major Shareholders as at Latest Practicable Date, are set out as follows:

	as at Latest Practicable Date			After share buy- back of maximum 10%	Shares are cancelled/retained %#
	Direct No. of shares	Indirect No. of shares	No. of shares	Total %*	
<b>Directors</b>					
Tan Sri Dato' Lim Kang Yew	3,000,000	51,258,018 <sup>1</sup>	54,258,018	31.10	34.56
Lim Dian Hoong	-	51,258,018 <sup>1</sup>	51,258,018	29.38	32.65
Lim Dian Ping	-	-	-	-	-
Lim Kuan Hwang	-	-	-	-	-
<b>Major Shareholders</b>					
Segi Satria Sdn. Bhd.	51,258,018	-	51,258,018	29.38	32.65
Tan Sri Dato' Lim Kang Yew	3,000,000	51,258,018 <sup>1</sup>	51,258,018	31.10	34.56
Lim Dian Hoong	-	51,258,018 <sup>1</sup>	51,258,018	29.38	32.65
Spark Ace Sdn Bhd <sup>2</sup>	-	51,258,018 <sup>2</sup>	51,258,018	29.38	32.65

Notes:

\* Based on share capital of 174,450,000

# Based on share capital of 157,005,000

- 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.

Save as disclosed above, none of the other Directors, Major Shareholders or persons connected to them have any interest, direct or indirect, in the Share Buy-Back.

#### 5. HISTORICAL SHARE PRICES

The details of the highest and lowest prices of TSR shares traded on the Bursa Securities for the past 12 months are as follows:

Month	Highest	Lowest
	(RM)	(RM)
October 2021	0.270	0.230
November 2021	0.235	0.195
December 2021	0.215	0.195
January 2022	0.240	0.195
February 2022	0.215	0.195
March 2022	0.205	0.190
April 2022	0.225	0.200
May 2022	0.215	0.200
June 2022	0.205	0.185
July 2022	0.210	0.170
August 2022	0.210	0.165
September 2022	0.200	0.180

(Source: www.bursamalaysia.com)

The last transacted price on 3 October 2022 was RM0.18.

**6. APPROVALS REQUIRED**

The Proposed Share Buy-Back Authority is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

**7. DIRECTORS' RECOMMENDATION**

The Board after having considered all aspects of the Proposed Share Buy-Back Authority is of the opinion that the Proposed Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of the Company to vote in favour of the ordinary resolution for the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM.

**8. ANNUAL GENERAL MEETING**

The ordinary resolution pertaining to the Proposed Share Buy-Back Authority is set out in the notice of the 21st AGM contained in the 2022 Annual Report of the Company. The AGM of TSR 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.

If you are unable to attend, participate, speak and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to 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 stipulated time for holding the AGM. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**TSR CAPITAL BERHAD**

**Mr. Tan En Chong**  
Senior Independent Non-Executive Director



**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

Save as disclosed below, neither the Company nor its subsidiaries are involved in any material litigation, claims, or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the Group.

a) Josu Engineering Construction Sdn Bhd ("Plaintiff") against TSR Bina Sdn Bhd ("Defendant")

The Plaintiff had commenced an action against the Defendant for unlawful termination of the letter of award in respect of subcontract for building works for the Construction of Fisheries Research Centre in Jelevu, Negeri Sembilan. On 6 February 2007, the Plaintiff obtained a judgement in default against the Defendant. The Plaintiff had on 30 August 2012 filed a notice of appointment for assessment of damages after the Defendant lost various appeals and applications to set aside the judgement in default. The Plaintiff is claiming a sum of approximately RM6 million being the damages against the Defendant.

The matter is now under the stage of assessment proceedings. The Court has fixed the continuation of the hearing on 15 to 17 February 2023.

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

On 25 February 2019, TSRB terminated the sub-contract works awarded to HSB in respect of subcontract for reinforce concrete works for the Construction and Completion of Public Residential in Putrajaya. Disputes arose between the parties and the Claimant commenced adjudication proceedings under Construction Industry Payment and Adjudication Act 2012 ("CIPAA"). The Respondent had received one payment claim under Section 5 of the CIPAA from its sub-contractor, the Claimant for a total amount of RM7,752,592.89 ("CIPAA Payment Claim").

The Adjudicator had given an adjudication decision ("Adjudication Decision"), allowing the Claimant among others the sum of RM7,435,044.98 with interests and costs.

The Respondent had filed an application to set aside the Adjudication Decision and/or have the said Adjudication Decision stayed pending the hearing, disposal and/or final determination of this application, pursuant to Section 15 and 16 of the CIPAA at the High Court ("Applications"). On 29 November 2019, the Court had dismissed TSRB's application to set aside and stay application and had allowed HSB's application to enforce the Adjudication Decision.

Thereafter, TSRB filed application of stay pending appeal at Court of Appeal. On 19 December 2019, the Court has granted an interim stay to TSRB pending full hearing. On 28 February 2020, the Court has granted TSRB stay of proceedings until disposal of decision by the Court of Appeal on TSRB's appeal on the dismissal of set aside application by High Court of Kuala Lumpur ("Appeal"). The Court has presently fixed the hearing date for the Appeal on 25 November 2022.

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

The hearing of the arbitration proceedings commenced on 14 March 2022 and continued thereafter on 24 June 2022, 30 June 2022, 8 July 2022 and 2 September 2022. The matters has been fixed for continuance of hearing on 6 and 7 January 2023, and 9 January 2023.

**FURTHER INFORMATION (CON'D)**

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**MATERIAL LITIGATION (CON'D)**

- c) TSR Bina Sdn Bhd ("Claimant") against Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("Respondent" or "SPYTL")

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

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

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

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

**3. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the past 2 years immediately preceding the date of this Circular.

- (a) On 17 June 2022, TSR Ocean Park Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a conditional sale and purchase agreement with Gerbang Alaf Restaurants Sdn Bhd for the disposal of part of lands measuring approximately 36,617 square feet held under HSD 38489 PT 823 and HSD 38604 PT 818, Bandar Port Dickson, Daerah Port Dickson, Negeri Sembilan together with a McDonald's restaurant erected thereon for a total disposal consideration of RM6,000,000.
- (b) On 3 October 2022, TSR Ocean Park Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a conditional sale and purchase agreement with NTS Development Sdn Bhd for the disposal of one single storey commercial building erected thereon on all that pieces of leasehold lands held under individual titles PN49063, No. Lot 20096 measuring approximately 7,374 square metres in area and H.S. (D) 38603 PT 817 measuring approximately 14,760 square metres in area both in Bandar Port Dickson, Daerah Port Dickson, Negeri Sembilan ("Property") for a total disposal consideration of RM23,800,000.

**FURTHER INFORMATION (CON'D)**

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**4. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection during normal business hours (except public holidays) at the Registered Office of the Company located at Level 16, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan from the date of this Circular up to and including the date of the forthcoming AGM:-

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of TSR for the past two (2) FYE 2021 and 2022;
- (c) Tenancy Agreement(s) between TSRB and UMSB;
- (d) Tenancy Agreement(s) between TSRB and LSCSB;
- (e) the relevant cause paper in respect of the material litigation; and
- (f) Material Contracts.

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