

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your TSR Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Insurban Corporate Services Sdn Bhd at 149 Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 24 November 2014. The approval from Bursa Securities has also been obtained on 27 October 2014 for the admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and the Warrants as well as the TSR Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to this Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on 30 November 2015. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares and the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares and the Warrants made by the Entitled Shareholders and/ or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHB Investment Bank, being our Principal Adviser and Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



TSR CAPITAL BERHAD

(Company No.: 541149-W)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 62,315,000 NEW ORDINARY SHARES OF RM0.50 EACH IN TSR ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING TSR SHARES HELD AT 5.00 P.M. ON 30 NOVEMBER 2015, TOGETHER WITH UP TO 62,315,000 FREE DETACHABLE NEW WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR, AT AN ISSUE PRICE OF RM0.51 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Principal Adviser and Underwriter



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Monday, 30 November 2015 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 7 December 2015 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Thursday, 10 December 2015 at 4.00 p.m.
Last date and time for acceptance and payment	: Tuesday, 15 December 2015 at 5.00 p.m.*
Last date and time for excess application and payment	: Tuesday, 15 December 2015 at 5.00 p.m.*

* or such later date and time as our Board may determine, subject to the consent of our Underwriter, and announce not less than two (2) Market Days before the stipulated date and time.

This Abridged Prospectus is dated 30 November 2015

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES AND THE WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:

“Abridged Prospectus”	: This abridged prospectus dated 30 November 2015
“Act”	: The Companies Act, 1965
“AGM”	: Annual General Meeting
“Agur Tegap”	: Agur Tegap Sdn Bhd (471193-M)
“Amendments”	: The amendments to the Memorandum and Articles of Association of TSR as a consequence of the Share Capital Reduction and Increase in Authorised Share Capital
“Board”	: The Board of Directors of TSR
“Bursa Depository” or “Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“CDS”	: Central Depository System
“CDS Account”	: A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
“CMSA”	: The Capital Markets and Services Act 2007
“Code”	: Malaysian Code on Take-Overs and Mergers 2010
“Corporate Exercises”	: The Share Capital Reduction, the Rights Issue with Warrants, the Increase in Authorised Share Capital and the Amendments, collectively
“Deed Poll”	: The deed poll dated 16 November 2015 constituting the Warrants
“Director(s)”	: The directors of TSR and shall have the meaning given in Section 2(1) of the CMSA
“EGM”	: Extraordinary general meeting
“Entitled Shareholder(s)”	: Our shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date pursuant to the Rights Issue with Warrants
“Entitlement Date”	: 5.00 p.m. on 30 November 2015, being the time and date on which the names of our shareholders must appear in our Company’s Record of Depositors in order to participate in the Rights Issue with Warrants
“EPS”	: Earnings per Share
“Excess Rights Shares with Warrants”	: Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renounee(s) (if applicable) prior to excess application

DEFINITIONS (Cont'd)

“First Tranche”	: 3,000,000 Placement Shares issued at an issue price of RM1.00 per Placement Share and listed on 25 September 2014
“FPE”	: Financial period ended
“FYE”	: Financial year ended/ ending
“GDC”	: Gross development cost
“GDP”	: Gross domestic product
“GDV”	: Gross development value
“Increase in Authorised Share Capital”	: The increase in the authorised share capital of TSR from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each after Share Capital Reduction
“Irrevocable Undertaking(s)”	: The written irrevocable and unconditional undertakings provided by the Undertaking Shareholders to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their respective shareholdings as at Entitlement Date
“Kencang Kuasa”	: Kencang Kuasa Sdn Bhd (691901-D)
“LBT”	: Loss before taxation
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 2 November 2015, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
“Market Day(s)”	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
“Maximum Scenario”	: Assuming all the Remaining Placement Shares were allotted prior to the Entitlement Date
“Minimum Scenario”	: Assuming that none of the Remaining Placement Shares were allotted prior to the Entitlement Date
“NA”	: Net assets
“NPA”	: Notice of provisional allotment
“NTA”	: Net tangible assets
“Official List”	: A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
“PAT”	: Profit after taxation
“PATMI”	: Profit after taxation and minority interests
“PBT”	: Profit before taxation

DEFINITIONS (Cont'd)

"Placement Share(s)"	:	Up to 11,330,000 new ordinary shares of RM1.00 each in TSR to be issued of which the First Tranche was listed on 25 September 2015
"Price Fixing Date"	:	16 November 2015, being the date on which the issue price of the Rights Shares and the exercise price of the Warrants have been fixed at RM0.51 per Rights Share and RM0.70 per Warrant, respectively
"Private Placement"	:	The private placement of up to 11,330,000 Placement Shares, representing up to 10% of the issued and paid-up share capital of our Company as announced on 24 July 2014 of which the listing of and quotation for the Placement Shares has been approved by Bursa Securities vide its letter dated 26 August 2014
"Provisional Rights Shares with Warrants"	:	Rights Shares with Warrants provisionally allotted to the Entitled Shareholders
"Record of Depositors"	:	A record consisting of names of depositors established by Bursa Depository under the Rules of Depository
"Remaining Placement Share(s)"	:	The remaining 8,330,000 Placement Shares to be placed to investors to be identified at an issue price to be determined pursuant to the Private Placement
"RHB Investment Bank", the "Principal Adviser" or the "Underwriter"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 62,315,000 Rights Shares on the basis of one (1) Rights Share for every two (2) TSR Shares held on the Entitlement Date, together with up to 62,315,000 Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed for, at an issue price of RM0.51 per Rights Share
"Rights Share(s)"	:	TSR Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form
"SC"	:	Securities Commission Malaysia
"Segi Satria"	:	Segi Satria Sdn Bhd (555840-M)
"Share Capital Reduction"	:	The share capital reduction via the cancellation of RM0.50 from the par value of every existing ordinary share of RM1.00 each in TSR pursuant to Section 64(1) of the Act
"TERP"	:	Theoretical ex-rights price
"TSR" or the "Company"	:	TSR Capital Berhad (541149-W)
"TSR Group" or the "Group"	:	TSR and its subsidiary companies, collectively

DEFINITIONS (Cont'd)

“TSR Share(s)” or “Share(s)”	: Ordinary share(s) of RM0.50 each in TSR
“Undertaking Shareholders”	: Segi Satria, Agur Tegap, Kencang Kuasa and Tan Sri Dato’ Lim Kang Yew, collectively
“Underwriting Agreement”	: Underwriting agreement entered into between TSR and the Underwriter dated 16 November 2015
“Underwritten Shares”	: The portion of the Rights Shares of up to 25,454,594 representing 40.86% of the total Rights Shares to be issued for which no irrevocable and unconditional written undertaking was procured from any Entitled Shareholders
“VWAP”	: Volume-weighted average market price
“Warrant(s)”	: New free detachable warrants to be issued pursuant to the Rights Issue with Warrants

All references to “our Company” and “TSR” in this Abridged Prospectus are made to TSR Capital Berhad and references to “our Group” or “TSR Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	Page
CORPORATE DIRECTORY	vii
LETTER TO OUR ENTITLED SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS	3
2.1 Particulars of the Rights Issue with Warrants	3
2.2 Basis and justification of determining the issue price of the Rights Shares	4
2.3 Basis and justification of determining the exercise price of the Warrants	4
2.4 Ranking of the Rights Shares and TSR Shares to be issued arising from the exercise of the Warrants	4
2.5 Salient terms of the Warrants	5
2.6 Details of other corporate exercises	7
3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS	7
4. IRREVOCABLE UNDERTAKING AND UNDERWRITING ARRANGEMENT	8
5. UTILISATION OF PROCEEDS	9
6. RISK FACTORS	10
6.1 Risks relating to our operations and the industries that we operate in	10
6.2 Risks relating to the Rights Issue with Warrants	13
6.3 Forward-looking statements	13
7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP	14
7.1 Overview and outlook of the Malaysian economy	14
7.2 Overview and outlook of the construction and property development industries	15
7.3 Prospects of TSR Group	16
8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS	18
8.1 Issued and paid-up share capital	18
8.2 NA per share and gearing	19
8.3 Earnings and EPS	21
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	22
9.1 Working capital	22
9.2 Borrowings	22
9.3 Contingent liabilities	22
9.4 Material commitments	23

TABLE OF CONTENTS (Cont'd)

10.	INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS	23
10.1	General	23
10.2	NPA	23
10.3	Last date and time for acceptance and payment	23
10.4	Procedures for acceptance and payment	23
10.5	Procedures for part acceptance by Entitled Shareholders	26
10.6	Procedures for sale or transfer of Provisional Rights Shares with Warrants	26
10.7	Procedures for acceptance by renouncees	26
10.8	Procedures for application of Excess Rights Shares with Warrants	27
10.9	Form of issuance	28
10.10	Laws of foreign country or jurisdiction	29
11.	TERMS AND CONDITIONS	30
12.	FURTHER INFORMATION	31
APPENDICES		
I.	CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014	32
II.	INFORMATION ON OUR COMPANY	37
III.	PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON	49
IV.	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON	71
V.	UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30 SEPTEMBER 2015	157
VI.	DIRECTORS' REPORT	171
VII.	ADDITIONAL INFORMATION	172

CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Occupation
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (<i>Chairman / Independent Non-Executive Director</i>)	P3-05-01, Andalucia Pantai Hillpark Jalan Pantai Hillpark Jalan Pantai Permai Off Jalan Kerinchi, Pantai Dalam 59200 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Tan Sri Dato' Lim Kang Yew (<i>Deputy Chairman / Non-Independent Executive Director</i>)	229-A, Batu 4 Jalan Gombak 53000 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Dato' Wan Abd Razak Bin Ismail (<i>Chief Operating Officer / Non-Independent Executive Director</i>)	No. 18, Jalan U1/13A Glenmarie Residences 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Tengku Datuk Mustapha Bin Tengku Mohamed (<i>Executive Director</i>)	46, Jalan Setiaraya Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Lim Dian Hoong (<i>Executive Director</i>)	229-A, Batu 4 Jalan Gombak 53000 Kuala Lumpur Wilayah Persekutuan	Malaysian	Company Director
Tan En Chong (<i>Senior Independent Non-Executive Director</i>)	28, Jalan 17/45 46400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Accountant
Dato' Sazmi Bin Miah (<i>Independent Non-Executive Director</i>)	No. 2, Jalan USJ 11/2G 47620 UEP Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Tan En Chong	Chairman	Senior Independent Non-Executive Director
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	Member	Independent Non-Executive Director
Dato' Sazmi Bin Miah	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Chua Hoon Ping (MAICSA 7044386)
c/o Level 16, Menara TSR
No. 12, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
- Ng Kim Keong (MIA 17349)
c/o Level 16, Menara TSR
No. 12, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
- REGISTERED OFFICE /
CORPORATE OFFICE** : 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
- SHARE REGISTRAR** : Insurban Corporate Services Sdn Bhd (76260-W)
149 Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
- Tel: 603-7729 5529
Fax: 603-7728 5948
- AUDITORS AND REPORTING
ACCOUNTANTS** : Messrs. Crowe Horwath (AF 1018)
Chartered Accountants
Suite 50-3, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40710 Shah Alam
- PRINCIPAL BANKERS** : Hong Leong Bank Berhad
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
- : HSBC Bank Malaysia Berhad
2, Leboh Ampang
50100 Kuala Lumpur
- : Standard Chartered Bank Malaysia Berhad
Level 21, Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur
- : United Overseas Bank (Malaysia) Berhad
Level 11, Menara UOB
Jalan Raja Laut, P.O. Box 11212
50738 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

DUE DILIGENCE SOLICITOR	:	Messrs. Wei Chien & Partners Level 29, Tower A Vertical Business Suite Avenue 3 Bangsar South No. 8 Jln Kerinchi 59200 Kuala Lumpur
PRINCIPAL ADVISER AND UNDERWRITER	:	RHB Investment Bank Berhad (19663-P) Level 9, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



TSR CAPITAL BERHAD
(Company No.: 541149-W)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

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

30 November 2015

Board of Directors

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (*Chairman / Independent Non-Executive Director*)
Tan Sri Dato' Lim Kang Yew (*Deputy Chairman / Non-Independent Executive Director*)
Dato' Wan Abd Razak Bin Ismail (*Chief Operating Officer/ Non-Independent Executive Director*)
Tengku Datuk Mustapha Bin Tengku Mohamed (*Executive Director*)
Lim Dian Hoong (*Executive Director*)
Tan En Chong (*Senior Independent Non-Executive Director*)
Dato' Sazmi Bin Miah (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RIGHTS ISSUE WITH WARRANTS

1. INTRODUCTION

On 24 July 2014, RHB Investment Bank had, on behalf of our Board, announced that our Company proposed to undertake, *inter alia*, the Rights Issue with Warrants.

Subsequently, on 27 October 2014, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 27 October 2014, approved the following:-

- (i) Admission of the Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities;
- (ii) Listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities; and
- (iii) Listing of and quotation for the TSR Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities;

subject to the following conditions:-

Condition(s)	Status of compliance
(i) TSR and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue with Warrants;	To be complied with
(ii) TSR and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied with
(iii) TSR to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed;	To be complied with
(iv) TSR is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied with
(v) To incorporate Bursa Securities' comments in respect of the draft circular	Complied

Our shareholders had, at our EGM held on 24 November 2014, approved, *inter alia*, the Rights Issue with Warrants. A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants passed at the said EGM is set out in **Appendix I** of this Abridged Prospectus.

On 18 September 2015, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 17 September 2015 granted the Company an extension of time until 27 April 2016 to complete the Rights Issue with Warrants.

On 16 November 2015, RHB Investment Bank had, on behalf of our Board, announced the following:-

- (i) the issue price of the Rights Shares has been fixed at RM0.51 per Rights Share and the exercise price of the Warrants has been fixed at RM0.70 per Warrant;
- (ii) the Entitlement Date has been fixed on 30 November 2015 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue with Warrants; and
- (iii) our company had entered into the Underwriting Agreement with the Underwriter to underwrite the Underwritten Shares.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Particulars of the Rights Issue with Warrants

The Rights Issue with Warrants entails the issuance of up to 62,315,000 Rights Shares on the basis of one (1) Rights Share for every two (2) TSR Shares held on Entitlement Date, together with up to 62,315,000 Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for by the Entitled Shareholders and/ or their renouncee(s) (if applicable) at an issue price of RM0.51 per Rights Share. The basis for the Rights Shares and Warrants was arrived at after taking into consideration the estimated quantum of funds required as working capital, details of which are set out in **Section 5** of this Abridged Prospectus.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

Any unsubscribed Rights Shares together with the Warrants, will be made available to other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the excess Rights Shares application. Fractional entitlements of the Rights Shares and the Warrants arising from the Rights Issue with Warrants, if any, shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner, and on the basis as set out in Section 10.8 of this Abridged Prospectus.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll.

As the Rights Shares and the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued.

We will allot and issue the Rights Shares with Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis and justification of determining the issue price of the Rights Shares

On 16 November 2015, RHB Investment Bank had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.51 each. This represents a discount of approximately 27.14% to the TERP of TSR Shares of approximately RM0.70, calculated based on the five (5)-day VWAP of TSR Shares up to and including 13 November 2015 of approximately RM0.79, being the last trading day of TSR Shares immediately preceding the Price Fixing Date for the Rights Shares. The issue price for the Rights Shares was determined by our Board after taking into consideration of the following:

- (i) the TERP of the TSR Shares based on the five (5)-day VWAP of TSR immediately prior to the Price Fixing Date; and
- (ii) the funding requirements of TSR as set out in **Section 5** of this Abridged Prospectus.

2.3 Basis and justification of determining the exercise price of the Warrants

On 16 November 2015, RHB Investment Bank had, on behalf of our Board, announced that the exercise price of the Warrants has been fixed at RM0.70 each, being the TERP of TSR Shares, calculated based on the five (5)-day VWAP of TSR Shares up to 13 November 2015, being the last trading day of TSR Shares immediately preceding the Price Fixing Date for the Warrants. The exercise price of the Warrants was determined by our Board after taking into consideration the following:

- (i) the historical price movement of the TSR Shares;
- (ii) the historical and current financial performance of TSR Group;
- (iii) the five (5)-day VWAP of TSR Shares prior to the Price Fixing Date for the Warrants; and
- (iv) the long term funding requirements of TSR Group.

For avoidance of doubt, the Warrants will be issued free to the shareholders who subscribe for the Rights Shares on the basis of one (1) Warrant for every one (1) Rights Share subscribed.

2.4 Ranking of the Rights Shares, Warrants and TSR Shares to be issued arising from the exercise of the Warrants

All the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the TSR Shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The holders of the Warrants will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into TSR Shares.

The TSR Shares arising from the exercise of Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then TSR Shares, save and except that they will not be entitled to any dividends, rights, allotment and/ or any other distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the said TSR Shares.

2.5 Salient terms of the Warrants

The principal terms of the Warrants are set out below:

Issue size	:	Up to 62,315,000 Warrants to be issued in conjunction with the Rights Issue with Warrants on the basis of one (1) Warrant for every one (1) Rights Share subscribed
Form and denomination	:	The Warrants which are issued with the Rights Shares will immediately be detached upon issuance and will be separately traded on Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll
Exercise Rights	:	Each Warrant entitles the registered holder, at any time during the Exercise Period, to subscribe for one (1) TSR Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll
Exercise Period	:	The Warrants may be exercised at any time within a period of five (5) years commencing from and including the date of issuance of the Warrants and ending at 5.00 pm on the Expiry Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	:	The exercise price of the Warrants is fixed at RM0.70, after taking into consideration the TERP of the TSR Shares at the Price Fixing Date, subject to the exercise price not being less than the par value
Expiry Date	:	The day falling immediately before the fifth (5 th) anniversary of the date of issuance of the Warrants and if such date is not a market day, then on the preceding market day.
Mode of exercise	:	The registered holder of a Warrant is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the Deed Poll
Mode of transfer	:	The Warrants are transferrable in the manner and according to the provisions of the Deed Poll, Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise 100 Warrants, or such other multiple thereof as determined by Bursa Securities, carrying the right to subscribe for 100 TSR Shares at any time during the Exercise Period
Listing status	:	Approval has been obtained from Bursa Securities on 27 October 2014 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new TSR Shares arising from the exercise of Warrants on the Main Market of Bursa Securities.
Ranking of new Shares	:	The new TSR Shares to be issued pursuant to the exercise of the Warrants, shall upon allotment and issue, rank <i>pari passu</i> in all respects with the TSR Shares, save and except that they will not be entitled to any dividend, right, allotment, and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the relevant allotment and issuance date of the said TSR Shares

Rights in the event of winding up, liquidation, compromise and/ or arrangement	<p>: Where a resolution has been passed for a members' voluntary winding up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with the amalgamation of the company with one or more companies, then:</p> <p>(i) if such winding-up, compromise or arrangement has been approved by the warrant holders by way of a special resolution, the terms of such winding-up, compromise or arrangement shall be binding on all the warrant holders; and</p> <p>(ii) in any other case, every warrant holder shall be entitled upon and subject to the provisions of the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the Exercise Period), by irrevocable surrender on a market day of his/her Warrants to the Company by submitting the exercise form(s) duly completed, authorising the debiting of his/her Warrants from his/her CDS Account together with payment of the relevant Exercise Price and otherwise in accordance with the Deed Poll, to elect to be treated as if he/she had on the market day immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by such Warrants to the extent specified in the relevant exercise forms and had on such date been the holder of the new shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the warrant holders in accordance with the Deed Poll of the passing of any such resolution or the granting of the court order within seven (7) days after the passing or granting thereof</p>
Adjustments in the Exercise Price and/ or number of Warrants	<p>: The Exercise Price and/ or the number of unexercised Warrants may be adjusted by the Board, in consultation with its approved advisers or the auditors, in the event of alteration of the par value of the TSR Shares by reason of any consolidation or subdivision or conversion, issuance of shares by way of capitalisation of profits or reserves, capital distribution or issue of shares or convertible securities or any other events in accordance with the provisions of the Deed Poll</p>
Rights of the Warrant holders	<p>: Warrant holders are not entitled to any dividends, rights, allotments. The warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of further securities in the Company unless and until the warrant holders become ordinary shareholders by exercising their respective Warrants in accordance with the provisions of the Deed Poll or unless otherwise resolved by the Company in a general meeting</p>
Provision for changes in terms during tenure of the Warrants	<p>: Any modification, deletion or addition to the Deed Poll (including the form and content of the Warrant certificates) may be effected only by a deed poll executed by the Company and expressed to be supplemental to the Deed Poll, and only if the requirements of Condition 6 of the Second Schedule of the Deed Poll have been complied with. For the avoidance of doubt, any such modification, deletion or addition shall be binding upon the warrant holders.</p>
Deed Poll	<p>: The Warrants will be constituted by a Deed Poll</p>
Governing Law	<p>: Laws and regulations of Malaysia</p>

2.6 Details of other corporate exercises

As at the LPD, save as disclosed below and for the Rights Issue with Warrants, our Board confirms that there are no other corporate exercises that have been announced but not yet completed:-

- (i) The private placement of up to 11,330,000 Placement Shares, representing up to 10% of the issued and paid-up share capital of our Company as announced on 24 July 2014 of which the listing of and quotation for the Placement Shares has been approved by Bursa Securities vide its letter dated 26 August 2014. Further, Bursa Securities granted an approval for an extension of time until 31 December 2015 to complete the Private Placement. As at LPD, the Company has issued 3,000,000 Placement Shares pursuant to the Private Placement.

The Private Placement is concurrently being implemented with the Rights Issue with Warrants. The Private Placement is not conditional upon any Corporate Exercises. In the event any Remaining Placement Shares are issued prior to the Entitlement Date, these Placement Shares will be entitled to the Rights Shares.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable TSR to raise gross proceeds of up to RM31,780,650 (excluding proceeds raised from the exercise of Warrants).

After due consideration of the various funding options available to our Company, including bank borrowings, our Board is of the view that the Rights Issue with Warrants is currently the most appropriate means of raising funds for TSR after taking into consideration several major factors including the following:-

- (i) The Rights Issue with Warrants will enable TSR to raise funds without incurring interest cost, as compared to bank borrowings. The funds raised will be utilised for the purposes highlighted in **Section 5** of this Abridged Prospectus, which is expected to contribute positively towards the future earnings of our Group;
- (ii) The Rights Issue with Warrants will optimise TSR's capital structure by strengthening its financial position through the increase in share capital and net assets, and reducing its current gearing level;
- (iii) The Rights Issue with Warrants will provide an opportunity for the existing shareholders of TSR to further participate in the equity of our Company and benefit from the potential future growth of TSR; and
- (iv) The Warrants attached to the Rights Shares are expected to provide an incentive to the Entitled Shareholders to subscribe for the Rights Shares. The Warrants will allow the Entitled Shareholders to increase their equity participation in our Company at a predetermined price over the tenure of the Warrants, and hence, benefit from the future growth of our Company and any potential capital appreciation arising therefrom. In addition, our Company would also be able to raise further proceeds as and when any of the Warrants are exercised.

4. IRREVOCABLE UNDERTAKING AND UNDERWRITING ARRANGEMENT

On 29 October 2014, TSR had procured irrevocable undertakings from Segi Satria, Agur Tegap and Tan Sri Dato' Lim Kang Yew to subscribe for their entitlements to the Rights Shares under the Rights Issue with Warrants based on their shareholdings.

Subsequently, TSR had procured an irrevocable undertaking from Kencang Kuasa dated 13 November 2015 to subscribe for their entitlement of 2,774,400 Rights Shares and an additional 7,000,000 Excess Rights Shares with Warrants by way of excess application. TSR had also procured an irrevocable undertaking from Agur Tegap dated 13 November 2015 to subscribe for an additional 2,500,000 Excess Rights Shares with Warrants by way of excess application.

Details of the irrevocable undertakings obtained by TSR are as disclosed below:-

Undertaking Shareholders	Shareholdings as at LPD		Entitlement undertaking	Additional undertaking	Total Rights Shares to be subscribed	Minimum Scenario (%)	Maximum Scenario (%)
	No. of TSR Shares held	(%)	No. of Rights Shares	No. of Rights Shares			
Segi Satria	36,172,012	31.10	18,086,006	-	18,086,006	31.10	29.02
Agur Tegap	11,000,000	9.46	5,500,000	2,500,000	8,000,000	13.76	12.84
Kencang Kuasa	5,548,800	4.77	2,774,400	7,000,000	9,774,400	16.81	15.68
Tan Sri Dato' Lim Kang Yew	2,000,000	1.72	1,000,000	-	1,000,000	1.72	1.60
Total	54,720,812	47.05	27,360,406	9,500,000	36,860,406	63.39	59.14

The abovementioned shareholders have also given their undertaking to subscribe in full for any additional entitlement of the Rights Issue with Warrants, in the event that they increase their shareholding in TSR prior to the Entitlement Date.

Segi Satria, Agur Tegap, Kencang Kuasa and Tan Sri Dato' Lim Kang Yew have respectively confirmed that they have sufficient financial resources to subscribe for their respective entitlements pursuant to the Rights Issue with Warrants.

All the said confirmations have been verified by RHB Investment Bank, the Principal Adviser for the Rights Issue with Warrants.

TSR had also on 16 November 2015 entered into an Underwriting Agreement with the Underwriter to underwrite up to 25,454,594 Rights Shares representing approximately 40.86% of the total Rights Shares to be issued under the Rights Issue with Warrants, for which no irrevocable undertaking has been obtained.

The underwriting commission is 2.25% of the value of the Underwritten Shares, amounting to approximately RM0.29 million payable to the Underwriters. The underwriting commission payable to the Underwriters and all other costs in relation to the underwriting arrangement will be fully borne by our Company. Pursuant thereto, there will be no implications under the Code as a result of the Rights Issue with Warrants.

5. UTILISATION OF PROCEEDS

The Rights Issue with Warrants is expected to raise an estimated gross proceeds of up to RM31,780,650 from the subscription of the Rights Shares based on the issue price of RM0.51 per Rights Share. The proceeds are expected to be utilised in the following manner:-

Details of utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Estimated timeframe for utilisation
Working capital ⁽¹⁾	28,487	30,611	Within twenty-four (24) months from listing of Rights Shares
Estimated expenses for the Corporate Exercises ⁽²⁾	1,170	1,170	Within one (1) month from listing of Rights Shares
Total	29,657	31,781	

Notes:

- (1) We intend to utilise the proceeds to fund the day-to-day operations of our construction and property development division. Based on the Minimum Scenario, our Group earmarks approximately RM15 million for development projects and approximately RM13 million for construction projects. Meanwhile, based on the Maximum Scenario, our Group earmarks approximately RM16 million for development projects and approximately RM14 million for construction projects. The proceeds will be channelled towards the payment to suppliers, sub-contractors, labour, sales and marketing expenses as well as other expenses relating to our business segments subject to our operating requirements at the time of utilisation.

As disclosed in **Section 7.3** of this Abridged Prospectus, our property development division is currently undertaking a mixed development project in Port Dickson, Negeri Sembilan and is expected to carry out another mixed development project in Bandar Enstek, Negeri Sembilan in the 1st half of 2016. Both development projects have an estimated GDV totalling approximately RM730 million. As at LPD, our outstanding construction orderbook stands at approximately RM375 million which includes the construction of the Kajang Maintenance Depot and a multi storey car park at Sungai Buloh Station (which is part of the Sungai Buloh - Kajang mass rapid transit ("MRT") line project). Apart from our on-going construction activities, we are also tendering for new construction projects with a contract sum totalling approximately RM700 million. We hope to be successful in our construction tenders and have hence earmarked part of the rights issue proceeds towards supporting our increasing working capital requirements over the next 24 months.

- (2) Includes advisory fees, solicitors' fees, fees payable to relevant authorities, printing cost, underwriting expenses and other incidental expenses in connection with the Corporate Exercises. Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for the working capital of our Group.

Any variation in the actual proceeds raised will be adjusted proportionately to or from the amount allocated for its development and construction projects.

Pending utilisation of the proceeds from the Rights Issue with Warrants, the proceeds may be placed in an interest-bearing deposit with financial institutions or investment in money market instruments as our Board deems fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for our Group's working capital requirements.

The actual proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants to be exercised during the tenure of the Warrants. Such proceeds raised will be used for our Group's working capital requirements.

6. RISK FACTORS

You and/ or your renounee(s) (if applicable) should consider carefully, in addition to other information contained elsewhere in this Abridged Prospectus, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Shares and the Warrants.

6.1 Risks relating to our operations and the industries that we operate in

6.1.1 Business and operational risks

Our Group primarily operates in the property development and construction sectors. As such, our Group is subject to general business and operational risks that are inherent in the industries in which we operate. These risks include, amongst others, shortages of construction materials and skilled workers, price increase in building materials, labour and energy, the non-performance or unsatisfactory performance of contractors and sub-contractors, inclement weather, accidents, as well as failure or postponement in the issuance or granting of licences, permits and approvals. Construction delays, loss of revenue and cost over-runs are likely to result from such events which in turn could adversely affect the business and financial performance, and which, may affect our Group's profitability.

Our Group seeks to limit these risks through, inter alia, prudent management policies which includes, amongst others, close monitoring on budgets and projects implementation, engaging suppliers on short-term contracts, and adhering to international standards such as International Organization for Standardization ("ISO") ISO 9001:2008 (Quality Management System). Our Group continuously reviews and evaluates its operations, emphasising on quality planning and execution with focus on work safety issues as well as optimising the diversification of suppliers, maintaining long-term business relationships with its suppliers and customers.

6.1.2 Competition risks

Our construction and property development businesses face competition from other companies operating in the same businesses. Intense competition in the construction business may result in highly competitive pricing in securing a contract, which may subsequently affect our financial performance.

Similarly, the property development market is highly competitive and any oversupply of properties due to a mismatch in supply and demand will intensify the level of competition which may, among others, affect the selling price of the properties to be launched. There can be no assurance that buyers will purchase properties from our developments instead of our competitors.

Our Group will continue to take measures to remain competitive in the construction and property development sectors by providing quality developments and competitive pricing as well as actively exploring opportunities to differentiate ourselves from our competitors.

6.1.3 Political, economic, market and regulatory risks

Our financial and business prospects and the industry in which we operate in will depend to some degree on the developments in the political, economic and regulatory conditions in Malaysia. Amongst the political, economic and regulatory risk factors are risks of war, changes in political leadership, unfavourable changes in the governmental policies such as taxation and currency exchange rules, changes in economic conditions, changes in inflation rates and interest rates, and introduction of new regulations.

Whilst our Group will continue to adopt effective measures to mitigate the aforementioned risks such as prudent management, efficient operating procedures and diversification of our Group's range of products/services and markets, there can be no assurance that adverse political, economic and regulatory changes will not materially affect the business activities of our Group.

6.1.4 Dependency on key management

The performance and success of our Group depends to a significant extent on the skills and abilities, experience and competencies of our Directors and key management personnel. There can be no assurance that the loss of any of these persons without suitable and timely replacement would not affect the operations and financial performance of our business, financial conditions, results of operations and prospects.

In order to mitigate the risk, our Group has an effective human resource management and development programme to attract and retain qualified and competent staff through competitive remuneration packages, training and professional development.

6.1.5 Borrowings and fluctuations in interest rates

Our Group has borrowings including term loans, bank overdrafts, revolving loans and hire purchase loans. Interest/ profit rate charged on bank borrowings is dependent on prevailing interest rates, and is hence subject to future fluctuations of interest rates which could materially affect our Group's profitability.

In addition, the agreements for banking facilities contain covenants which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to the particular credit facility.

Our Group is aware of such risks, and hence, shall take all necessary precautions to prevent any breach of our financial obligations, whilst adhering to strict financial management practices and prudent cash flow policies. Nevertheless, there can be no assurance that the performance of our Group would remain favourable in the event of any adverse changes in interest rates.

6.1.6 Availability and cost of raw material and skilled labour

Our profitability may be affected by any increase in land acquisition costs and fluctuation of construction costs which are inherent in our industry. Higher cost of land bank, raw materials (including sand, steel, cement and tiles) and labour will reduce our profit margin in the event we are unable to fully pass on increases in costs to our customers.

Our Group purchases a wide range of raw materials from our suppliers. Our Group practices open tender and we select and monitor our suppliers. Therefore we do not maintain the same supplier for any of our long-term contracts but rather we would appoint the suppliers on a short-term contractual basis. Hence, we have a large pool of suppliers to source our raw material and labour.

Raw materials are price sensitive, and there can be no assurance that our Group will be able to obtain sufficient quantities of raw materials for our projects when the materials are scarce in the market. However, there is no assurance that any shortage or increase in the cost of raw materials will not have an adverse effect on our financial performance. Price fluctuations in the raw materials market, which are beyond the control of our Company, could also result in increased costs and result in a material adverse effect on our Group's financial performance.

The construction industry in Malaysia also faces a shortage of skilled labour. The shortage is due to the low participation of Malaysians within the sector, restrictions on foreign works, and has been exacerbated in recent years by the increased demand for construction workers for other large infrastructure projects.

6.1.7 Dependence on sub-contractors

Our Group engages sub-contractors in some of our projects and as such, we may experience delay due to failure of our sub-contractors to complete their work based on an agreed time schedule and to the specifications required. There is no assurance that any unanticipated delay due to unforeseen circumstances (which include amongst others, bad weather and/or natural disasters), shortage of supplies of construction materials or labour and unsatisfactory performance of the appointed sub-contractors may not have an adverse effect on the operations and profitability of our Group.

Our Group has appointed and will continue to appoint our sub-contractors based on the quality of work done and the competitive costs of their services. Furthermore, we are not dependent on any single sub-contractor as we engage the services of many sub-contractors for the development of our projects. In addition, our Group will also seek to mitigate such risks by close monitoring of the sub-contractor's work progress in order to ensure the timely completion of the property development projects.

6.1.8 Delay in completion of construction and property development projects

Our construction projects may face delays, which could be due to external factors beyond the control of our Group such as obtaining approvals from various regulatory authorities as scheduled, sourcing and securing quality construction materials, favourable credit terms and satisfactory performance of our sub-contractors. Any failure or delay in completing the projects within the timeframe agreed upon with our customers may expose our Group to additional costs and potential claims which may impact our profitability.

Our Group closely monitors the progress of our construction projects and seeks to mitigate these risks through, amongst others, efficient project management and monitoring, good working relationship with reliable sub-contractors and suppliers as well as effective human resource planning. However, there can be no assurance that these factors will not lead to any delay in completion of projects, which may have an impact on our Group's business and profitability.

6.2 Risks relating to the Rights Issue with Warrants

6.2.1 Market risks

The market price of our Shares is influenced by, amongst others, the prevailing market sentiment, the volatility of the stock market, movements in interest rates and the outlook of the industry which we operate and our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares or the theoretical ex-rights price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

The value of the Warrants is dependent upon, amongst others, the market price of our Shares, remaining exercise period of the Warrants, volatility of our share price and potential future payments of dividend. If the market price of our Shares is higher than the exercise price of the Warrants, the Warrants are deemed to be "*in-the-money*" during their exercise period.

Furthermore, you are reminded that should the Warrants expire at the end of its tenure, it will lapse and cease to be valid and hence, will no longer have any value.

6.2.2 Delay in or abortion of the implementation of Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances such as changes in inflation rates, interest rates, political leadership and unfavourable changes in the governments' policies such as taxation and licensing regulations as well as other force majeure events, which are beyond the control of our Company and RHB Investment Bank, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants. However, there can be no assurance that the abovementioned events will not occur or cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares with Warrants is aborted/ terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be removed within a short period of time or at all in such circumstances.

6.3 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information which may not be reflective of the future results, whilst others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.3% in the first half of 2015, driven by resilient domestic demand. Private sector expenditure contributed 5.3 percentage points to growth. Private investment and consumption remained robust growing by 7.5% and 7.6%, respectively. On the supply side, growth was mainly driven by the services and manufacturing sectors contributing 3 and 1.1 percentage points, respectively.

On the external front, Malaysia continues to be impacted by slower global growth and regional trade. Hence, the trade performance remained subdued during the first eight months of 2015 with exports and imports contracting by 1.4% and 2%, respectively (January – August 2014: 9.5%; 6.1%). Although weighed down by weak commodity prices, the steady demand for electrical and electronic products saw exports of manufactured goods registering positive growth during the period. The current account posted a surplus of RM17.6 billion or 3.2% of Gross National Income (“GNI”) in the first half of the year (January – June 2014: RM34.5 billion; 6.6%).

With strong economic fundamentals, including resilient domestic demand, diversified sources of growth, low unemployment rate and benign inflation coupled with pro-growth fiscal and accommodative monetary policies, real GDP is projected to grow between 4.5% and 5.5% in 2015 (2014: 6%). Nominal GNI is estimated to increase by 5.5% to RM1.13 trillion with income per capita rising by 4.2% to RM36,397 (2014: 8.6%, RM1.07 trillion; 7.2%, RM34,945).

The Malaysian economy is expected to remain steady in 2016, with real GDP growth between 4% and 5% led by domestic demand. Private sector expenditure will remain the main driver of growth with private consumption and investment expected to grow by 6.4% and 6.7%, respectively. Meanwhile, Government expenditure is forecast to expand, albeit at a moderate pace, in line with efforts to strengthen the fiscal position. On the supply side, growth is expected to be broad-based, with all the sectors registering positive growth. Malaysia’s external position is forecast to remain positive supported by better prospects for global growth and trade.

Against this backdrop, the nominal GNI per capita is expected to increase by 5.6% from RM36,397 in 2015 to RM38,438 in 2016. With total investment surpassing savings, the savings-investment gap is expected to narrow between 0.5% and 1.5% of GNI. The economy will continue to operate under conditions of full employment with the unemployment rate remaining below 4%. Despite a weak ringgit, inflation is expected to remain benign attributed to low oil prices and the waning impact of GST. For 2016, inflation is expected to range between 2% and 3%.

The Government remains committed to fiscal consolidation. The fiscal deficit is expected to further decline to 3.1% of GDP in 2016 (2015: 3.2%) while the Federal Government debt level will remain manageable within the prudent limit of 55% of GDP.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

7.2 Overview and outlook of the construction and property development industries

Value-added of the construction sector grew at a moderate pace of 7.7% during the first half of 2015 (January – June 2014: 14.5%) on slower civil engineering and residential activities. The highest share was contributed by the residential (27.7%) followed by civil engineering (27.1%), non-residential (26.4%) and specialised construction activities (18.8%) subsectors.

The total value of construction work completed during the first half of 2015 expanded by 11.6% to RM56 billion with 20,056 construction projects registered (January – June 2014: 15.7%; RM50 billion; 19,649 projects). The non-residential subsector contributed 34.7% to the value of construction work, followed by civil engineering (30.4%), residential (30.2%) and specialized construction activities (4.7%) subsectors.

Amid the moderate growth outlook, the construction sector is expected to expand by 8.8% in 2015 (2014: 11.8%). The civil engineering subsector moderated to 1.3% (January – June 2014: 6.2%) following the completion of some major infrastructure projects. However, construction projects in the oil and gas industry, which started in 2015, such as piping and associated facilities at Petronas Liquefied Natural Gas Complex Bintulu, as well as Pengerang Deepwater Petroleum Terminal with marine facilities and jetty, helped to cushion the moderation in growth of the subsector. The huge land reclamation activity in Southern Johor also supported the subsector. Further, the construction of a new deep water terminal at Kuantan Port; Pan-Borneo Highway; road upgrading works including Pulau Indah Highway and Bintulu – Samalaju road; as well as Kota Kinabalu flyover and third lane project, will continue to support construction growth over the medium term.

The residential subsector expanded moderately by 9.8% (January – June 2014: 22.1%) partly due to the decline in new housing approvals which decreased by 32.9% to 66,770 units (January – June 2014: 37.3%; 99,461 units), reflecting cautious sentiment among housing developers amid a challenging environment. However, the moderation was cushioned by the steady growth in incoming supply at 13.8% (January – June 2014: 10.3%).

In the non-residential subsector, construction activity grew by 14.5% (January – June 2014: 14.2%) as reflected in the expansion of incoming supply, particularly in the shop, shopping complex and industrial segments at 27.8%, 11.3% and 9.6%, respectively (January – June 2014: 8.7%, 20%, 0.2%).

The construction sector is projected to increase by 8.4% in 2016 (2015: 8.8%), largely driven by infrastructure projects. The sector is expected to benefit, particularly from civil-engineering activities such as Pan-Borneo Highway, MRT Line 2 and Pengerang Integrated Complex project. Meanwhile, the non-residential subsector is expected to expand led by ongoing construction of commercial buildings. Growth in the residential subsector is expected to be supported by ongoing Government initiatives to provide affordable housing.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

The construction sector is estimated to expand by 10.3% per annum during the period of the Eleventh Malaysia Plan (“11MP”) from 2015 to 2020. This is attributed to continued civil engineering works and a growing residential subsector to fulfil the demand for housing, particularly from the middle-income group.

Demand for affordable housing by the low-income group will also remain favourable, which will be supported by several Government initiatives, such as Program Perumahan Rakyat 1Malaysia (“PR1MA”), Rumah Idaman Rakyat and Rumah Mesra Rakyat 1Malaysia. Other subsectors such as civil engineering and non-residential will remain robust in line with the development of major projects such as the Tun Razak Exchange, KL118 Tower, Refinery and Petrochemical Integrated Development (“RAPID”), and the Pan-Borneo Highway.

(Source: Eleventh Malaysia Plan 2016-2020, Economic Planning Unit, Government of Malaysia)

7.3 Prospects of TSR Group

As at LPD, our Group has an outstanding construction orderbook of approximately RM375 million. The construction projects are expected to be completed within the next one (1) to three (3) years period. The ongoing construction projects undertaken by our Group as at LPD are listed below:

	Project description	Contract awarded by	Original contract sum (RM' million)	Estimated outstanding orderbook (RM' million)	Commence-ment date	Expected date of completion
	On-going projects					
(i)	Projek Mass Rapid Transit Lembah Klang: Jajaran Sungai Buloh - Kajang. Package DPT 2: Construction and Completion of Kajang Maintenance Depot, External Works and Other Associated Works	Mass Rapid Transit Corporation Sdn Bhd	213	119	15 August 2012	30 June 2016
(ii)	Projek Mass Rapid Transit Lembah Klang: Jajaran Sungai Buloh - Kajang. Package MSPR 1: Construction and Completion of Multi Storey Car Park Building, External Works and Other Associated Works at Sungai Buloh Station	Mass Rapid Transit Corporation Sdn Bhd	117	39	17 August 2012	11 March 2016
(iii)	Cadangan Membina Kompleks Ibu Pejabat Majlis Perbandaran Kuantan di atas Lot 29, Seksyen 30, Jalan Tanah Putih, Kuantan, Pahang Darul Makmur – Building and M&E Works	Kining Exeton Sdn Bhd	45	17	25 November 2011	28 December 2015
(iv)	Proposed construction and completion Of 3 Blocks Condominium And 2 Blocks Condo Villa With A Total Of 360 Units And Associated Works At Precinct 8, Putrajaya	Putrajaya Homes Sdn Bhd	142	121	17 September 2014	16 May 2017
(v)	Proposed construction and completion of 151 units of 2 storey terrace houses and associated works at Precinct 12, Putrajaya	Putrajaya Homes Sdn Bhd	81	79	8 June 2015	7 June 2018

In relation to the property development segment, our Group is undertaking development projects with an estimated gross development value of approximately RM730 million. The on-going and future property development projects undertaken by our Group as at LPD are listed below:

	Project description (Type of Development)	Project Name	Estimated GDV (RM' million)	Stage of completion as at LPD (%)	Launched date/ expected launch date	Expected completion date
(i)	Mixed Development	D'Wharf Residence, PD Waterfront	130	45	September 2013	4 th Quarter 2016
(ii)	Mixed Development	(Tentatively known as RITZ, Bandar Enstek)	600	-	1 st half of 2016	2022

Our Group expects new government-mandated projects for public transport network, infrastructure and affordable housing schemes to be rolled out in the construction sector in the near term. TSR also expects more construction projects to be driven by the private sector on the back of steady growth in the Malaysian economy.

Currently, our Group is tendering for a few construction projects in Kuala Lumpur and Terengganu amounting to approximately RM700 million which includes, design and construction works for hospitals, police apartment quarters and public residential.

Premised on our Group's existing and potential projects to be undertaken as well as the prospects of the construction and property development industries disclosed in **Section 7.2** of this Abridged Prospectus, our Board believes that the business of our TSR Group will continue to improve over the medium to long term.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS**8.1 Issued and paid-up share capital**

The proforma effects of the Rights Issue with Warrants on the issued and paid-up share capital of TSR are set out below:

Minimum Scenario	No. of shares ('000)	Par value (RM)	RM'000
Issued and paid-up share capital as at LPD	116,300	0.50	58,150
To be issued pursuant to the Private Placement	-	-	-
After the Private Placement	116,300	0.50	58,150
To be issued pursuant to the Rights Issue with Warrants	58,150	0.50	29,075
After the Rights Issue with Warrants	174,450	0.50	87,225
To be issued pursuant to the full exercise of Warrants	58,150	0.50	29,075
Enlarged issued and paid-up capital	232,600	0.50	116,300

Maximum Scenario	No. of shares ('000)	Par value (RM)	RM'000
Issued and paid-up share capital as at LPD	116,300	0.50	58,150
Remaining Placement Shares to be issued pursuant to the Private Placement	8,330	0.50	4,165
After the Private Placement	124,630	0.50	62,315
To be issued pursuant to the Rights Issue with Warrants	62,315	0.50	31,157
After the Rights Issue with Warrants	186,945	0.50	93,472
To be issued pursuant to the full exercise of Warrants	62,315	0.50	31,158
Enlarged issued and paid-up capital	249,260	0.50	124,630

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8.2 NA per share and gearing

The proforma effects of the Rights Issue with Warrants on the NA per share and gearing based on the audited consolidated statement of financial position of TSR for the FYE 31 December 2014 are set out below:

Minimum Scenario	Audited as at 31 December 2014 (RM'000)	After subsequent events ⁽¹⁾ (RM'000)	Proforma I After the Private Placement (RM'000)	Proforma II After Proforma I and the Rights Issue with Warrants ⁽²⁾ (RM'000)	Proforma III After Proforma II and assuming full exercise of Warrants ⁽³⁾ (RM'000)
Share capital	116,300	58,150	58,150	87,225	116,300
Share premium	26,653	26,653	26,653	25,804	37,694
Warrant reserve	-	-	-	7,820	-
Capital reserve	-	58,150	58,150	58,150	58,150
Accumulated losses	(9,865)	(11,028)	(11,028)	(18,588)	(11,028)
Shareholders fund / NA attributable to shareholders	133,088	131,925	131,925	160,411	201,116
Number of shares ('000)	116,300	116,300	116,300	174,450	232,600
NA per share (RM)	1.14	1.13	1.13	0.92	0.86
Total borrowings (RM'000)	50,454	50,454	50,454	50,454	50,454
Gearing ratio (times)	0.38	0.38	0.38	0.31	0.25

Notes:

- (1) For illustrative purposes, the audited consolidated statement of financial position of our Group as at 31 December 2014 has been adjusted for the Share Capital Reduction as well as the first and final dividend for the financial year ended 31 December 2014 amounting to RM1,163,000.
- (2) Based on the issue price of RM0.51 per Rights Share and after deducting estimated expenses of RM1,170,000 in relation to the Corporate Exercises. Recognition of the theoretical fair value of Warrants of RM0.14 per Warrant was arrived at using the Black-Scholes option pricing model.
- (3) Based on the exercise price of RM0.70 per Warrant.

Maximum Scenario	Audited as at 31 December 2014 (RM'000)	After subsequent events ⁽¹⁾ (RM'000)	Proforma I After the Private Placement ⁽²⁾ (RM'000)	Proforma II After Proforma I and the Rights Issue with Warrants ⁽³⁾ (RM'000)	Proforma III After Proforma II and assuming full exercise of Warrants ⁽⁴⁾ (RM'000)
Share capital	116,300	58,150	62,315	93,472	124,630
Share premium	26,653	26,653	28,649	27,800	40,565
Warrant reserve	-	-	-	8,403	-
Capital reserve	-	58,150	58,150	58,150	58,150
Accumulated losses	(9,865)	(11,028)	(11,028)	(19,129)	(11,028)
Shareholders fund / NA attributable to shareholders	133,088	131,925	138,086	168,696	212,317
Number of shares ('000)	116,300	116,300	124,630	186,945	249,260
NA per share (RM)	1.14	1.13	1.11	0.90	0.85
Total borrowings (RM'000)	50,454	50,454	50,454	50,454	50,454
Gearing ratio (times)	0.38	0.38	0.37	0.30	0.24

Notes:

- (1) For illustrative purposes, the audited consolidated statement of financial position of our Group as at 31 December 2014 has been adjusted for the Share Capital Reduction as well as the first and final dividend for the financial year ended 31 December 2014 amounting to RM1,163,000.
- (2) Based on the indicative issue price of RM0.76 per Remaining Placement Share which represents the five (5)-day VWAP of TSR Shares up to and including LPD of RM0.76 per share and after deducting the estimated expenses of approximately RM169,000 (representing 73.5% of the total estimated costs in relation to the Private Placement of RM230,000).
- (3) Based on the issue price of RM0.51 per Rights Share and after deducting the estimated expenses of RM1,170,000 in relation to the Corporate Exercises. Recognition of the theoretical fair value of Warrants of RM0.14 per Warrant was arrived at using the Black-Scholes option pricing model.
- (4) Based on the exercise price of RM0.70 per Warrant.

8.3 Earnings and EPS

Save for the estimated expenses of RM1,170,000 in relation to the Corporate Exercises, the Rights Issue with Warrants is not expected to have material effect on the earnings of TSR for the financial year ending 31 December 2015. However, the EPS of our Company may be reduced correspondingly as a result of the increase in the number of TSR Shares pursuant to the Rights Issue with Warrants.

The proforma effects of the Rights Issue with Warrants on the earnings and EPS based on the audited consolidated statement of financial position of TSR for the FYE 31 December 2014 are set out below:

Minimum Scenario	Audited as at 31 December 2014 (RM '000)	Proforma I After the Private Placement (RM '000)	Proforma II After Proforma I and the Rights Issue with Warrants (RM '000)	Proforma III After Proforma II and assuming full exercise of Warrants (RM '000)
Net profit after taxation attributable to owners of the Company	2,555	2,555	2,555	2,555
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	116,300	116,300	174,450	232,600
EPS attributable to owners of our Company (sen)	2.20	2.20	1.46	1.10

Note:

(1) Assuming the Corporate Exercises and Private Placement have been effected at the beginning of the financial year.

Maximum Scenario	Audited as at 31 December 2014 (RM '000)	Proforma I After the Private Placement (RM '000)	Proforma II After Proforma I and the Rights Issue with Warrants (RM '000)	Proforma III After Proforma II and assuming full exercise of Warrants (RM '000)
Net profit after taxation attributable to owners of the Company	2,555	2,555	2,555	2,555
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	116,300	124,630	186,945	249,260
EPS attributable to owners of our Company (sen)	2.20	2.05	1.37	1.03

Note:

(1) Assuming the Corporate Exercises and Private Placement have been effected at the beginning of the financial year.

Nevertheless, the Rights Issue with Warrants is expected to contribute positively to the future earnings of TSR when the benefits of the utilisation of proceeds are realised.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration the cash flow position of our Group, banking facilities available and the proceeds to be received from the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM73.5 million. All the borrowings denominated in local currency, are interest-bearing and comprise the following:

	RM'000
Short term borrowings:	
Portion of term loans payable within one year	4,293
Revolving loans/credit payable within one year	11,000
Bank overdraft payable within one year	727
Banker Acceptance payable within one year	6,813
Portion of hire purchase payable within one year	910
	23,743
Long term borrowings:	
Portion of term loans payable after one year	49,247
Portion of hire purchase payable after one year	574
	49,821
Total	73,564

After having made all reasonable enquiries and to the best knowledge and belief of our Board, there has been no default on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 31 December 2014 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed, after having made all reasonable enquiries, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

As at the LPD, the contingent liabilities of our Group are as follows:-

	(RM '000)
Corporate guarantee given by the Company to licensed financial institutions for the banking facilities granted to certain subsidiaries	201,497
Corporate guarantee given to suppliers of its wholly-owned subsidiaries	4,858
Total	206,355

9.4 Material commitments

Save as disclosed, after having made all reasonable enquiries, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

As at the LPD, the material commitment of our Group is as follows:-

	(RM '000)
Contracted and provided for	
- leasehold land	4,888
Total	4,888

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for such Provisional Rights Shares with Warrants, as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

10.2 NPA

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository. You and/ or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants is **5.00 p.m. on 15 December 2015**, or such later time and date as our Board may in its absolute discretion determine and announce not less than two (2) Market Days before the original closing date.

10.4 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares with Warrants by you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms of this Abridged Prospectus or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANT, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANT AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTION CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

You or your renounee(s) (if applicable) who are accepting all or part of the Provisional Rights Shares with Warrants of your entitlement, please complete Parts I and III of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar for the Rights Issue with Warrants in the envelope provided (at your own risk) by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the following address:

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

so as to arrive **not later than 5.00 p.m. on 15 December 2015**, being the last time and date for acceptance of and payment for the Provisional Rights Shares with Warrants, or such later time and date as may be determined and announced by our Board not less than two (2) Market Days before the original closing date.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

One (1) RSF can only be used for acceptance of Provisional Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares with Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use (1) one reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share, which will be accompanied by one (1) Warrant. Successful applicants of the Rights Shares will be given Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for. However, you and/ or your renounee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares with Warrants will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you and/or your renounee(s) (if applicable) are not received by our Share Registrar by **5.00 p.m. on 15 December 2015**, being the last time and date for acceptance of and payment for the Provisional Rights Shares with Warrants or such later date and time as may be determined and announced by our Board not less than two (2) Market Days before the original closing date, you and/ or your renounee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in **Section 10.8** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "TSR RIGHTS SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAT THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS.

10.5 Procedures for part acceptance by Entitled Shareholders

You are entitled to accept part of your entitlement to the Provisional Rights Shares with Warrants provided always that the minimum of Rights Shares that can be subscribed for or accepted is one (1) Rights Share which will be accompanied by one (1) Warrant.

You must complete both Parts I and III of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 10.4** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Shares with Warrants.

10.6 Procedures for sale or transfer of Provisional Rights Shares with Warrants

As the Provisional Rights Shares with Warrants are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale or transfer of such Provisional Rights Shares with Warrants, without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I and III of the RSF. Please refer to **Section 10.4** of this Abridged Prospectus for the procedures of acceptance and payment.

In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to your stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from his/ her/ their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

10.7 Procedures for acceptance by renounees

Renounees who wish to accept the Provisional Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar for the Rights Issue with Warrants, our registered office or the website of Bursa Securities (<http://www.bursamalaysia.com>), complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Section 10.4** of this Abridged Prospectus also applies to renounees who wish to accept the Provisional Rights Shares with Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedures for application of Excess Rights Shares with Warrants

You and/ or your renounee(s) (if applicable) may apply for additional Rights Shares with Warrants in excess of your entitlement by completing Part II of the RSF (in addition to Parts I and III and forwarding it with a **separate remittance made in RM** for the full amount payable for the Excess Rights Shares with Warrants applied for, to our Share Registrar for the Rights Issue with Warrants **not later than 5.00 p.m. on 15 December 2015**, being the last time and date for application of and payment for Excess Rights Shares with Warrants or such later date and time as may be determined and announced by our Board not less than two (2) Market Days before the original closing date.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "TSR EXCESS RIGHTS SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and
- (iv) Finally, for allocation to renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part II of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above are achieved. Our Board also reserves the right to accept any application for Excess Rights Shares with Warrants in full or in part only without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, IF YOU ARE SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

10.9 Form of issuance

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Warrants are prescribed securities and as such, all dealings in the Rights Shares and the Warrants will be subject to the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificates will be issued to you under the Rights Issue with Warrants. A notice of allotment will be despatched to you and/ or your renounee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants.

Where the Rights Shares with Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing TSR Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares with Warrants shall mean that you consent to receive such Provisional Rights Shares with Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/ her CDS Account number in the space provided in the RSF. The Rights Shares and the Warrants will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in **Section 10.8** of this Abridged Prospectus.

10.10 Laws of foreign country or jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign country or jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) who do not have a registered address in Malaysia. However, the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar for the Rights Issue with Warrants, in which event our Share Registrar for the Rights Issue with Warrants shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The foreign Entitled Shareholders and/ or their renounee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. RHB Investment Bank, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are or may be subject to. The foreign Entitled Shareholders and/ or their renounee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/ or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. RHB Investment Bank, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/ or their renounee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

The foreign Entitled Shareholders and/ or their renounee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/ or their renounee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/ or RHB Investment Bank in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders and/ or their renounee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHB Investment Bank, our Company, our Directors and officers and other professional advisers that:

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are or may be subject to;

- (ii) the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants;
- (iii) the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are aware that the Rights Shares and the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and the Warrants; and
- (vi) the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders and/ or their renounee(s) (if applicable) in any foreign country or jurisdiction.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

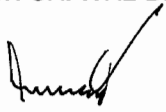
11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

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



TENGGU DATUK MUSTAPHA BIN TENGGU MOHAMED
Executive Director

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014

TSR CAPITAL BERHAD (541149-W)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held at the Kiara Room, Sri Damansara Club, Lot 23304, PersiaranPerdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Monday, 24 November 2014 at 10.30 a.m.

Present : As per attendance list

1. **CHAIRMAN**

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, the Chairman of the Board of Directors of TSR Capital Berhad ("TSR" or the "Company") ("Board") presided over this meeting.

2. **QUORUM AND NOTICE OF MEETING**

The Chairman welcomed all the members present. He proceeded to call the meeting to order after noting the presence of a quorum. The notice of meeting was taken as read.

3. **SPECIAL RESOLUTION 1**

PROPOSED SHARE CAPITAL REDUCTION VIA THE CANCELLATION OF RM0.50 OF THE PAR VALUE OF EVERY EXISTING ORDINARY SHARE OF RM1.00 EACH IN TSR ("EXISTING TSR SHARE(S)") PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965 ("PROPOSED SHARE CAPITAL REDUCTION")

On the proposal of Miss Tan Seow Choon and duly seconded by Puan Norhanem Binti Yeob, it was resolved :-

"THAT, subject to the passing of Special Resolution 2, the confirmation of the High Court of Malaya and the approvals from the relevant authorities being obtained where necessary, the approval be and is hereby given to the Directors of the Company to reduce the issued and paid-up share capital of TSR from up to RM124,630,000 comprising 124,630,000 Existing TSR Shares to up to RM62,315,000 comprising 124,630,000 ordinary shares of RM0.50 each in TSR through the cancellation of RM0.50 from the par value of RM1.00 of each Existing TSR Share;

AND THAT the credit arising from the Proposed Share Capital Reduction will be credited to a capital reserve account of the Company which shall be applied as if it were share premium and in such manner as the Board deems fit and as permitted by relevant and applicable laws;

AND THAT any Director of the Company be and is hereby authorised with full powers to take all such steps as they may deem necessary to:-

- (i) assent to any conditions, modifications and variations as may be imposed or permitted by the relevant authorities and/ or the High Court of Malaya;
- (ii) lodge an office copy of the order of the High Court of Malaya referred to in this Special Resolution 1 with the Companies Commission of Malaysia on such date the Directors may determine; and

...2/-

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014 (Cont'd)

Page 2

Minutes of the Extraordinary General Meeting of the Company held at the Kiara Room, Sri Damansara Club, Lot 23304, PersiaranPerdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Monday, 24 November 2014 at 10.30 a.m.

- (iii) do all such acts, deeds and/ or things and execute, sign and deliver all documents for and on behalf of the Company incidental and/ or as may be required or as they consider necessary and expedient in the best interest of the Company, to give full effect to and complete the matters described in this Special Resolution 1”.

The resolution was approved and adopted

4. **SPECIAL RESOLUTION 2**

PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TSR AS A CONSEQUENCE OF THE PROPOSED SHARE CAPITAL REDUCTION AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (“PROPOSED AMENDMENT”)

On the proposal of Mr Leow Chi Loong and duly seconded by Cik Siti Esah Binti Ismail, it was resolved :-

“**THAT**, subject to the passing of the Special Resolution 1, Ordinary Resolutions 1 and 2 and all approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to amend the Memorandum of Association of TSR by deleting the existing Clause 6 in its entirety and replacing it with the following new Clause 6:

Clause No.	Existing	Proposed Change
6	The capital of the Company is RM200,000,000.00 divided into 200,000,000 ordinary shares of RM1.00 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The capital of the Company is RM500,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.50 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

THAT the Board be and is hereby authorised to give effect to the Proposed Amendments and to take all such steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment.”

The resolution was approved and adopted

...3/-

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014 (Cont'd)

Page 3

Minutes of the Extraordinary General Meeting of the Company held at the Kiara Room, Sri Damansara Club, Lot 23304, PersiaranPerdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Monday, 24 November 2014 at 10.30 a.m.

5. **ORDINARY RESOLUTION 1**

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 62,315,000 NEW ORDINARY SHARES OF RM0.50 EACH IN TSR (“RIGHTS SHARE(S)”) ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) ORDINARY SHARES OF RM0.50 EACH IN TSR AFTER THE PROPOSED SHARE CAPITAL REDUCTION (“TSR SHARE(S)”), TOGETHER WITH UP TO 62,315,000 FREE DETACHABLE NEW WARRANTS (“WARRANTS”) ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUCCESSFULLY SUBSCRIBED FOR ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”) (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)

On the proposal of Puan Norhanem Binti Yeob and duly seconded by Cik Rosmawati Binti Nawi, it was resolved :-

“THAT, subject to the passing of Special Resolutions 1 and 2 and Ordinary Resolution 2, the approval-in-principle granted by Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other relevant authorities/ parties (if applicable), approval be and is hereby given to the Directors of the Company for the following:

- (a) to provisionally allot and issue by way of a renounceable rights issue of up to 62,315,000 Rights Shares at an indicative issue price of RM0.70, on the basis of one (1) Rights Share for every two (2) TSR Shares held, together with up to 62,315,000 Warrants on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed, by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on the Entitlement Date to be determined and announced later by the Board wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll to be executed by the Company as supplemented from time to time (“**Deed Poll**”), at any time during the “Exercise Period” as defined in the Deed Poll, for one (1) TSR Share at an exercise price to be determined and fixed at a later date by the Board, but in any case, not lower than the par value of TSR Shares;
- (b) to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll;
- (c) to allot and issue such number of TSR Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such TSR Shares shall, upon allotment and issuance, rank *paripassu* in all respects with the then existing TSR Shares provided that such TSR Shares then issued, shall not be entitled to any dividend, right, allotment and/ or other distribution declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said TSR Shares;

...4/-

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014 (Cont'd)

Page 4

Minutes of the Extraordinary General Meeting of the Company held at the Kiara Room, Sri Damansara Club, Lot 23304, PersiaranPerdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Monday, 24 November 2014 at 10.30 a.m.

-
- (d) to allot and issue such further Warrants and TSR Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and
 - (e) to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the TSR Shares which may from time to time be allotted and issued upon exercise of the Warrants;

THAT any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Directors shall in their absolute discretion deem expedient in the interest of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 31 October 2014, and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares and new TSR Shares arising from exercise of the Warrants will, upon allotment and issue, rank *paripassu* in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividend, right, allotment and/ or other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares or new TSR Shares arising from exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.”

The resolution was approved and adopted

6. **ORDINARY RESOLUTION 2**

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF TSR FROM RM200,000,000 COMPRISING 200,000,000 ORDINARY SHARES OF RM1.00 EACH TO RM500,000,000 COMPRISING 1,000,000,000 ORDINARY SHARES OF RM0.50 EACH (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)

On the proposal of Mr Leow Chi Loong and duly seconded by Cik Siti Esah Binti Ismail, it was resolved :-

...5/-

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 24 NOVEMBER 2014 (Cont'd)

Page 5

Minutes of the Extraordinary General Meeting of the Company held at the Kiara Room, Sri Damansara Club, Lot 23304, PersiaranPerdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Monday, 24 November 2014 at 10.30 a.m.

“THAT, the authorised share capital of the Company be and is hereby increased from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each;

AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital.”

The resolution was approved and adopted

7. **TERMINATION**

There being no further business, the meeting terminated at 10.45 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD



CHAIRMAN

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia as a private limited company under the name of Aimplex Sdn Bhd on 7 March 2001. It was subsequently converted into a public company on 13 April 2001 and assumed its present name TSR Capital Berhad on 21 June 2001. Our Company was listed on the Main Market of the Bursa Securities on 26 March 2002.

TSR is primarily an investment holding company whilst the principal activities of our subsidiary companies are construction and civil engineering works, property development and investment holding.

Further details on our subsidiary companies are set out in **Section 5** of this Appendix.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:

	No. of Shares	Par value (RM)	Total (RM)
Authorised	1,000,000,000	0.50	500,000,000
Issued and paid-up	116,300,000	0.50	58,150,000

The changes in our Company's issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:

Date of change	No. of ordinary shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative issued and paid- up share capital (RM)
Balance brought forward	113,300,000	1.00	-	113,300,000
24 September 2014	3,000,000	1.00	First Tranche of the Private Placement	116,300,000
13 January 2015	-	0.50	The cancellation of RM0.50 from the par value of RM1.00 per share to RM0.50	58,150,000

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

INFORMATION ON OUR COMPANY (Cont'd)

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue with Warrants on the substantial shareholders' shareholding of TSR based on the Register of Substantial Shareholders as at the LPD are set out below:

Minimum Scenario

Assuming full subscription by the Entitled Shareholders of their respective entitlements.

Substantial shareholders	Shareholdings as at LPD				Proforma I			
	Direct		Indirect		After the Private Placement		Indirect	
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	36,172	31.10	-	-	36,172	31.10	-	-
Agur Tegap	11,000	9.46	-	-	11,000	9.46	-	-
Lembaga Tabung Haji	10,300	8.86	-	-	10,300	8.86	-	-
Tan Sri Dato' Lim Kang Yew	2,000	1.72	36,172 ⁽¹⁾	31.10	2,000	1.72	36,172 ⁽¹⁾	31.10
Tengku Datuk Mustapha Mohamed	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	31.10
Rahaimi Bin Abdul Rahman	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	31.10

Substantial shareholders	Proforma II				Proforma III			
	After Proforma I & Rights Issue with Warrants		Indirect		After Proforma II and assuming full exercise of Warrants		Indirect	
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	54,258	31.10	-	-	72,344	31.10	-	-
Agur Tegap	16,500	9.46	-	-	22,000	9.46	-	-
Lembaga Tabung Haji	15,450	8.86	-	-	20,600	8.86	-	-
Tan Sri Dato' Lim Kang Yew	3,000	1.72	54,258 ⁽¹⁾	31.10	4,000	1.72	72,344 ⁽¹⁾	31.10
Tengku Datuk Mustapha Mohamed	-	-	54,258 ⁽¹⁾	31.10	-	-	72,344 ⁽¹⁾	31.10
Rahaimi Bin Abdul Rahman	-	-	54,258 ⁽¹⁾	31.10	-	-	72,344 ⁽¹⁾	31.10

Note:

⁽¹⁾ Deemed interest through their shareholdings in Segi Satria by virtue of Section 6A of the Act.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Assuming full subscription by the Entitled Shareholders of their respective entitlements.

Substantial shareholders	Shareholdings as at LPD				Proforma I After the Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	36,172	31.10	-	-	36,172	29.02	-	-
Agur Tegap	11,000	9.46	-	-	11,000	8.83	-	-
Lembaga Tabung Haji	10,300	8.86	-	-	10,300	8.26	-	-
Tan Sri Dato' Lim Kang Yew	2,000	1.72	36,172 ⁽¹⁾	31.10	2,000	1.60	36,172 ⁽¹⁾	29.02
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	29.02
Rahaimi Bin Abdul Rahman	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	29.02

Substantial shareholders	Proforma II After Proforma I & Rights Issue with Warrants				Proforma III After Proforma II and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	54,258	29.02	-	-	72,344	29.02	-	-
Agur Tegap	16,500	8.83	-	-	22,000	8.83	-	-
Lembaga Tabung Haji	15,450	8.26	-	-	20,600	8.26	-	-
Tan Sri Dato' Lim Kang Yew	3,000	1.60	54,258 ⁽¹⁾	29.02	4,000	1.60	72,344 ⁽¹⁾	29.02
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	54,258 ⁽¹⁾	29.02	-	-	72,344 ⁽¹⁾	29.02
Rahaimi Bin Abdul Rahman	-	-	54,258 ⁽¹⁾	29.02	-	-	72,344 ⁽¹⁾	29.02

Note:⁽¹⁾ Deemed interest through their shareholdings in Segi Satria by virtue of Section 6A of the Act.

INFORMATION ON OUR COMPANY (Cont'd)

Assuming only Segi Satria, Agur Tegap, Kencang Kuasa and Tan Sri Dato' Lim Kang Yew subscribe for the Rights Shares as stipulated in the irrevocable undertakings given by them as disclosed in **Section 4** of this Abridged Prospectus.

Substantial shareholders	Shareholdings as at LPD						After the Private Placement					
	Direct			Indirect			Direct			Indirect		
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	36,172	31.10	-	-	36,172	29.02	36,172	29.02	-	-	36,172 ⁽¹⁾	29.02
Agur Tegap	11,000	9.46	-	-	-	8.83	11,000	8.83	-	-	-	-
Lembaga Tabung Haji	10,300	8.86	-	-	-	8.26	10,300	8.26	-	-	-	-
Kencang Kuasa	5,549	4.77	-	-	-	4.45	5,549	4.45	-	-	-	-
Tan Sri Dato' Lim Kang Yew	2,000	1.72	-	-	36,172 ⁽¹⁾	31.10	2,000	1.60	-	-	36,172 ⁽¹⁾	29.02
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	-	-	36,172 ⁽¹⁾	31.10	-	-	-	-	36,172 ⁽¹⁾	29.02
Rahaimi Bin Abdul Rahman	-	-	-	-	36,172 ⁽¹⁾	31.10	-	-	-	-	36,172 ⁽¹⁾	29.02
Substantial shareholders	Proforma II						Proforma III					
	After Proforma I & Rights Issue with Warrants						After Proforma II and assuming full exercise of Warrants					
	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%
Segi Satria	54,258	29.02	-	-	72,344	29.02	72,344	29.02	-	-	-	-
Agur Tegap	19,000	10.16	-	-	27,000	10.83	27,000	10.83	-	-	-	-
Lembaga Tabung Haji	10,300	5.51	-	-	10,300	4.13	10,300	4.13	-	-	-	-
Kencang Kuasa	15,323	8.20	-	-	25,098	10.07	25,098	10.07	-	-	-	-
Tan Sri Dato' Lim Kang Yew	3,000	1.60	-	-	54,258 ⁽¹⁾	29.02	4,000	1.60	-	-	72,344 ⁽¹⁾	29.02
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	-	-	54,258 ⁽¹⁾	29.02	-	-	-	-	72,344 ⁽¹⁾	29.02
Rahaimi Bin Abdul Rahman	-	-	-	-	54,258 ⁽¹⁾	29.02	-	-	-	-	72,344 ⁽¹⁾	29.02

Note:

(1) Deemed interest through their shareholdings in Segi Satria by virtue of Section 6A of the Act.

INFORMATION ON OUR COMPANY (Cont'd)**4. DIRECTORS**

The particulars of our Directors as at the LPD are set out below:

Name	Address	Age	Nationality	Occupation	Designation
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	P3-05-01, Andalucia Pantai Hillpark Jalan Pantai Hillpark Jalan Pantai Permai Off Jalan Kerinchi, Pantai Dalam 59200 Kuala Lumpur Wilayah Persekutuan	70	Malaysian	Company Director	Chairman / Independent Non-Executive Director
Tan Sri Dato' Lim Kang Yew	229-A, Batu 4 Jalan Gombak 53000 Kuala Lumpur Wilayah Persekutuan	58	Malaysian	Company Director	Deputy Chairman / Non-Independent Executive Director
Dato' Wan Abd Razak Bin Ismail	No. 18 Jalan U1/13A Glenmarie Residences 40150 Shah Alam Selangor Darul Ehsan	73	Malaysian	Company Director	Chief Operating Officer/ Non-Independent Executive Director
Tengku Datuk Mustapha Bin Tengku Mohamed	46, Jalan Setiaraya Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan	80	Malaysian	Company Director	Executive Director
Lim Dian Hoong	229-A, Batu 4 Jalan Gombak 53000 Kuala Lumpur Wilayah Persekutuan	27	Malaysian	Company Director	Executive Director
Tan En Chong	28, Jalan 17/45 46400 Petaling Jaya Selangor Darul Ehsan	66	Malaysian	Company Director / Accountant	Senior Independent Non-Executive Director
Dato' Sazmi Bin Miah	No. 2, Jalan USJ 11/2G 47620 UEP Subang Jaya Selangor Darul Ehsan	51	Malaysian	Company Director	Independent Non-Executive Director

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

INFORMATION ON OUR COMPANY (Cont'd)

The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

Directors	Shareholdings as at LPD						Proforma I					
	Direct			Indirect			Direct		Indirect		After the Private Placement	
	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Lim Kang Yew	2,000	1.72	36,172 ⁽¹⁾	31.10	2,000	1.72	36,172 ⁽¹⁾	31.10	2,000	1.72	36,172 ⁽¹⁾	31.10
Dato' Wan Abd Razak Bin Ismail	-	-	-	-	-	-	-	-	-	-	-	-
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	31.10
Lim Dian Hoong	-	-	-	-	-	-	-	-	-	-	-	-
Tan En Chong	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Sazmi Bin Miah	-	-	-	-	-	-	-	-	-	-	-	-

Directors	Proforma II						Proforma III					
	After Proforma I & Rights Issue with Warrants						After Proforma II and assuming full exercise of Warrants					
	Direct			Indirect			Direct		Indirect		After Proforma II and assuming full exercise of Warrants	
No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	-	-	-	-	-	-	-	-	-	-	-	
Tan Sri Dato' Lim Kang Yew	3,000	1.72	54,258 ⁽¹⁾	31.10	4,000	1.72	72,344 ⁽¹⁾	31.10	4,000	1.72	72,344 ⁽¹⁾	31.10
Dato' Wan Abd Razak Bin Ismail	-	-	-	-	-	-	-	-	-	-	-	
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	54,258 ⁽¹⁾	31.10	-	-	72,344 ⁽¹⁾	31.10	-	-	72,344 ⁽¹⁾	31.10
Lim Dian Hoong	-	-	-	-	-	-	-	-	-	-	-	
Tan En Chong	-	-	-	-	-	-	-	-	-	-	-	
Dato' Sazmi Bin Miah	-	-	-	-	-	-	-	-	-	-	-	

Note:

(1) Deemed interest through their shareholdings in Segi Satria by virtue of Section 6A of the Act.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Directors	Shareholdings as at LPD				Proforma I			
	Direct		Indirect		After the Private Placement		Indirect	
	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%	No. of Existing TSR Shares ('000)	%
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	-	-	-	-	-	-	-	-
Tan Sri Dato' Lim Kang Yew	2,000	1.72	36,172 ⁽¹⁾	31.10	2,000	1.60	36,172 ⁽¹⁾	29.02
Dato' Wan Abd Razak Bin Ismail	-	-	-	-	-	-	-	-
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	36,172 ⁽¹⁾	31.10	-	-	36,172 ⁽¹⁾	29.02
Lim Dian Hoong	-	-	-	-	-	-	-	-
Tan En Chong	-	-	-	-	-	-	-	-
Dato' Sazmi Bin Miah	-	-	-	-	-	-	-	-
Directors	Proforma II				Proforma III			
	After Proforma I & Rights Issue with Warrants				After Proforma II and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	No. of TSR Shares ('000)	%	
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	-	-	-	-	-	-	-	-
Tan Sri Dato' Lim Kang Yew	3,000	1.60	54,258 ⁽¹⁾	29.02	4,000	1.60	72,344 ⁽¹⁾	29.02
Dato' Wan Abd Razak Bin Ismail	-	-	-	-	-	-	-	-
Tengku Datuk Mustapha Bin Tengku Mohamed	-	-	54,258 ⁽¹⁾	29.02	-	-	72,344 ⁽¹⁾	29.02
Lim Dian Hoong	-	-	-	-	-	-	-	-
Tan En Chong	-	-	-	-	-	-	-	-
Dato' Sazmi Bin Miah	-	-	-	-	-	-	-	-

Note:

(1) Deemed interest through their shareholdings in Segi Satria by virtue of Section 6A of the Act.

INFORMATION ON OUR COMPANY (Cont'd)**5. SUBSIDIARY AND ASSOCIATE COMPANIES**

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital (RM)	Effective equity interest (%)	Principal activities
TSR Bina Sdn. Bhd.	9 July 1991 / Malaysia	10,000,000	100	Construction and civil engineering works
TSR Concrete Products Sdn. Bhd.	10 October 1996 / Malaysia	1,000,000	100	Dormant
TSR Land Sdn Bhd	13 November 1995 / Malaysia	1,000,000	100	Property investment and development
TSR Ocean Park Sdn. Bhd.	28 September 2007 / Malaysia	50,000,000	100	Property developer and investment holding company
U-Ni Magna Sdn. Bhd.	10 October 1996 / Malaysia	1,000,000	100	Property investment and property management
Medicalcity Corporation (Malaysia) Sdn. Bhd.	13 May 2005 / Malaysia	100,000	100	Dormant
TSR Mix Sdn. Bhd.	13 March 2007 / Malaysia	2	100	Dormant
TSR Energy Sdn. Bhd.	28 January 2008 / Malaysia	2	100	Dormant
LTP Wibawa Sdn Bhd	20 March 2014 / Malaysia	400,000	51	Construction and civil engineering works
Subsidiaries of TSR Bina Sdn. Bhd.				
TSR Usahasama Sdn. Bhd.	17 January 2000 / Malaysia	300,010	100	Dormant
Magnitude Ridge Sdn. Bhd.	18 March 2002 / Malaysia	100,000	80	Property developer
Jalur Canggih Sdn. Bhd.	4 April 2002 / Malaysia	100,000	70	Property developer
M-TSR Tek Sdn. Bhd.	18 April 2000 / Malaysia	750,000	100	Dormant
Konsortium Pembinaan Bukit Timah - TSR Bina Sdn. Bhd.	21 November 2007 / Malaysia	100	55	Dormant
Subsidiary of TSR Concrete Products Sdn. Bhd.				
TSR Sonata Sdn. Bhd. (formerly known as TSR Concrete Products (Kedah) Sdn. Bhd.)	24 July 2000 / Malaysia	10	100	Trading of building materials

As at the LPD, we do not have any associate company.

INFORMATION ON OUR COMPANY (Cont'd)
6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 31 December 2014 and the latest unaudited quarterly report of our Group for the nine (9)-month FPE 30 September 2015:

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December----->			Nine (9)-month <-----FPE 30 September----->	
	2012 (RM'000)	2013 (RM'000)	2014 (RM'000)	2014 (RM'000)	2015 (RM'000)
Revenue	108,642	109,385	116,563	62,122	93,441
Cost of sales	(98,595)	(95,366)	(104,386)	(50,186)	(78,444)
Gross profit	10,047	14,019	12,177	11,936	14,997
Other income	5,988	3,990	7,280	2,042	5,588
Administrative and other operating expenses	(11,664)	(14,660)	(11,971)	(9,733)	(11,610)
Finance cost	(776)	(1,006)	(2,125)	(1,450)	(2,167)
PBT	3,595	2,343	5,361	2,795	6,808
Income tax expense	(1,372)	2,374	(2,819)	(939)	(1,881)
Net profit for the financial year/ period	2,223	4,717	2,542	1,856	4,927
Profit / (loss) attributable to:					
Owners of the Company	2,355	4,762	2,555	1,863	5,029
Non-controlling interest	(132)	(45)	(13)	(7)	(102)
	2,223	4,717	2,542	1,856	4,927
Earnings before interests, taxes, depreciation and amortisation	6,823	5,497	10,348	5,793	10,730
Gross profit margin (%)	9.25	12.82	10.45	19.21	16.05
PAT margin (%)	2.17	4.35	2.18	3.00	5.27
EPS (sen) Basic and fully diluted	2.08	4.20	2.24 ⁽¹⁾	1.6	4.3
Gross dividend per TSR Share (sen)	-	1.00	1.00	-	-
Weighted average number of shares issue ('000)	113,300	113,300	114,050	113,366	116,300

Note:

(1) Any discrepancies in the above financial statement are due to rounding adjustments.

INFORMATION ON OUR COMPANY (Cont'd)

Commentary on past financial performance:-**FYE 31 December 2012**

For the FYE 31 December 2012, our Group recorded revenue of approximately RM108.64 million which represented a decrease of approximately 8.4% as compared to the revenue reported in the preceding financial year of approximately RM118.60 million. The decrease in overall revenue is mainly due to the decrease in revenue generated from our construction operations from approximately RM95.06 million in FYE 31 December 2011 to approximately RM85.97 million in FYE 31 December 2012 which is in tandem with the lower on-going construction activities. Revenue generated from our property development segment in FYE 31 December 2012 amounted to approximately RM22.62 million derived from PD Waterfront development project.

Despite the marginal decrease in revenue generated, our Group managed to return to profitability posting a PBT of approximately RM3.60 million in FYE 31 December 2012, as compared to the LBT of approximately RM32.50 million in FYE 31 December 2011. The increase is mainly derived from the improved margin of our construction division as well as the contribution from property division.

For FYE 31 December 2012, income tax expense amounts to approximately RM1.3 million with an effective tax rate of 38.2%. The effective tax rate is higher than the statutory tax rate of 25% as the taxable income after reversing non-deductible expenses including allowance for impairment losses on receivables and depreciation of investment properties amounting to approximately RM1.5 million and RM1.0 million, respectively, was higher than the PBT.

FYE 31 December 2013

For the FYE 31 December 2013, our Group posted revenue of approximately RM109.39 million as compared to approximately RM108.64 million reported in the preceding year, increasing approximately 0.69%. Our construction operations remain the major contributor of our Group's revenue, registering revenue amounting to approximately RM91.31 million in FYE 31 December 2013, increasing by approximately 6.21%, as compared to the revenue reported in the preceding financial year of approximately RM85.97 million. The higher turnover was a result of higher construction billings in tandem with higher on-going construction activities. Revenue derived from our property development segment decreased from approximately RM22.62 million in FYE 31 December 2012 to approximately RM17.98 million in FYE 31 December 2013, representing a decrease of approximately 20.51%. The lower revenue from property development segment was mainly due to lower progress billing recorded.

Our Group posted a PBT of approximately RM2.34 million in FYE 31 December 2013, as compared to the PBT of approximately RM3.60 million in FYE 31 December 2012. The decrease is mainly due to higher allowance for impairment losses on long overdue receivables.

In FYE 31 December 2013, our Group recognised a tax credit of approximately RM2.3 million as a result an overprovision in the previous financial year's income tax expenses coupled with the utilisation of deferred tax assets previously not recognised amounting to approximately RM0.6 million and RM3.1 million, respectively.

INFORMATION ON OUR COMPANY (Cont'd)

FYE 31 December 2014

For the FYE 31 December 2014, our Group posted revenue of approximately RM116.56 million as compared to approximately RM109.39 million reported in the preceding year, increasing approximately 6.55%. Our construction operations remain the major contributor of our Group's revenue, registering revenue amounting to approximately RM97.07 million in FYE 31 December 2014, increasing by approximately 6.31%, as compared to the revenue reported in the preceding financial year of approximately RM91.31 million. The higher turnover was a result of higher construction billings recorded for FYE 31 December 2014. On another hand, revenue derived from our property development segment increased from approximately RM17.98 million in FYE 31 December 2013 to approximately RM19.49 million in FYE 31 December 2014, representing an increase of approximately 8.40%. The higher revenue from property development segment was attributed to higher progress billing recorded.

Our Group posted a PBT of approximately RM5.36 million in FYE 31 December 2014, as compared to the PBT of approximately RM2.34 million in FYE 31 December 2013. The increase is mainly attributable to the increase in other income and lower administrative and other operating expenses due to reversal of certain allowance for impairment losses on long overdue receivables which were no longer required.

For FYE 31 December 2014, income tax expense amounts to approximately RM2.8 million with an effective tax rate of 52.6%. The effective tax rate is significantly higher when compared to the statutory tax rate of 25% primarily due an underprovision in the previous financial year's income tax expenses and deferred tax amounting to a sum of approximately RM1.2 million.

Unaudited nine (9)-month FPE 30 September 2015

For the nine (9)-month FPE 30 September 2015, our Group achieved a revenue RM93.44 million, increasing by approximately 50.42% when compared to RM62.12 million in the previous year's corresponding period.

Our construction division recorded revenue of approximately RM67.95 million for the FPE 30 September 2015 as compared to RM50.53 million in the previous year's corresponding period. The higher turnover was attributed to higher construction billings in tandem with more on-going construction activities. The construction margin was reduced due to higher construction cost and overhead incurred for certain projects.

Our property division recorded revenue of approximately RM16.79 million for the FPE 30 September 2015 as compared to previous year's corresponding period of RM11.58 million. The higher turnover was mainly due to higher progress billings and rental income recorded from the new office space available for lease.

Our Group recorded revenue of approximately RM8.69 million from our mining division for the nine (9)-month FPE 30 September 2015. Going forward, the revenue from our mining division is not expected to be material and our construction and property divisions will remain as the main contributors to our Group's revenue.

Our Group's PBT more than doubled to approximately RM6.81 million, compared to the approximately RM2.80 million recorded in the corresponding period in the preceding year. The increase in PBT is mainly due to the increase in gross profit and other income. The increase in other income is primarily due to recognition of government grants amounting to approximately RM4.07 million for the compensation of expenses incurred in PD Waterfront development project.

INFORMATION ON OUR COMPANY (Cont'd)

For the nine (9)-month FPE 30 September 2015, income tax expense amounts to approximately RM1.9 million with an effective tax rate of 27.6%. The effective tax rate is slightly higher when compared to the statutory tax rate of 25% primarily because the taxable income after reversing the non-deductible expenses was higher than the PBT. The non-deductible expenses include the depreciation of investment properties amounting to approximately RM1.0 million.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months from November 2014 to October 2015 are set out below:

	High (RM)	Low (RM)
2014		
November	0.98	0.85
December	0.94	0.85
2015		
January	0.95	0.82
February	0.94	0.85
March	0.93	0.85
April	0.87	0.82
May	0.90	0.80
June	0.87	0.75
July	0.85	0.73
August	0.79	0.49
September	0.61	0.49
October	0.75	0.55

Last transacted market price on 23 June 2014
(being the day prior to the announcement on the Rights Issue with Warrants) RM1.11

Last transacted market price on the LPD RM0.77

Last transacted market price on 25 November 2015
(being the date prior to the ex-date for the Rights Issue with Warrants) RM0.75

(Source: Bloomberg LP)

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT
31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Klang Office
Suite 50-3, Setia Avenue
No. 2, Jalan Setia Prima S U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
Main +6 03 3343 0730 / 3343 1846
Fax +6 03 3344 3036
www.crowehorwath.com.my
info.klg@crowehorwath.com.my

Date: **17 NOV 2015**

The Board of Directors
TSR Capital Berhad
Level 16, Menara TSR
No. 12, Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan.

Dear Sirs,

**TSR CAPITAL BERHAD (“TSR” OR THE “COMPANY”)
REPORTING ACCOUNTANTS’ LETTER ON THE COMPILATION OF PRO FORMA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE INCLUSION IN THE
ABRIDGED PROSPECTUS TO SHAREHOLDERS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of TSR as at 31 December 2014, together with the accompanying notes thereto. The pro forma consolidated statements of financial position, as set out in Appendix A of this letter (which we have stamped for the purpose of identification), has been compiled by the Board of Directors of TSR for the inclusion in the Abridged Prospectus to Shareholders of TSR in relation to the following:

- (a) remaining private placement of up to 8,330,000 new ordinary shares of RM0.50 each in TSR (“**Remaining Placement Share(s)**”), representing up to approximately 7% of the issued and paid-up share capital of the Company, to investors to be identified at an issue price to be determined (“**Private Placement**”);
- (b) renounceable rights issue of up to 62,315,000 new ordinary shares of RM0.50 each in TSR (“**Rights Share(s)**”) on the basis of one (1) Rights Share for every two (2) existing ordinary shares of RM0.50 each in TSR (“**TSR Share(s)**” or “**Share(s)**”) held at 5.00 p.m. on 30 November 2015 (“**Entitlement Date**”) together with up to 62,315,000 free detachable new warrants (“**Warrant(s)**”) on the basis of one (1) Warrant for every one (1) Rights Share subscribed (“**Rights Issue with Warrants**”);

(Collectively referred to as the “**Proposals**”).

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the Proposals, as set out in Note 1 of the pro forma consolidated statements of financial position, on TSR's financial position as at 31 December 2014.

As part of this process, information about TSR's financial position has been extracted by the Board of Directors from TSR's audited consolidated financial statements for the financial year ended 31 December 2014, on which the audit report was dated 28 April 2015.

Directors' responsibilities for the pro forma consolidated statements of financial position

The Board of Directors of TSR is solely responsible for compiling the pro forma consolidated statements of financial position on the basis set out in Note 1 thereon in accordance with the requirements of the Securities Commission Malaysia's Prospectus Guidelines - Abridge Prospectus.

Our responsibilities

Our responsibility is to express an opinion whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors of TSR on the basis set out in **Note 1** of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Malaysian Institute of Accountants ("MIA"). This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position as at 31 December 2014 on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position for the inclusion in the Abridged Prospectus to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT
31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON
(Cont'd)**



Our responsibilities (Cont'd)

Our assurance engagement is to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated statements of financial position which involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give the appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of TSR and its subsidiaries, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- (a) the pro forma consolidated statements of financial position of TSR, which have been prepared by the Board of Directors of TSR, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by TSR; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT
31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON
(Cont'd)**



Other Matters

This report is issued solely for the inclusion in the Abridged Prospectus of TSR in connection with the Proposals and should not be used or relied upon for any other purposes. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than as mentioned above.

Yours faithfully

A handwritten signature in black ink, appearing to be a stylized name, positioned above the printed name of the firm.

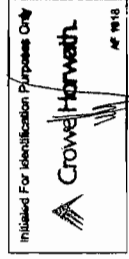
Crowe Horwath
Firm No : AF 1018
Chartered Accountants

A large, stylized handwritten signature in black ink, positioned above the printed name and approval details of the Chartered Accountant.

Ong Beng Chooi
Approval No: 3155/05/17 (J)
Chartered Accountant

17 NOV 2015

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MINIMUM SCENARIO

	Note	Audited as at 31 December 2014		Pro forma I		Pro forma II		Pro forma III		
		RM'000	Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	After Pro forma I and Rights Issue with Warrants RM'000	Adjustment RM'000	After Pro forma II and full exercise of Warrants RM'000
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment		8,778	-	8,778	-	8,778	-	8,778	-	8,778
Investment properties		114,693	-	114,693	-	114,693	-	114,693	-	114,693
Deferred tax assets		2,582	-	2,582	-	2,582	-	2,582	-	2,582
Land held for future development		29,381	-	29,381	-	29,381	-	29,381	-	29,381
Trade receivables		8,749	-	8,749	-	8,749	-	8,749	-	8,749
		164,183		164,183		164,183		164,183		164,183
CURRENT ASSETS										
Amount due from contract customers		23,251	-	23,251	-	23,251	-	23,251	-	23,251
Inventories		3,443	-	3,443	-	3,443	-	3,443	-	3,443
Property development costs		55,445	-	55,445	-	55,445	-	55,445	-	55,445
Trade receivables		33,179	-	33,179	-	33,179	-	33,179	-	33,179
Accrued billings		5,009	-	5,009	-	5,009	-	5,009	-	5,009
Other receivables, deposits and prepayments		10,802	-	10,802	-	10,802	-	10,802	-	10,802
Tax refundable		17	-	17	-	17	-	17	-	17
Fixed deposits with licensed banks		3,849	-	3,849	-	3,849	-	3,849	-	3,849
Cash and bank balances	2	7,747	(1,163)	6,584	-	6,584	28,486	35,070	40,705	75,775
		142,742		141,579		141,579		170,065		210,770
		306,925		305,762		305,762		334,248		374,953
TOTAL ASSETS										

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)

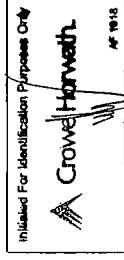


APPENDIX A

**TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MINIMUM SCENARIO (CONT'D)**

	Note	Audited as at 31 December 2014	Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	Pro forma I	Adjustment RM'000	Pro forma II	Adjustment RM'000	Pro forma III
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES												
EQUITY												
Share capital	3	116,300	(58,150)	58,150	-	58,150	29,075	87,225	29,075	116,300	29,075	116,300
Share premium	4	26,653	-	26,653	-	26,653	(849)	25,804	11,890	37,694	11,890	37,694
Warrant reserve	5	-	-	-	-	-	7,820	7,820	(7,820)	-	(7,820)	-
Capital reserve	6	-	58,150	58,150	-	58,150	-	58,150	-	58,150	-	58,150
Accumulated losses	7	(9,865)	(1,163)	(11,028)	-	(11,028)	(7,560)	(18,588)	7,560	(11,028)	7,560	(11,028)
SHAREHOLDERS' EQUITY		133,088		131,925		131,925		160,411		201,116		201,116
Non-controlling interests		(4)	-	(4)	-	(4)	-	(4)	-	(4)	-	(4)
TOTAL EQUITY		133,084		131,921		131,921		160,407		201,112		201,112
NON-CURRENT LIABILITIES												
Hire purchase payables		1,749	-	1,749	-	1,749	-	1,749	-	1,749	-	1,749
Term loans		38,368	-	38,368	-	38,368	-	38,368	-	38,368	-	38,368
Trade payables		8,423	-	8,423	-	8,423	-	8,423	-	8,423	-	8,423
		48,540		48,540		48,540		48,540		48,540		48,540

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)

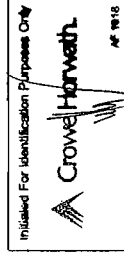


APPENDIX A

TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MINIMUM SCENARIO (CONT'D)

	Audited as at 31 December 2014	Note	Pro forma I		Pro forma II		Pro forma III	
			Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	After Pro forma I and Rights issue with Warrants RM'000
CURRENT LIABILITIES								
Amount due to contract customers	5,009		-	5,009	-	5,009	-	5,009
Trade payables	74,392		-	74,392	-	74,392	-	74,392
Other payables and accruals	34,295		-	34,295	-	34,295	-	34,295
Hire purchase payables	682		-	682	-	682	-	682
Revolving loan	5,000		-	5,000	-	5,000	-	5,000
Term loans	3,169		-	3,169	-	3,169	-	3,169
Provision for taxation	1,268		-	1,268	-	1,268	-	1,268
Bank overdraft	1,486		-	1,486	-	1,486	-	1,486
	125,301			125,301		125,301		125,301
	173,841			173,841		173,841		173,841
TOTAL LIABILITIES	306,925			305,762		305,762		374,953
TOTAL EQUITY AND LIABILITIES								
Number of ordinary shares ('000)	116,300			116,300		116,300		232,600
Net assets (RM'000) ("NA")	133,088			131,925		160,411		201,116
Net tangible assets (RM'000) ("NTA")	133,088			131,925		160,411		201,116
NA per ordinary share (RM)	1.14			1.13		1.13		0.86
NTA per ordinary share (RM)	1.14			1.13		1.13		0.86
Bank borrowings (RM'000)	50,454			50,454		50,454		50,454
Gearing (times)	0.38			0.38		0.31		0.25

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MAXIMUM SCENARIO

	Audited as at 31 December 2014	Note	RM'000	Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	After Pro forma I and Rights Issue with Warrants RM'000	Adjustment RM'000	After Pro forma II and full exercise of Warrants RM'000	Pro forma III
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	8,778		8,778	-	8,778	-	8,778	-	8,778	-	8,778	8,778
Investment properties	114,693		114,693	-	114,693	-	114,693	-	114,693	-	114,693	114,693
Deferred tax assets	2,582		2,582	-	2,582	-	2,582	-	2,582	-	2,582	2,582
Land held for future development	29,381		29,381	-	29,381	-	29,381	-	29,381	-	29,381	29,381
Trade receivables	8,749		8,749	-	8,749	-	8,749	-	8,749	-	8,749	8,749
	164,183		164,183		164,183		164,183		164,183		164,183	164,183
CURRENT ASSETS												
Amount due from contract customers	23,251		23,251	-	23,251	-	23,251	-	23,251	-	23,251	23,251
Inventories	3,443		3,443	-	3,443	-	3,443	-	3,443	-	3,443	3,443
Property development costs	55,445		55,445	-	55,445	-	55,445	-	55,445	-	55,445	55,445
Trade receivables	33,179		33,179	-	33,179	-	33,179	-	33,179	-	33,179	33,179
Accrued billings	5,009		5,009	-	5,009	-	5,009	-	5,009	-	5,009	5,009
Other receivables, deposits and prepayments	10,802		10,802	-	10,802	-	10,802	-	10,802	-	10,802	10,802
Tax refundable	17		17	-	17	-	17	-	17	-	17	17
Fixed deposits with licensed banks	3,849		3,849	-	3,849	-	3,849	-	3,849	-	3,849	3,849
Cash and bank balances	7,747	2	7,747	(1,163)	6,584	6,161	12,745	30,610	43,355	43,621	86,976	86,976
	142,742		142,742		141,579		147,740		178,350		221,971	221,971
	306,925		306,925		305,762		311,923		342,533		386,154	386,154
TOTAL ASSETS												

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)

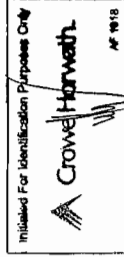


APPENDIX A

TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MAXIMUM SCENARIO (CONT'D)

	Note	Audited as at 31 December 2014	Pro forma I			Pro forma II		Pro forma III	
			Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	After Pro forma I and Rights Issue with Warrants RM'000	Adjustment RM'000
EQUITY AND LIABILITIES									
EQUITY									
Share capital	3	116,300	(58,150)	58,150	4,165	62,315	31,157	31,158	124,630
Share premium	4	26,653	-	26,653	1,996	28,649	(849)	27,800	40,565
Warrant reserve	5	-	-	-	-	-	8,403	8,403	-
Capital reserve	6	-	58,150	58,150	-	58,150	-	58,150	58,150
Accumulated losses	7	(9,865)	(1,163)	(11,028)	-	(11,028)	(8,101)	(19,129)	(11,028)
SHAREHOLDERS' EQUITY		133,088		131,925		138,086		168,696	212,317
Non-controlling interests		(4)	-	(4)	-	(4)	-	(4)	(4)
TOTAL EQUITY		133,084		131,921		138,082		168,692	212,313
NON-CURRENT LIABILITIES									
Hire purchase payables		1,749	-	1,749	-	1,749	-	1,749	1,749
Term loans		38,368	-	38,368	-	38,368	-	38,368	38,368
Trade payables		8,423	-	8,423	-	8,423	-	8,423	8,423
		48,540		48,540		48,540		48,540	48,540

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)

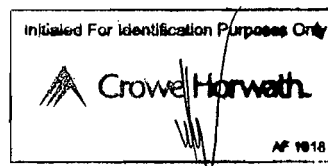


APPENDIX A

TSR CAPITAL BERHAD ("TSR")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014
MAXIMUM SCENARIO (CONT'D)

	Audited as at 31 December 2014 RM'000	Note	Pro forma I		Pro forma II		Pro forma III					
			Adjustment RM'000	After Subsequent Events RM'000	Adjustment RM'000	After Private Placement RM'000	Adjustment RM'000	After Pro forma I and Rights issue Warrants RM'000	Adjustment RM'000	After Pro forma II and full exercise of the Warrants RM'000		
CURRENT LIABILITIES												
Amount due to contract customers	5,009		-	5,009	-	5,009	-	5,009	-	5,009	-	5,009
Trade payables	74,392		-	74,392	-	74,392	-	74,392	-	74,392	-	74,392
Other payables and accruals	34,295		-	34,295	-	34,295	-	34,295	-	34,295	-	34,295
Hire purchase payables	682		-	682	-	682	-	682	-	682	-	682
Revolving loan	5,000		-	5,000	-	5,000	-	5,000	-	5,000	-	5,000
Term loans	3,169		-	3,169	-	3,169	-	3,169	-	3,169	-	3,169
Provision for taxation	1,268		-	1,268	-	1,268	-	1,268	-	1,268	-	1,268
Bank overdraft	1,486		-	1,486	-	1,486	-	1,486	-	1,486	-	1,486
	<u>125,301</u>			<u>125,301</u>		<u>125,301</u>		<u>125,301</u>		<u>125,301</u>		<u>125,301</u>
	<u>173,841</u>			<u>173,841</u>		<u>173,841</u>		<u>173,841</u>		<u>173,841</u>		<u>173,841</u>
TOTAL LIABILITIES	<u>306,925</u>			<u>305,762</u>		<u>311,923</u>		<u>342,533</u>		<u>386,154</u>		<u>249,260</u>
TOTAL EQUITY AND LIABILITIES	<u>116,300</u>			<u>116,300</u>		<u>124,630</u>		<u>186,945</u>		<u>212,317</u>		<u>212,317</u>
Number of ordinary shares ('000)	133,088			131,925		138,086		168,696		212,317		212,317
Net assets (RM'000) ("NA")	133,088			131,925		138,086		168,696		212,317		212,317
Net tangible assets (RM'000) ("NTA")	1.14			1.13		1.11		0.90		0.85		0.85
NA per ordinary share (RM)	1.14			1.13		1.11		0.90		0.85		0.85
NTA per ordinary share (RM)	50,454			50,454		50,454		50,454		50,454		50,454
Bank borrowings (RM'000)	0.38			0.38		0.37		0.30		0.24		0.24
Gearing (times)												

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014

1. Basis Of Preparation

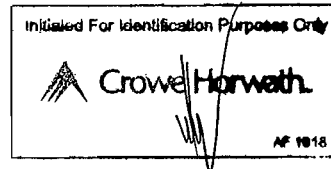
The pro forma consolidated statements of financial position of TSR have been prepared based on the audited consolidated financial statements of financial position of TSR as at 31 December 2014.

The pro forma consolidated statements of financial position of TSR have been prepared on the assumption that the Private Placement, Rights Issue with Warrants and the full exercise of the Warrants issued pursuant to the Rights Issue with Warrants as described in Note 1(a) and 1(b) below, had been effect as at 31 December 2014. The pro forma consolidated statements of financial position have been properly compiled on the basis stated using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of TSR.

The pro forma consolidated statements of financial position have been prepared solely for illustrative purposes, to show the effects of the Private Placement and the Rights Issue with Warrants to raise an estimated gross proceeds of RM29,656,500 for the Minimum Scenario (assuming none of the Remaining Placement Shares was allotted prior to the Entitlement Date and all entitled shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants of 58,150,000 Rights Shares together with 58,150,000 Warrants) and RM38,111,450 for the Maximum Scenario arising from Placement Shares and Rights Shares of RM6,330,800 and RM31,780,650 respectively (assuming all Remaining Placement Shares were allotted prior to the Entitlement Date and all entitled shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants of 62,315,000 Rights Shares together with 62,315,000 Warrants).

In relation to the Private Placement, the Company had obtained the approvals from the shareholders of TSR in its Annual General Meeting ("**AGM**") convened on 26 June 2014 and 17 June 2015 respectively. Pursuant to Section 132D of the Companies Act 1965 in Malaysia, the Board is and hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Board may deem fit, provided that the aggregate number of the new TSR shares to be issued does not exceed 10% of the issued and paid-up share capital of the Company. The approval obtained on 17 June 2015 is valid until the next AGM. On 29 August 2014, RHB Investment Bank had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 26 August 2014, approved the listing of and quotation for the 11,330,000 new TSR Shares ("**Placement Share(s)**") on the Main Market of Bursa Securities. The first tranche comprising of 3,000,000 Placement Shares placed at an issue price of RM1.00 per Placement Share was listed on 25 September 2014 ("**First Tranche**"). The 8,330,000 Remaining Placement Shares have yet to be placed as at the date of this letter.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014 (CONT'D)

1. Basis Of Preparation (Cont'd)

On 13 January 2015, the Company obtained a Certificate of Lodgement of Order granted by the High Court of Malaya at Kuala Lumpur to undertake share capital reduction involving cancellation of RM0.50 from the par value of every ordinary share of RM1.00 each in TSR pursuant to Section 64(1) of the Companies Act 1965 in Malaysia ("**Share Capital Reduction**"). The cancellation has resulted in TSR's existing issued and paid up capital of RM116,300,000 comprising 116,300,000 ordinary share of RM1.00 each in TSR (after the placement of the First Tranche) being reduced to RM58,150,000 comprising 116,300,000 ordinary share of RM0.50 each in TSR. The credit arising from the Share Capital Reduction of RM58,150,000 is being credited to the Company's capital reserve, which may be utilised in such manner as the Board deems fit and as permitted by relevant and applicable laws.

On 27 February 2015, the Board of Directors recommended a first and final dividend of 1 sen per TSR Share for the financial year ended 31 December 2014 ("**Dividends**"). Subsequently, the Dividends was approved by the shareholders at the AGM held on 17 June 2015 and the total amount of RM1,163,000 was paid on 18 September 2015.

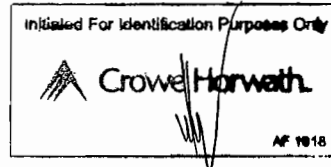
The details of minimum and maximum scenarios are set out below:-

(a) **Minimum Scenario**

The minimum scenario assumes the following:-

- (i) None of the Remaining Placement Shares was allotted prior to the Entitlement Date.
- (ii) Full subscription and issuance of 58,150,000 Rights Shares together with 58,150,000 Warrants at an issue price of RM0.51 per Rights Share to raise gross proceeds of RM29,656,500 on the basis of one (1) Rights Share for every two (2) existing TSR Shares held, together with one (1) Warrant for every one (1) Rights Share subscribed. The warrants reserve assumes the relative fair value of the Warrants of RM0.14 each, being the values determined and used to allocate the proceeds of the Rights Issue with Warrants and estimated expenses. It also incorporates the effects of estimated expenses of RM1,170,000 in relation to the Proposals; and
- (iii) The gross proceeds from the exercise of Warrants based on the exercise price of RM0.70 per Warrant as though they were effected as of that date pursuant to the Rights Issue with Warrants.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014 (CONT'D)

1. Basis Of Preparation (Cont'd)

(b) Maximum Scenario

The maximum scenario assumes the following:-

- (i) Private placement and issuance of 8,330,000 Remaining Placement Shares at an indicative issue price of RM0.76 per Remaining Placement Share. The indicative gross proceeds to be raised by the Private Placement of the Remaining Placement Shares amounts to RM6,330,800. The Private Placement of the Remaining Placement Shares takes place before the Rights Issue with Warrants. It also incorporates the effects of estimated expenses of RM169,000 in relation to the Proposals;
- (ii) Full subscription and issuance of 62,315,000 Rights Shares together with 62,315,000 Warrants at an issue price of RM0.51 per Rights Share to raise gross proceeds of RM31,780,650 on the basis of one (1) Rights Share for every two (2) existing TSR Shares held, together with one (1) Warrant for every one (1) Rights Share subscribed. The warrants reserve assumes the relative fair value of the Warrants of RM0.14 each, being the values determined and used to allocate the proceeds of the Rights Issue with Warrants and estimated expenses. It also incorporates the effects of estimated expenses of RM1,170,000 in relation to the Proposals; and
- (iii) The gross proceeds from the exercise of Warrants based on the exercise price of RM0.70 per Warrant as though they were effected as of that date pursuant to the Rights Issue with Warrants.

1.1 Pro forma I

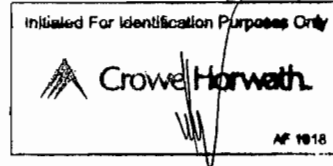
Minimum Scenario

Under the Minimum Scenario, none of the Remaining Placement Shares were allotted prior to the Entitlement Date.

Maximum Scenario

Under the Maximum Scenario, all Remaining Placement Shares were allotted prior to the Entitlement Date.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)

1. Basis Of Preparation (Cont'd)

1.1 Pro forma I (Cont'd)

Maximum Scenario (Cont'd)

The total gross proceeds raised from the Private Placement of the Remaining Placement Shares under the Maximum Scenario amounts to RM6,330,800 before netting off estimated expenses of RM169,000. The expected utilisation of the proceeds is as follows:-

Proposed utilisation of proceeds	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation (from the date of listing of Placement Shares)
Working capital	-	6,161	Within 12 months
Estimated expenses	-	169	Within 1 month
Total gross proceeds	-	6,330	

1.2 Pro forma II

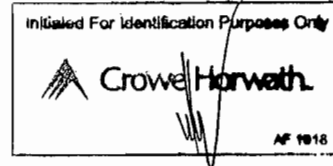
Minimum Scenario

The full subscription of 58,150,000 Rights Shares under the Minimum Scenario would give rise to an increase in the issued and paid-up share capital of TSR of RM29,075,000. Share premium will decrease by approximately RM849,000 to RM25,804,000 after adjustment on the fair value of Warrants and netting off estimated expenses of approximately RM581,000 and RM849,000 respectively. Accumulated losses will increase by approximately RM7,560,000 to RM18,588,000 after adjustment on the fair value of Warrants. The full subscription of 58,150,000 Rights Shares will generate total gross cash proceeds of RM29,656,500 before netting off estimated expenses of RM849,000.

Maximum Scenario

The full subscription of 62,315,000 Rights Shares under the Maximum Scenario would give rise to an increase in the issued and paid-up share capital of TSR of approximately RM31,157,000. Share premium will decrease by approximately RM849,000 to RM27,800,000 after adjustment on the fair value of Warrants and netting off estimated expenses of approximately RM623,000 and RM849,000 respectively. Accumulated losses will increase by approximately RM8,101,000 to RM19,129,000 after adjustment on the fair value of Warrants. The full subscription of 62,315,000 Rights Shares will generate total gross cash proceeds of RM31,780,650 before netting off estimated expenses of approximately RM849,000.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014 (CONT'D)

1. Basis Of Preparation (Cont'd)

1.2 Pro forma II (Cont'd)

The Rights Shares and Warrants are recognised at their relative fair values. In arriving at the relative fair values, the fair values of the Rights Shares and Warrants were proportionately adjusted to the issue price of RM0.51 per Rights Share.

The fair value of the warrants of RM0.14 per Warrant is determined using "Black-Scholes Option" pricing model based on the following key assumptions:

Expiry date*	12 November 2020
Expected volatility of TSR's share price^	10.000%

* Five years from the date of issuance of the Warrants

^ Source : Bloomberg Finance L.P.

Minimum Scenario

The full issuance of 58,150,000 Warrants under the Minimum Scenario will generate a total of RM8,141,000 warrants reserve with the relative fair value of the Warrants of RM0.14 per Warrant.

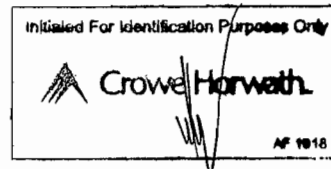
Maximum Scenario

The full issuance of 62,315,000 Warrants under the Maximum Scenario will generate a total of RM8,724,100 warrants reserve with the relative fair value of the Warrants of RM0.14 per Warrant.

The total gross proceeds raised from the Rights Issue with Warrants (excluding the exercise of Warrants) under the Minimum Scenario and Maximum Scenario amounts to RM29,656,500 and RM31,780,650 respectively before netting off estimated expenses of RM1,170,000. The expected utilisation of those proceeds are as follows:-

Proposed utilisation of proceeds	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation (from the date of listing of Rights Shares)
Working capital	28,486	30,610	Within 24 months
Estimated expenses	1,170	1,170	Within 1 month
Total gross proceeds	29,656	31,780	

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)

1. Basis Of Preparation (Cont'd)

1.3 Pro forma III

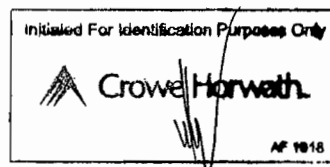
Minimum Scenario

The full exercise of 58,150,000 Warrants under the Minimum Scenario will generate total cash proceeds of RM40,705,000 based on the exercise price of RM0.70 per Warrant. The exercise price of RM0.70 per Warrant is equivalent to the theoretical ex-rights price of TSR Shares of RM0.70, based on five (5)-day volume weighted average market price up and including 13 November 2015, being the last trading day of TSR Shares immediately preceding the price-fixing date for the Rights Shares. Pursuant to the full exercise of the 58,150,000 Warrants, 58,150,000 new TSR Shares will be issued and this will increase the issued and paid-up share capital and share premium account of TSR by RM29,075,000 and RM11,630,000 respectively. The amount of approximately RM7,820,000 of the warrants reserve will be transferred to share premium and accumulated losses of approximately RM260,000 and RM7,560,000 respectively upon full exercise of the Warrants.

Maximum Scenario

The full exercise of 62,315,000 Warrants under the Maximum Scenario will generate total cash proceeds of RM43,620,500 based on the exercise price of RM0.70 per Warrant. The exercise price of RM0.70 per Warrant is equivalent to the theoretical ex-rights price of TSR Shares of RM0.70, based on five (5)-day volume weighted average market price up and including 13 November 2015, being the last trading day of TSR Shares immediately preceding the price-fixing date for the Rights Shares. Pursuant to the full exercise of the 62,315,000 Warrants, 62,315,000 new TSR Shares will be issued and this will increase the issued and paid-up share capital and share premium account of TSR by RM31,157,500 and RM12,463,000 respectively. The amount of approximately RM8,403,000 of the warrants reserve will be transferred to share premium and accumulated losses of approximately RM302,000 and RM8,101,000 respectively upon full exercise of the Warrants.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

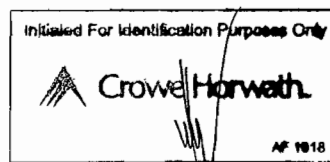
**TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

2. Cash and Bank Balances

The movements in cash and bank balances of TSR are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 31.12.2014	7,747	7,747
First and final single tier dividend of 1 sen per ordinary share in respect of financial year ended 31 December 2014	(1,163)	(1,163)
As per After Subsequent Events	6,584	6,584
Proceeds from the Remaining Placement Shares	-	6,330
Estimated expenses related to the Private Placement (Note 1.1)	-	(169)
As per Pro Forma I	6,584	12,745
Proceeds from the Rights Issue With Warrants	29,656	31,780
Estimated expenses related to the Rights Issue With Warrants (Note 1.2)	(1,170)	(1,170)
As per Pro Forma II	35,070	43,355
Proceeds from the full exercise of Warrants	40,705	43,621
As per Pro Forma III	75,775	86,976

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

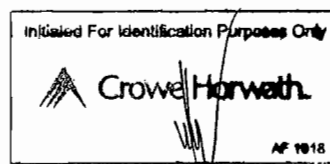
**TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

3. Share Capital

The movements in share capital of TSR are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of ordinary shares ('000)	RM'000	No. of ordinary shares ('000)	RM'000
Audited as at 31.12.2014	116,300	116,300	116,300	116,300
Transfer to Capital Reserve arising from the Share Capital Reduction	-	(58,150)	-	(58,150)
As per After Subsequent Events	116,300	58,150	116,300	58,150
Arising from the Private Placement	-	-	8,330	4,165
As per Pro Forma I	116,300	58,150	124,630	62,315
Arising from the Rights Issue with Warrants	58,150	29,075	62,315	31,157
As per Pro Forma II	174,450	87,225	186,945	93,472
Arising from the full exercise of Warrants	58,150	29,075	62,315	31,158
As per Pro Forma III	232,600	116,300	249,260	124,630

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

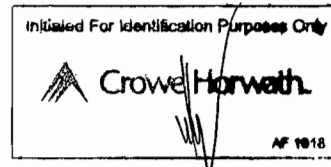
**TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

4. Share Premium

The movements in share premium of TSR are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 31.12.2014	26,653	26,653
Arising from the Private Placement	-	2,165
Estimated expenses related to the Private Placement (Note 1.1)	-	(169)
As per Pro Forma I	26,653	28,649
Arising from the Rights Issue with Warrants	581	623
Less: Adjustment to fair value of Warrants (Note 5)	(581)	(623)
	-	-
Estimated expenses related to Rights Issue With Warrants (Note 1.2)	(849)	(849)
As per Pro Forma II	25,804	27,800
Arising from the full exercise of Warrants	11,630	12,463
Transfer from warrant reserve upon full exercise of Warrants (Note 5)	260	302
As per Pro Forma III	37,694	40,565

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

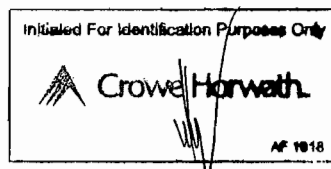
**TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

5. Warrant Reserve

The movements in warrant reserve of TSR are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 31.12.2014	-	-
Arising from the Rights Issue with Warrants (Note 4)	581	623
Arising from the Rights Issue with Warrants (Note 7)	7,560	8,101
Estimated expenses related to the Rights Issue with Warrants	(321)	(321)
As per Pro Forma II	7,820	8,403
Transfer to share premium upon full exercise of Warrants (Note 4)	(260)	(302)
Transfer to accumulated losses upon full exercise of Warrants (Note 7)	(7,560)	(8,101)
As per Pro Forma III	-	-

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)



APPENDIX A

**TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)**

6. Capital Reserve

The movements in capital reserve of TSR are as follows:-

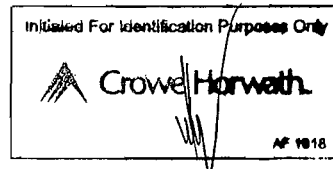
	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 31.12.2014	-	-
Arising from the Share Capital Reduction	58,150	58,150
As per After Subsequent Events, Pro Forma I, II and III	<u>58,150</u>	<u>58,150</u>

7. Accumulated Losses

The movements in accumulated losses of TSR are as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 31.12.2014	(9,865)	(9,865)
First and final single tier dividend of 1 sen per ordinary share in respect of previous financial year ended 31 December 2014	(1,163)	(1,163)
As per After Subsequent Events and Pro Forma I	<u>(11,028)</u>	<u>(11,028)</u>
Arising from the Right Issue with Warrants (Note 5)	(7,560)	(8,101)
As per Pro Forma II	<u>(18,588)</u>	<u>(19,129)</u>
Transfer from warrant reserve upon full exercise of Warrants (Note 5)	7,560	8,101
As per Pro Forma III	<u>(11,028)</u>	<u>(11,028)</u>

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)

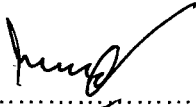


APPENDIX A

TSR CAPITAL BERHAD ("TSR")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (CONT'D)

APPROVAL BY THE BOARD OF DIRECTORS

Approved by the Board of Directors in accordance with a resolution dated **17 NOV 2015**



.....
TENGGU DATUK MUSTAPHA BIN TENGGU MOHAMED
DIRECTOR
TSR CAPITAL BERHAD



.....
DATO' WAN ABD RAZAK BIN ISMAIL
DIRECTOR
TSR CAPITAL BERHAD

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON**



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Kuala Lumpur Office
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowehorwath.com.my
info@crowehorwath.com.my

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

Report on the Financial Statements

We have audited the financial statements of TSR Capital Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other 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 a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 92.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSR CAPITAL BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No : 541149 - W

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Requirements

The supplementary information set out in Note 39 on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TSR CAPITAL BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No : 541149 - W

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be "G. S. S.", positioned above the firm's name.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "Lee Kok Wai", positioned above the name.

Lee Kok Wai
Approval No : 2760/06/16 (J)
Chartered Accountant

Kuala Lumpur

28 APR 2015

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014

	NOTE	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	102,868	102,664
Property, plant and equipment	6	8,778	7,264	-	-
Investment properties	7	114,693	114,164	-	-
Deferred tax assets	8	2,582	2,766	-	-
Land held for future development	9	29,381	36,923	-	-
Trade receivables	10	8,749	7,128	-	-
		<u>164,183</u>	<u>168,245</u>	<u>102,868</u>	<u>102,664</u>
CURRENT ASSETS					
Amount due from contract customers	11	23,251	27,869	-	-
Inventories	12	3,443	6,559	-	-
Property development costs	13	55,445	19,790	-	-
Trade receivables	10	33,179	16,042	-	-
Accrued billings		5,009	2,001	-	-
Other receivables, deposits and prepayments	14	10,802	23,323	335	3
Amount owing by subsidiaries	15	-	-	41,218	40,008
Tax refundable		17	680	-	-
Fixed deposits with licensed banks	16	3,849	4,818	3,667	3,572
Cash and bank balances		7,747	28,877	184	348
		<u>142,742</u>	<u>129,959</u>	<u>45,404</u>	<u>43,931</u>
TOTAL ASSETS		<u>306,925</u>	<u>298,204</u>	<u>148,272</u>	<u>146,595</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2014 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	116,300	113,300	116,300	113,300
Share premium	18	26,653	26,653	26,653	26,653
(Accumulated losses)/ Retained profits	19	(9,865)	(11,287)	5,139	6,549
Equity attributable to owners of the Company		133,088	128,666	148,092	146,502
Non-controlling interests	5	(4)	(187)	-	-
TOTAL EQUITY		133,084	128,479	148,092	146,502
NON-CURRENT LIABILITIES					
Hire purchase payables	20	1,749	359	-	-
Term loans	21	38,368	41,523	-	-
Trade payables	22	8,423	9,152	-	-
		48,540	51,034	-	-
CURRENT LIABILITIES					
Amount due to contract customers	11	5,009	12,930	-	-
Trade payables	22	74,392	65,515	-	-
Progress billings		-	360	-	-
Other payables and accruals	23	34,295	31,036	180	93
Hire purchase payables	20	682	347	-	-
Revolving loan	21	5,000	5,000	-	-
Term loans	21	3,169	3,132	-	-
Provision for taxation		1,268	371	-	-
Bank overdraft	21	1,486	-	-	-
		125,301	118,691	180	93
TOTAL LIABILITIES		173,841	169,725	180	93
TOTAL EQUITY AND LIABILITIES		306,925	298,204	148,272	146,595
NET ASSETS PER SHARE (RM)	24	1.14	1.14		

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	NOTE	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE	25	116,563	109,385	-	-
COST OF SALES	26	(104,386)	(95,366)	-	-
GROSS PROFIT		12,177	14,019	-	-
OTHER INCOME		7,280	3,990	97	155
		19,457	18,009	97	155
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(11,971)	(14,660)	(374)	(593)
FINANCE COSTS		(2,125)	(1,006)	-	-
PROFIT/(LOSS) BEFORE TAXATION	27	5,361	2,343	(277)	(438)
INCOME TAX EXPENSE	28	(2,819)	2,374	-	-
PROFIT/(LOSS) AFTER TAXATION		2,542	4,717	(277)	(438)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		2,542	4,717	(277)	(438)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		2,555	4,762	(277)	(438)
Non-controlling interests		(13)	(45)	-	-
		2,542	4,717	(277)	(438)
BASIC EARNINGS PER SHARE	29	2.24 sen	4.20 sen		

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	← NON-DISTRIBUTABLE →		ATTRIBUTABLE		TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	ACCUMULATED LOSSES RM'000	TO OWNERS OF THE COMPANY RM'000		NON-CONTROLLING INTERESTS RM'000
THE GROUP						
Balance at 1.1.2013	113,300	26,653	(16,049)	123,904	(142)	123,762
Profit after taxation/Total comprehensive income for the financial year	-	-	4,762	4,762	(45)	4,717
Balance at 31.12.2013/1.1.2014	113,300	26,653	(11,287)	128,666	(187)	128,479
Allotment during the financial year	3,000	-	-	3,000	-	3,000
Profit after taxation/Total comprehensive income for the financial year	-	-	2,555	2,555	(13)	2,542
First and final single tier tax-exempt dividend of 1 sen per ordinary share in respect of the previous financial year	-	-	(1,133)	(1,133)	-	(1,133)
Issuance of new shares by a subsidiary to non-controlling interests	-	-	-	-	196	196
Balance at 31.12.2014	116,300	26,653	(9,865)	133,088	(4)	133,084

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	← NON-DISTRIBUTABLE →		← DISTRIBUTABLE →	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	RETAINED PROFITS RM'000	TOTAL EQUITY RM'000
THE COMPANY				
Balance at 1.1.2013	113,300	26,653	6,987	146,940
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(438)	(438)
Balance at 31.12.2013/1.1.2014	113,300	26,653	6,549	146,502
Allotment during the financial year	3,000	-	-	3,000
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(277)	(277)
First and final single tier tax-exempt dividend of 1 sen per ordinary share in respect of the previous financial year	-	-	(1,133)	(1,133)
Balance at 31.12.2014	116,300	26,653	5,139	148,092

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	5,361	2,343	(277)	(438)
Adjustments for:-				
Allowance for impairment losses on:				
- amount owing by subsidiaries	-	-	-	115
- other receivables	-	1,254	-	-
- trade receivables	-	2,627	-	-
Depreciation of:				
- investment properties	1,768	927	-	-
- property, plant and equipment	1,094	1,221	-	-
Equipment written off	*	#	-	-
Fair value adjustment on long-term trade payables	607	478	-	-
Interest expense	2,082	981	-	-
Fair value adjustment on long-term trade receivables	(445)	(54)	-	-
Gain on disposal of plant and equipment	-	(916)	-	-
Government grant	(3,624)	(2,143)	-	-
Interest income	(158)	(371)	(97)	(156)
Reversal of allowance for impairment losses on other receivables	(1,774)	-	-	-
Reversal of provision for foreseeable losses	(923)	(849)	-	-
Operating profit/(loss) before working capital changes	3,988	5,498	(374)	(479)
Decrease/(Increase) in inventories	3,116	(1,574)	-	-
Increase in property development costs	(26,932)	(18,146)	-	-
Increase in amount due from contract customers, net	(1,679)	(849)	-	-
(Increase)/Decrease in trade and other receivables	(16,821)	10,258	(332)	-
Increase/(Decrease) in trade and other payables	10,440	20,469	87	(12)
CASH (FOR)/FROM OPERATIONS	(27,888)	15,656	(619)	(491)
Interest paid	(2,082)	(981)	-	-
Tax (paid)/refunded	(1,075)	584	-	70
NET CASH (FOR)/FROM OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD	(31,045)	15,259	(619)	(421)

- Denotes RM397

* - Denotes RM2

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)**

	NOTE	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
BALANCE BROUGHT FORWARD		(31,045)	15,259	(619)	(421)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Payment for land held for future development		(126)	(8,396)	-	-
Construction of investment properties		(4,192)	(22,478)	-	-
Interest received		158	371	97	156
Net reduction of/(additional) fixed deposits pledged		969	(3,584)	(95)	(3,572)
Purchase of plant and equipment	30	(859)	(630)	-	-
Proceeds from disposal of plant and equipment		-	1,061	-	-
Investment in a subsidiary		-	-	(204)	-
NET CASH FOR INVESTING ACTIVITIES		(4,050)	(33,656)	(202)	(3,416)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(1,133)	-	(1,133)	-
Drawdown of revolving loan		-	5,000	-	-
Drawdown of term loans		-	30,000	-	-
Grant received		14,259	3,347	-	-
Repayment of term loans		(3,118)	(20,626)	-	-
Repayment of hire purchase obligations		(725)	(887)	-	-
Advances to subsidiaries		-	-	(1,210)	(9,284)
Proceeds from issuance of shares		3,000	-	3,000	-
Proceeds from issuance of shares of a subsidiary to non-controlling interests		196	-	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		12,479	16,834	657	(9,284)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(22,616)	(1,563)	(164)	(13,121)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		28,877	30,440	348	13,469
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	6,261	28,877	184	348

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****1. GENERAL INFORMATION**

The Company is a public company limited by shares and incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are at Level 16, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 April 2015.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company whilst the principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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 Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

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

Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

3. BASIS OF PREPARATION (CONT'D)

- 3.1 The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.
- 3.2 The Group has not applied in advance the following accounting standards and 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:

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 119: Defined Benefit Plans - Employee Contributions	1 July 2014
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Company's operations.
- 3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****4. SIGNIFICANT ACCOUNTING POLICIES****(a) Critical Accounting Estimates And Judgements**

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the current tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Critical Accounting Estimates And Judgements (Cont'd)***(iv) Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Construction Contracts

Construction contract accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(a) Contract Revenue

Construction contract accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vi) *Construction Contracts (Cont'd)*

(b) *Contract Costs*

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(c) *Foreseeable losses on Construction Contracts*

The Group recognises expected losses from a construction contract when it is probable that total contract costs exceed total revenue. Significant judgement is required in determining expected losses. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(vii) *Property Development*

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Critical Accounting Estimates And Judgements (Cont'd)***(viii) Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(ix) Classification Between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates And Judgements (Cont'd)***(x) Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Basis of Consolidation (Cont'd)**

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. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations from 1 January 2011 onwards

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Basis of Consolidation (Cont'd)**Business combinations from 1 January 2011 onwards (Cont'd)

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Business combinations before 1 January 2011

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

(c) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Financial Instruments (Cont'd)**

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Financial Instruments (Cont'd)***(i) Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets*

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No. : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Financial Instruments (Cont'd)***(iv) Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(e) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment (Cont'd)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Long leasehold land	over the lease period of 60 to 99 years
Buildings	2%
Furniture, fittings and office equipment	10%
Motor vehicles	20%
Plant and machinery	20%
Site equipment	20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Impairment***(i) Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Assets under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4(e) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(h) Land Held For Future Development

Land held for future development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for future development is classified within non-current assets and is stated at cost less impairment losses, if any. The property held for future development comprises land and related development expenditure incurred. Development expenditure comprises infrastructure and other related development costs and administrative overheads relating to the portion of the property held for the future development.

(i) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 4(e) to the financial statements.

The investment properties under construction represents assets under construction, and which are not ready for commercial use at the end of the reporting period. The investment properties under construction is stated at cost and depreciated accordingly when the assets are completed and ready for commercial use.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(i) Investment Properties (Cont'd)**

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

(j) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs that are not recognised as expenses are recognised as assets and carried at the lower of cost and net realisable value.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in profit or loss are determined by reference to the stage of completion of development activity at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development cost incurred that is probable will be recoverable. The property development costs on the development units sold are recognised as expenses in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(k) Progress Billings/Accrued Billings**

In respect of progress billings:

- (i) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and
- (ii) where billings to purchasers exceed the revenue recognised to profit or loss, the balance is shown as progress billings under current liabilities.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and comprises the purchase price, production or conversation costs and incidentals incurred in bringing the inventories to their present location and condition.

Inventories comprise completed properties held for sale and are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes cost of land, development expenditure and interest charges relating to the financing of the land and development.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Amount Due From/(To) Contract Customers

The amount due from/(to) contract customers is stated at cost plus profits attributable to contracts in progress less progress billings and provision for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Provisions**

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

(o) Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(p) Income Taxes

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(p) Income Taxes (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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 with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Employee Benefits***(i) Short-term Benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in contract expenditure, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the contract expenditure, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(s) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**TSR CAPITAL BERHAD**

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(s) Related Parties (Cont'd)**

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(t) Operating Segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) 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. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(v) Fair Value Measurements

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(v) Fair Value Measurements (Cont'd)**

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(w) Revenue and Other Income Recognition**(i) Revenue from Construction Contracts**

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that the contract revenue raised for work performed to date bear to the estimated total contract revenue.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(w) Revenue and Other Income Recognition (Cont'd)***(ii) Development Properties*

Revenue from development properties sold is recognised on the percentage of completion method when the outcome of the property development projects can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date or by the proportion that development costs incurred for work performed to-date bear to the estimated total development costs for units sold. Where foreseeable losses on development properties are anticipated, full allowance of those losses is made in the financial statements.

Revenue from the sale of completed development properties and land held for development are measured at fair value of the consideration received or receivable net of trade discounts and rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and recovery of the consideration is probable.

(iii) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(v) Rental Income

Rental income is recognised on an accrual basis.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue and Other Income Recognition (Cont'd)

(vi) Government Grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Grants that compensate the Group for expenses incurred are recognised in profit or loss over the periods necessary to match the grants with the related costs which they are intended to compensate on a systematic basis.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the expected useful life of the relevant asset on a systematic basis.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2014 RM'000	2013 RM'000
Unquoted investments in Malaysia, at cost:		
At 1 January	103,864	103,864
Acquired during the financial year	204	-
At 31 December	104,068	103,864
Accumulated impairment losses	(1,200)	(1,200)
	<u>102,868</u>	<u>102,664</u>

The Company assessed the recoverable amount of investment in subsidiaries and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount. The recoverable amount of the cash-generating unit is determined using the fair value less costs to sell approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Subsidiary	Effective Equity Interest		Principal Activities
	2014 %	2013 %	
TSR Bina Sdn. Bhd.	100	100	Construction and civil engineering works.
TSR Concrete Products Sdn. Bhd.	100	100	Manufacturing and marketing of pre-cast concrete products.
TSR Land Sdn. Bhd. (Formerly known as TSR Medic Land Sdn. Bhd.)	100	100	Property investment and development.
TSR Ocean Park Sdn. Bhd.	100	100	Property developer and investment holding.
TSR Properties Sdn. Bhd.	100	100	Property owner.
U-Ni Magna Sdn. Bhd.	100	100	Property investment and property management.
Medicalcity Corporation (Malaysia) Sdn. Bhd.	100	100	Property development and construction.
TSR Mix Sdn. Bhd.	100	100	Manufacturing and trading in concrete ready-mix.
TSR Energy Sdn. Bhd.	100	100	Dormant.
LTP Wibawa Sdn. Bhd.	51	-	Construction and civil engineering works.
TSR Usahasama Sdn. Bhd.*	100	100	Building and civil engineering works.
Magnitude Ridge Sdn. Bhd.*	80	80	Property developer.
Jalur Canggih Sdn. Bhd.*	70	70	Property developer.
M-TSR Tek Sdn. Bhd.*	100	100	Building and civil engineering works contractor.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Subsidiary	Effective Equity Interest		Principal Activities
	2014 %	2013 %	
Konsortium Pembinaan Bukit Timah - TSR Bina Sdn. Bhd.*	55	55	Dormant.
TSR Sonata Sdn. Bhd. (Formerly known as TSR Concrete Products (Kedah) Sdn. Bhd.)**	100	100	Manufacturing and marketing of pre-cast concrete products.

* - held through TSR Bina Sdn. Bhd.

** - held through TSR Concrete Products Sdn. Bhd.

The non-controlling interests at the end of the reporting period comprised the following:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Jalur Canggih Sdn. Bhd.	(164)	(162)
Other individual subsidiaries that have immaterial non-controlling interests	160	(25)
	<u>(4)</u>	<u>(187)</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	JALUR CANGGIH SDN.BHD.	
	2014	2013
	RM'000	RM'000
<u>At 31 December</u>		
Non-current assets	4,813	4,813
Current assets	56	62
Current liabilities	(5,736)	(5,735)
Net liabilities	<u>(867)</u>	<u>(860)</u>
<u>Financial year ended 31 December</u>		
Revenue	-	-
Loss for the financial year	(6)	(110)
Total comprehensive expenses	<u>(6)</u>	<u>(110)</u>
Total comprehensive expenses attributable to non-controlling interests	<u>(2)</u>	<u>(33)</u>
Net cash flows for operating activities	(5)	(111)
Net cash flows from financing activities	<u>#</u>	<u>106</u>

- Denotes RM5

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.1.2014 RM'000	ADDITIONS RM'000	WRITE OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2014 RM'000
NET CARRYING AMOUNT					
Freehold land	2,341	-	-	-	2,341
Long leasehold land	302	-	-	(6)	296
Buildings	1,718	-	-	(36)	1,682
Furniture, fittings and office equipment	937	259	-	(229)	967
Motor vehicles	1,137	1,640	#	(805)	1,972
Plant and machinery	245	1,220	-	(488)	977
Site equipment	584	190	-	(231)	543
Total	7,264	3,309	#	(1,795)	8,778

Denotes - RM2

NET CARRYING AMOUNT	AT 1.1.2013 RM'000	ADDITIONS RM'000	DISPOSAL / WRITE OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2013 RM'000
Freehold land	2,341	-	-	-	2,341
Long leasehold land	309	-	-	(7)	302
Buildings	1,754	-	-	(36)	1,718
Furniture, fittings and office equipment	849	292	(2)	(202)	937
Motor vehicles	1,447	355	*	(665)	1,137
Plant and machinery	782	-	(143)	(394)	245
Site equipment	611	337	-	(364)	584
Total	8,093	984	(145)	(1,668)	7,264

* Denotes - RM1

AS AT 31.12.2014	COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET CARRYING AMOUNT RM'000
Freehold land	2,341	-	2,341
Long leasehold land	378	(82)	296
Buildings	2,085	(403)	1,682
Furniture, fittings and office equipment	3,825	(2,858)	967
Motor vehicles	11,344	(9,372)	1,972
Plant and machinery	16,823	(15,846)	977
Site equipment	8,135	(7,592)	543
Total	44,931	(36,153)	8,778

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

THE GROUP As At 31.12.2013	COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET CARRYING AMOUNT RM'000
Freehold land	2,341	-	2,341
Long leasehold land	378	(76)	302
Buildings	2,085	(367)	1,718
Furniture, fittings and office equipment	3,566	(2,629)	937
Motor vehicles	9,712	(8,575)	1,137
Plant and machinery	15,603	(15,358)	245
Site equipment	7,945	(7,361)	584
Total	41,630	(34,366)	7,264

Assets held under hire purchase

Included in plant and equipment at the end of the reporting period were the following assets acquired under hire purchase terms:-

	THE GROUP	
	2014 RM'000	2013 RM'000
<u>At net carrying amount:-</u>		
Motor vehicles	1,764	1,126
Plant and machinery	968	245

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

7. INVESTMENT PROPERTIES

	AT 1.1.2014 RM'000	ADDITIONS RM'000	TRANSFER RM'000	GOVERNMENT GRANT RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2014 RM'000
THE GROUP NET CARRYING AMOUNT						
Completed investment properties	57,518	1,837	59,001	(1,895)	(1,768)	114,693
Investment properties under construction	56,646	2,355	(59,001)	-	-	-
Total	114,164	4,192	-	(1,895)	(1,768)	114,693

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. INVESTMENT PROPERTIES (CONT'D)

THE GROUP NET CARRYING AMOUNT	AT 1.1.2013 RM'000	ADDITIONS RM'000	GOVERNMENT GRANT RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2013 RM'000
Completed investment properties	51,519	10,443	(3,517)	(927)	57,518
Investment properties under construction	44,611	12,035	-	-	56,646
Total	96,130	22,478	(3,517)	(927)	114,164

	COST RM'000	GOVERNMENT GRANT RM'000	ACCUMULATED DEPRECIATION RM'000	NET CARRYING AMOUNT RM'000
At 31.12.2014				
Completed investment properties	124,127	(5,412)	(4,022)	114,693
At 31.12.2013				
Completed investment properties	63,289	(3,517)	(2,254)	57,518
Investment properties under construction	56,646	-	-	56,646
Total	119,935	(3,517)	(2,254)	114,164

The following are recognised in profit or loss in respect of investment properties:

	THE GROUP	
	2014 RM'000	2013 RM'000
Rental income	5,083	2,748
Direct operating expenses of income generating investment property	3,742	3,463

The directors estimated the fair value of completed investment properties at approximately RM181.5 million (2013 - RM81.5 million) during the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

7. INVESTMENT PROPERTIES (CONT'D)

7.1 FAIR VALUE INFORMATION

Fair value of investment properties is categorised as follows:

	2014			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
THE GROUP				
Land and buildings	-	-	181,500	181,500
	<hr/>			
	2013			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Land and buildings	-	-	81,500	81,500
	<hr/>			

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Transfer between Level 1, 2 and 3 fair values

There is no transfer between Level 1, 2 and 3 fair values during the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. INVESTMENT PROPERTIES (CONT'D)

7.1 FAIR VALUE INFORMATION (CONT'D)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation techniques used in the determination of fair values within level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Direct comparison method: The valuation method considers the rental yield and listing of comparable properties recorded in the area and adjustments are made between the subject properties and those similar properties. The adjustments are made in relation to location, environment and accessibility, size of the lot and marketability.	Rental yield rate (2014: 3 - 7% per annum).	The estimated fair value would increase/(decrease) if the rental yield rate were higher/(lower).

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. INVESTMENT PROPERTIES (CONT'D)

Assets pledged as security

Investment properties of the Group pledged as security for banking facilities granted to certain subsidiaries are as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
<u>At net carrying amount:-</u>		
Leasehold land	10,575	9,205
Freehold land	<u>14,294</u>	<u>14,294</u>

Included in the investment properties under construction is interest capitalised during the financial year amounting to RM349,957 (2013 - RM1,173,277).

8. DEFERRED TAX ASSETS

	THE GROUP	
	2014 RM'000	2013 RM'000
At 1 January	2,766	397
Recognised in profit or loss (Note 28)	(184)	2,369
At 31 December	<u>2,582</u>	<u>2,766</u>

Presented after appropriate offsetting as follows:-

Deferred tax liability	(89)	(206)
Deferred tax assets	<u>2,671</u>	<u>2,972</u>
	<u>2,582</u>	<u>2,766</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8. DEFERRED TAX ASSETS (CONT'D)

The movement of deferred tax liability and assets during the financial year prior to offsetting is as follows:-

Deferred tax liability

	THE GROUP	
	2014 RM'000	2013 RM'000
At 1 January	(206)	(46)
Recognised in profit or loss	117	(160)
At 31 December	<u>(89)</u>	<u>(206)</u>

Deferred tax assets

At 1 January	2,972	443
Recognised in profit or loss	(301)	2,529
At 31 December	<u>2,671</u>	<u>2,972</u>

Deferred tax liability

Taxable temporary differences	<u>(89)</u>	<u>(206)</u>
-------------------------------	-------------	--------------

Deferred tax assets

Unutilised tax loss	-	1,078
Unrealised profits on contract works	2,671	1,663
Provision for foreseeable losses	-	231
	<u>2,671</u>	<u>2,972</u>

The following deferred tax assets have not been recognised:-

Unutilised tax losses	2,117	1,721
Unabsorbed capital allowances	498	524
Deductible temporary differences	49	-
	<u>2,664</u>	<u>2,245</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

8. DEFERRED TAX ASSETS (CONT'D)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

9. LAND HELD FOR FUTURE DEVELOPMENT

	THE GROUP	
	2014 RM'000	2013 RM'000
Leasehold land	29,291	29,165
Freehold land	-	7,668
Development costs	90	90
	<u>29,381</u>	<u>36,923</u>
Represented by:		
At 1 January		
- leasehold land	29,165	30,248
- freehold land	7,668	-
- development costs	90	90
	<u>36,923</u>	<u>30,338</u>
Costs incurred during the financial year:		
- purchase of leasehold land	-	728
- purchase of freehold land	-	7,668
- incidental cost incurred for leasehold land previously acquired	126	-
Transfer to property development costs (Note 13)	<u>(7,668)</u>	<u>(1,811)</u>
At 31 December	<u>29,381</u>	<u>36,923</u>

Leasehold land amounting to RM147,798 (2013 - RM147,798) has been pledged for a term loan facility granted to a subsidiary.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

10. TRADE RECEIVABLES

		THE GROUP	
	Note	2014 RM'000	2013 RM'000
<u>Non-current portion:-</u>			
Retention monies due and receivable	(a)	8,749	7,128
<u>Current portion:-</u>			
Trade receivables		32,744	18,402
Allowance for impairment losses	(b)	(2,708)	(2,708)
		30,036	15,694
Retention monies due and receivable within twelve months	(a)	3,143	348
		33,179	16,042

(a) Retention monies are expected to be collected as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Within 1 year	3,143	348
2 - 3 years	8,749	7,128
	11,892	7,476

(b) The movement in the allowance for impairment losses is as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
At 1 January	(2,708)	(81)
Addition during the financial year	-	(2,627)
At 31 December	(2,708)	(2,708)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

10. TRADE RECEIVABLES (CONT'D)

The Group's normal trade credit terms range from 14 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

The allowance for impairment losses is made mainly on the trade receivables in significant financial difficulties and have defaulted on payments.

11. AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	THE GROUP	
	2014 RM'000	2013 RM'000
Contract expenditure	155,026	703,577
Attributable profits	17,937	41,134
	<u>172,963</u>	<u>744,711</u>
Provision for foreseeable losses	-	(923)
Progress billings	(154,721)	(728,849)
	<u>18,242</u>	<u>14,939</u>
Represented by:		
Amount due from contract customers	23,251	27,869
Amount due to contract customers	(5,009)	(12,930)
	<u>18,242</u>	<u>14,939</u>

Included in the contract expenditure incurred during the financial year are:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Depreciation of plant and equipment	701	447
Staff costs	2,549	1,847
	<u>2,549</u>	<u>1,847</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

12. INVENTORIES

	THE GROUP	
	2014 RM'000	2013 RM'000
At cost:		
Raw materials	245	360
Unsold completed properties	2,689	5,690
	<u>2,934</u>	<u>6,050</u>
At net realisable value:		
Finished goods	509	509
	<u>3,443</u>	<u>6,559</u>
<u>Recognised in profit or loss:-</u>		
Inventories recognised as cost of sales	<u>14,203</u>	<u>14,584</u>

13. PROPERTY DEVELOPMENT COSTS

	THE GROUP	
	2014 RM'000	2013 RM'000
Leasehold land	1,811	1,811
Freehold land	7,668	-
Development cost	57,086	20,735
Government grant	(650)	(1,705)
Accumulated costs charged to profit or loss	(10,470)	(1,051)
	<u>55,445</u>	<u>19,790</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

13. PROPERTY DEVELOPMENT COSTS (CONT'D)

	THE GROUP	
	2014 RM'000	2013 RM'000
Represented by:		
At 1 January		
- leasehold land	1,811	2,811
- development costs	20,735	12,198
- Government grant	(1,705)	-
- accumulated costs charged to profit or loss	(1,051)	(13,471)
	19,790	1,538
Costs incurred during the financial year:		
- transfer from land held for future development (Note 9)	7,668	1,811
- development costs	36,351	33,286
	44,019	35,097
Government grant received and receivable during the financial year	(2,569)	(3,848)
Government grant recognised to profit or loss during the financial year	3,624	2,143
Costs charged to profit or loss during the financial year	(9,419)	(13,303)
Adjustment on completion of a project:		
- leasehold land	-	(2,811)
- development costs	-	(24,749)
- accumulated costs charged to profit or loss	-	25,723
	-	(1,837)
At 31 December	55,445	19,790

Freehold land amounting to RM7,668,386 (2013 - Nil) has been pledged for banking facilities granted to a subsidiary.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other receivables:					
- third parties	(a)	7,233	21,474	146	146
- advances to suppliers	(b)	3,580	3,831	-	-
		10,813	25,305	146	146
Allowance for impairment losses:					
- third parties		(506)	(1,761)	(146)	(146)
- advances to suppliers		(1,034)	(1,553)	-	-
	(c)	(1,540)	(3,314)	(146)	(146)
		9,273	21,991	-	-
Deposits		1,197	1,332	3	3
Prepayments		332	-	332	-
		10,802	23,323	335	3

- (a) Included in other receivables of the Group is an amount of approximately RM5 million (2013 - RM11 million) in respect of the government grant receivable from the Government of Malaysia.
- (b) The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(c) The movement of allowance for impairment losses is as follows:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	(3,314)	(2,060)	(146)	(146)
Reversal/(Addition) during the financial year	1,774	(1,254)	-	-
At 31 December	<u>(1,540)</u>	<u>(3,314)</u>	<u>(146)</u>	<u>(146)</u>

15. AMOUNTS OWING BY SUBSIDIARIES

	Note	THE COMPANY	
		2014 RM'000	2013 RM'000
<u>Amounts owing by subsidiaries</u>			
- non-trade	(a)	45,161	43,951
Allowance for impairment losses	(b)	<u>(3,943)</u>	<u>(3,943)</u>
		<u>41,218</u>	<u>40,008</u>

(a) The non-trade balances represent unsecured, interest-free advances and payments made on behalf. The amounts owing are repayable within the next twelve months and are to be settled in cash.

(b) The movement of allowance for impairment losses is as follows:-

	THE COMPANY	
	2014 RM'000	2013 RM'000
Allowance for impairment losses:-		
At 1 January	3,943	3,828
Increase during the financial year	-	115
At 31 December	<u>3,943</u>	<u>3,943</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

16. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group and of the Company are pledged to licensed banks to secure banking facilities granted to certain subsidiaries.

The fixed deposits of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.70% to 3.10% (2013 - 2.55% to 3.15%) per annum.

The fixed deposits have maturity periods ranging from 1 month to 6 months (2013 - 1 month to 24 months) respectively.

17. SHARE CAPITAL

	THE COMPANY			
	NUMBER OF SHARES		2014 RM'000	2013 RM'000
	2014 '000	2013 '000		
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
ISSUED AND FULLY PAID-UP:				
At 1 January	113,300	113,300	113,300	113,300
Increase during the financial year	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
At 31 December	<u>116,300</u>	<u>113,300</u>	<u>116,300</u>	<u>113,300</u>

18. SHARE PREMIUM

The share premium account is not a distributable reserve for the purpose of declaring cash dividends.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

19. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends distributed to the shareholders are not subject to tax.

20. HIRE PURCHASE PAYABLES

	THE GROUP	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:		
- not later than one year	737	372
- later than one year and not later than five years	1,893	385
	<u>2,630</u>	<u>757</u>
Future finance charges	(199)	(51)
Present value of hire purchase payables	<u>2,431</u>	<u>706</u>
Current portion:		
- not later than one year	682	347
Non-current portion:		
- later than one year and not later than five years	1,749	359
	<u>2,431</u>	<u>706</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

21. TERM LOANS, REVOLVING LOAN AND BANK OVERDRAFT

The term loans are repayable as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Current portion:		
- not later than one year	3,169	3,132
Non-current portion:		
- later than one year and not later than two years	3,239	3,168
- later than two years and not later than five years	15,038	16,515
- later than five years	20,091	21,840
	<u>38,368</u>	<u>41,523</u>
	<u>41,537</u>	<u>44,655</u>

The term loans are secured as follows:-

- (a) by a legal charge over a piece of freehold land of a subsidiary as disclosed in Note 7 to the financial statements;
- (b) by corporate guarantees issued by the Company;
- (c) by a legal charge over two pieces of leasehold land of a subsidiary as disclosed in Notes 7 and 9 to the financial statements;
- (d) by a pledge of fixed deposits of the Company; and
- (e) by a Deed of Assignment for rental income deriving from investment properties of certain subsidiaries.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

21. TERM LOANS, REVOLVING LOAN AND BANK OVERDRAFT (CONT'D)

Details of the term loans outstanding at the end of the reporting period are as follows:-

	Number of Instalments	Instalment Amount RM'000	Date of Commencement of Repayment	THE GROUP Amount Outstanding at the End of the Reporting Period	
				2014 RM'000	2013 RM'000
Term loan 1	180	150	July 2013	17,667	18,566
Term loan 2	180	87	August 2013	10,270	10,789
Term loan 3	#	1,700	May 2013	13,600	15,300
				<u>41,537</u>	<u>44,655</u>

payable on a yearly basis.

The revolving loan obtained by a subsidiary is secured by a corporate guarantee issued by the Company.

The bank overdraft obtained by a subsidiary is secured as follows:-

- (a) by a legal charge over a piece of freehold land of a subsidiary as disclosed in Note 13 to the financial statements; and
- (b) by a corporate guarantee issued by the Company.

22. TRADE PAYABLES

	Note	THE GROUP	
		2014 RM'000	2013 RM'000
<u>Non-current portion:-</u>			
Retention monies due and payable to sub-contractors	(a)	<u>8,423</u>	<u>9,152</u>
<u>Current portion:-</u>			
Trade payables		61,898	51,732
Retention monies due and payable to sub-contractors	(a)	<u>12,494</u>	<u>13,783</u>
		<u>74,392</u>	<u>65,515</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

22. TRADE PAYABLES (CONT'D)

The normal trade credit terms granted to the Group range from 30 to 60 days.

(a) Retention monies are expected to be paid as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Within 1 year	12,494	13,783
2 to 3 years	8,423	9,152
	<u>20,917</u>	<u>22,935</u>

23. OTHER PAYABLES AND ACCRUALS

	Note	THE GROUP		THE COMPANY	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables		2,537	4,132	133	36
Accruals	(a)	12,210	1,845	47	57
Deposits received		1,849	2,252	-	-
Advances received from contract customers	(b)	11,699	16,807	-	-
Provision		6,000	6,000	-	-
		<u>34,295</u>	<u>31,036</u>	<u>180</u>	<u>93</u>

(a) Included in the accruals is an amount of approximately RM10,795,000 (2013 - Nil) in respect of accrued contract expenditure which are still pending finalisation with its sub-contractors for completed projects.

(b) The advances received from contract customers are to be set off against future progress billings for contract works that are to be performed.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

24. NET ASSETS PER SHARE

The net assets per share is calculated based on the total shareholders' equity of approximately RM133,088,000 (2013 - RM128,666,000) divided by the number of ordinary shares in issue at the end of the reporting period of 116,300,000 (2013 - 113,300,000) shares.

25. REVENUE

	THE GROUP	
	2014 RM'000	2013 RM'000
Revenue represents:-		
Proportionate contract value attributable to work performed	97,069	91,308
Sales from property development	14,411	15,232
Sale of manufactured goods	-	97
Rental income	5,083	2,748
	<u>116,563</u>	<u>109,385</u>

26. COST OF SALES

Contract costs	90,183	80,782
Cost of properties sold	14,118	14,045
Cost of manufactured goods sold	85	539
	<u>104,386</u>	<u>95,366</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Allowance for impairment losses on:				
- amount owing by subsidiaries	-	-	-	115
- other receivables	-	1,254	-	-
- trade receivables	-	2,627	-	-
Auditors' remuneration:				
- Audit fee:				
- statutory audit	108	106	30	30
- under/(over)provision in the previous financial year	2	1	-	-
- Non-audit fees	39	6	39	6
Depreciation of:				
- investment properties	1,768	927	-	-
- property, plant and equipment	1,094	1,221	-	-
Directors' remuneration:				
- fee	352	318	203	263
- other emoluments	689	215	-	24
Equipment written off	*	#	-	-
Fair value adjustment on long-term trade payables	607	478	-	-
Hire of equipment and machinery	-	26	-	-
Interest expense:				
- bank overdraft	22	**	-	-
- hire purchase	57	71	-	-
- revolving loan	245	142	-	-
- term loans	1,758	768	-	-
Rental of premises	-	93	-	-
Site rental	30	195	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	6,456	5,195	-	-
- defined contribution plan	705	571	-	-
Fair value adjustment on long-term trade receivables	(445)	(54)	-	-
Gain on disposal of plant and equipment	-	(916)	-	-

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

27. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Government grant	(3,624)	(2,143)	-	-
Interest income:				
- fixed deposits	(127)	(253)	(97)	(156)
- overdue	(31)	(118)	-	-
Rental income	(5,083)	(2,748)	-	-
Reversal of allowance for impairment losses on other receivables	(1,774)	-	-	-
Reversal of provision for foreseeable losses	(923)	(849)	-	-

* Denotes - RM2

**Denotes - RM883

Denotes - RM397

28. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense:				
- for the financial year	2,060	770	-	-
- under/(over)provision in the prior financial years	575	(775)	-	-
	<u>2,635</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
Deferred tax expense (Note 8):				
- relating to originating and recognition of temporary differences	(402)	(2,495)	-	-
- underprovision in the previous financial year	586	126	-	-
	<u>184</u>	<u>(2,369)</u>	<u>-</u>	<u>-</u>
	<u>2,819</u>	<u>(2,374)</u>	<u>-</u>	<u>-</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

28. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before taxation	5,361	2,343	(277)	(438)
Tax at the statutory tax rate of 25%	1,340	586	(69)	(110)
Tax effects of:-				
Non-deductible expenses	405	1,015	69	110
Non-taxable income	(506)	(209)	-	-
Under/(Over)provision in the prior financial years:				
- current tax	575	(775)	-	-
- deferred tax	586	126	-	-
Net deferred tax assets not recognised during the financial year	419	-	-	-
Net utilisation of deferred tax assets previously not recognised	-	(3,117)	-	-
Income tax expense/ (reversal) for the financial year	2,819	(2,374)	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

29. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the consolidated net profit after taxation attributable to owners of the Company for the financial year divided by the weighted average number of ordinary shares of RM1 each in issue during the financial year held by the Company.

	THE GROUP	
	2014 RM'000	2013 RM'000
Net profit after taxation attributable to owners of the Company	2,555	4,762
Number of ordinary shares at beginning of the financial year ('000)	113,300	113,300
Effects of allotment of new ordinary shares via a private placement ('000)	750	-
Weighted average number of ordinary shares in issue ('000)	114,050	113,300
Basic earnings per share (sen)	2.24	4.20

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

30. PURCHASE OF PLANT AND EQUIPMENT

Cost of plant and equipment acquired	3,309	984
Amount financed through hire purchase	(2,450)	(354)
Cash disbursed for purchase of plant and equipment	859	630

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

31. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed deposits with licensed banks	3,849	4,818	3,667	3,572
Cash and bank balances	7,747	28,877	184	348
Bank overdraft	(1,486)	-	-	-
	<u>10,110</u>	<u>33,695</u>	<u>3,851</u>	<u>3,920</u>
Less: Fixed deposits pledged as security	(3,849)	(4,818)	(3,667)	(3,572)
	<u>6,261</u>	<u>28,877</u>	<u>184</u>	<u>348</u>

Included in the cash and cash equivalents of the Group is an amount of RM739,821 (2013 - RM1,541,022) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

32. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year were as follows:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Executive directors:				
- Fee	209	149	60	149
- Salaries and other emoluments	584	169	-	-
- Bonus and allowances	105	46	-	24
	<u>898</u>	<u>364</u>	<u>60</u>	<u>173</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

32. DIRECTORS' REMUNERATION (CONT'D)

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-executive directors:				
- Fee	143	169	143	114
Total directors' remuneration	1,041	533	203	287
Represented by:-				
Directors' fee	352	318	203	263
Directors' non-fee emoluments	689	215	-	24
	1,041	533	203	287

Details of directors' emoluments of the Group received/receivable for the financial year in band of RM50,000 are as follows:

	NUMBER OF DIRECTORS	
	2014	2013
Executive directors:		
- Below RM50,000	-	1
- Between RM150,001 and RM200,000	2	2
- Between RM250,001 and RM300,000	1	-
- Between RM300,001 and RM350,000	1	-
	4	3
Non-executive directors:		
- Below RM50,000	1	2
- Between RM50,001 and RM100,000	2	-
- Between RM100,001 and RM150,000	-	1
	3	3
	7	6

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group has related party relationships with the directors who are the key management personnel.

(b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year:

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Key management personnel compensation: - short-term employee benefits	1,041	533	203	287

34. OPERATING SEGMENTS

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

34. OPERATING SEGMENTS (CONT'D)

The Group's business segments comprise the following main segments:-

Construction	Foundation engineering, soil improvement, construction and civil engineering works.
Manufacturing	Manufacturing and marketing of precast concrete products.
Investing	Investment holding company.
Property	Property development and management.

The Management Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements as enumerated in the subsequent paragraphs below.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

THE GROUP 2014	CONSTRUCTION RM'000	MANUFACTURING RM'000	INVESTING RM'000	PROPERTY RM'000	GROUP RM'000
Revenue					
External revenue	97,069	-	-	19,494	116,563
Inter-segment revenue	31,583	-	-	-	31,583
	<u>128,652</u>	<u>-</u>	<u>-</u>	<u>19,494</u>	<u>148,146</u>
Adjustments and eliminations					(31,583)
Consolidated revenue					<u>116,563</u>
Results					
Segment results	3,669	(211)	(374)	6,718	9,802
Adjustments and eliminations	(2,126)	*	374	(21)	(1,773)
	<u>1,543</u>	<u>(211)</u>	<u>-</u>	<u>6,697</u>	<u>8,029</u>
Interest income	12	2	97	47	158
Other material items of income	1,774	-	-	-	1,774
Depreciation of:					
- investment properties	-	-	-	(1,768)	(1,768)
- property, plant and equipment	(1,033)	(25)	-	(36)	(1,094)
Other non-cash income	759	-	-	2	761
	<u>3,055</u>	<u>(234)</u>	<u>97</u>	<u>4,942</u>	<u>7,860</u>
Finance costs					(2,125)
Unallocated expenses					(374)
Income tax expense					(2,819)
Consolidated profit after taxation					<u>2,542</u>

* Denotes - RM401

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

THE GROUP 2014	CONSTRUCTION RM'000	MANUFACTURING RM'000	INVESTING RM'000	PROPERTY RM'000	GROUP RM'000
Assets					
Segment assets	75,693	1,576	4,189	222,868	304,326
Unallocated assets					17
Deferred tax assets					2,582
Consolidated total assets					<u>306,925</u>
Liabilities					
Segment liabilities	106,347	481	180	65,565	172,573
Unallocated liabilities					1,268
Consolidated total liabilities					<u>173,841</u>
Other segment items					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	3,290	-	-	19	3,309
- land held for future development	-	-	-	126	126
- investment properties	-	-	-	4,192	4,192
	<u>3,290</u>	<u>-</u>	<u>-</u>	<u>4,337</u>	<u>7,627</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

THE GROUP 2013	CONSTRUCTION RM'000	MANUFACTURING RM'000	INVESTING RM'000	PROPERTY RM'000	GROUP RM'000
Revenue					
External revenue	91,308	97	-	17,980	109,385
Inter-segment revenue	55,871	8	-	-	55,879
	<u>147,179</u>	<u>105</u>	<u>-</u>	<u>17,980</u>	<u>165,264</u>
Adjustments and eliminations					(55,879)
Consolidated revenue					<u>109,385</u>
Results					
Segment results	20,737	(235)	(593)	2,995	22,904
Adjustments and eliminations	(16,004)	19	593	632	(14,760)
	<u>4,733</u>	<u>(216)</u>	<u>-</u>	<u>3,627</u>	<u>8,144</u>
Interest income	35	7	155	174	371
Other material items of income	736	180	-	-	916
Depreciation of:					
- investment properties	-	-	-	(927)	(927)
- property, plant and equipment	(867)	(320)	-	(34)	(1,221)
Other material items of expenses	(3,881)	-	-	-	(3,881)
Other non-cash income	450	-	-	(25)	425
	<u>1,206</u>	<u>(349)</u>	<u>155</u>	<u>2,815</u>	<u>3,827</u>
Finance costs					(1,006)
Unallocated expenses					(478)
Income tax expense					2,374
Consolidated profit after taxation					<u>4,717</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

34. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

THE GROUP 2013	CONSTRUCTION RM'000	MANUFACTURING RM'000	INVESTING RM'000	PROPERTY RM'000	GROUP RM'000
Assets					
Segment assets	76,747	2,187	3,925	211,899	294,758
Unallocated assets					680
Deferred tax assets					2,766
Consolidated total assets					<u>298,204</u>
Liabilities					
Segment liabilities	84,848	488	94	83,924	169,354
Unallocated liabilities					371
Consolidated total liabilities					<u>169,725</u>
Other segment items					
Additions to non-current assets other than financial instruments:					
- property, plant and equipment	958	-	-	26	984
- land held for future development	-	-	-	8,396	8,396
- investment properties	-	-	-	22,478	22,478
	<u>958</u>	<u>-</u>	<u>-</u>	<u>30,900</u>	<u>31,858</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

34. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(a) Other material items of income consist of the following:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Gain on disposal of plant and equipment	-	916
Reversal of allowance for impairment loss on other receivable	1,774	-
	<u>1,774</u>	<u>916</u>

(b) Other material items of expenses consist of the following:-

Allowance for impairment losses on:

- trade receivables	-	2,627
- other receivables	-	1,254
	<u>-</u>	<u>3,881</u>

(c) Other non-cash (income)/expense consists of the following:-

Fair value adjustment on long-term trade payables	607	478
Fair value adjustment on long-term trade receivables	(445)	(54)
Reversal of provision for foreseeable losses	(923)	(849)
	<u>(761)</u>	<u>(425)</u>

GEOGRAPHICAL INFORMATION

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

MAJOR CUSTOMERS

Revenue from four major customers with revenue more than 10% of the Group revenue amounting to approximately RM80,464,000 (2013 - RM84,732,000) are attributable to revenue generated from the construction segment.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

35. CONTINGENT LIABILITIES

	THE COMPANY	
	2014 RM'000	2013 RM'000
(i) Corporate guarantees given by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries	175,526	171,496
(ii) Corporate guarantees given to suppliers of its wholly-owned subsidiaries	4,358	4,358
	<u>179,884</u>	<u>175,854</u>

36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risks

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its interest-bearing borrowings. The Group's policy is to obtain the most favourable interest rate available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 36(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2014 (Decrease)/ Increase RM'000	2013 (Decrease)/ Increase RM'000
Effects on profit after taxation/equity		
Increase of 100 basis points (bp)	(331)	(497)
Decrease of 100 bp	331	497

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by four major customers which constituted approximately 73% of its total trade receivables at the end of the reporting period.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	41,928	23,170	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) **Financial Risk Management Policies (Cont'd)**

(ii) **Credit Risk (Cont'd)**

Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

THE GROUP 2014	Gross amount RM'000	Individual impairment RM'000	Net carrying amount RM'000
Trade receivables not past due	18,762	-	18,762
Retention monies receivables	11,892	-	11,892
Trade receivables past due:			
- less than 3 months	8,683	-	8,683
- 3 to 6 months	115	-	115
- over 6 months	5,184	(2,708)	2,476
	44,636	(2,708)	41,928
 2013			
Trade receivables not past due	8,010	-	8,010
Retention monies receivables	7,476	-	7,476
Trade receivables past due:			
- less than 3 months	3,736	-	3,736
- 3 to 6 months	213	-	213
- over 6 months	6,443	(2,708)	3,735
	25,878	(2,708)	23,170

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk (Cont'd)**

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially customers with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(iii) Liquidity Risk

The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding through adequate committed credit facilities to meet estimated commitments arising from operational expenditure and financial liabilities. The Group also has effective cash management to ensure that the Group can pay dividends to its shareholders at an appropriate time.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

THE GROUP 2014	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
Trade payables	4.75	82,815	84,530	75,364	9,166	-
Other payables and accruals	-	34,295	34,295	34,295	-	-
Hire purchase payables	5.36	2,431	2,630	737	1,893	-
Revolving loan	5.34	5,000	5,067	5,067	-	-
Term loans	4.80	41,537	53,894	5,080	27,657	21,157
Bank overdraft	7.45	1,486	1,486	1,486	-	-
		167,564	181,902	122,029	38,716	21,157
2013						
Trade payables	4.75	74,667	76,611	65,515	11,096	-
Other payables and accruals	-	31,036	31,036	31,036	-	-
Hire purchase payables	4.57	706	757	372	385	-
Revolving loan	4.80	5,000	5,240	5,240	-	-
Term loans	4.80	44,655	59,055	5,160	29,928	23,967
		156,064	172,699	107,323	41,409	23,967
THE COMPANY 2014						
Other payables and accruals	-	180	180	180	-	-
2013						
Other payables and accruals	-	93	93	93	-	-

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to its shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2014 RM'000	2013 RM'000
Hire purchase payables	2,431	706
Revolving loan	5,000	5,000
Term loans	41,537	44,655
	48,968	50,361
Less: Cash and cash equivalents (Note 31)	6,261	28,877
Net debt	42,707	21,484
Total equity	133,084	128,479
Debt-to-equity ratio	0.32	0.17

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial Assets				
<u>Loans and receivables</u>				
<u>financial assets</u>				
Trade receivables	41,928	23,170	-	-
Other receivables and deposits	10,470	23,323	3	3
Amount owing by subsidiaries	-	-	41,218	40,008
Fixed deposits with licensed banks	3,849	4,818	3,667	3,572
Cash and bank balances	7,747	28,877	184	348
	<u>63,994</u>	<u>80,188</u>	<u>45,072</u>	<u>43,931</u>
Financial Liabilities				
<u>Other financial liabilities</u>				
Trade payables	82,815	74,667	-	-
Other payables and accruals	34,295	31,036	180	93
Hire purchase payables	2,431	706	-	-
Revolving loan	5,000	5,000	-	-
Term loans	41,537	44,655	-	-
Bank overdraft	1,486	-	-	-
	<u>167,564</u>	<u>156,064</u>	<u>180</u>	<u>93</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2014								
<u>Financial Asset</u>								
Trade receivables (non-current)	-	-	8,749	-	-	-	8,749	8,749
<u>Financial Liabilities</u>								
Trade payables (non-current)	-	-	8,423	-	-	-	8,423	8,423
Hire purchase payables	-	-	-	-	2,466	-	2,466	2,431
Term loans	-	-	-	-	-	-	-	41,537

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Information (Cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2013								
Financial Asset								
Trade receivables (non-current)	-	-	7,128	-	-	-	7,128	7,128
Financial Liabilities								
Trade payables (non-current)	-	-	9,152	-	-	-	9,152	9,152
Hire purchase payables	-	-	-	-	721	-	721	706
Term loans	-	-	-	-	-	-	-	44,655

The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

* Comparative fair value information is not presented by levels, by virtue of the exemption given in FRS 13.

The fair values of level 3 above have been determined using the following basis:-

- (a) The fair values of trade receivables and trade payables (non-current) are measured using discounted cash flow projections based on a borrowing rate of 4.75% (2013 - 4.75%). The discount rate equals to the current market interest rate plus appropriate credit rating.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

37. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting period:-

- a) the Company undertake a share capital reduction via the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in the Company pursuant to Section 64(1) of the Companies Act 1965;
- b) the Company increased its authorised share capital from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each by the creation of 800,000,000 new ordinary shares of RM0.50 each; and
- c) the Company entered into a Share Sale Agreement with a third party for the disposal of 2,050,000 ordinary shares of RM1 each representing 100% of the total issued and paid up capital of TSR Properties Sdn. Bhd. for a total cash consideration of RM1,900,000.

38. COMPARATIVE FIGURES

The following comparative figures have been restated to conform with the current financial year's presentation:-

THE GROUP	AS PREVIOUSLY REPORTED RM'000	RECLASSIFICATION RM'000	AS RESTATED RM'000
<u>Statements Of Financial Position (Extract):-</u>			
<u>Current Assets</u>			
Amount due from contract customers	21,869	6,000	27,869
<u>Current Liabilities</u>			
Other payables and accruals	25,036	6,000	31,036

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

38. COMPARATIVE FIGURES (CONT'D)

THE GROUP	AS PREVIOUSLY REPORTED RM'000	RECLASSIFICATION RM'000	AS RESTATE D RM'000
<u>Statements Of Cash Flows</u>			
<u>(Extract):-</u>			
<u>Cash flows from/(for) operating</u>			
<u>activities</u>			
Increase in amount due from contract customers, net	5,151	(6,000)	(849)
Increase/(Decrease) in trade and other payables	14,469	6,000	20,469

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

TSR CAPITAL BERHAD

(Incorporated in Malaysia)
Company No : 541149 - W

SUPPLEMENTARY INFORMATION

39. DISCLOSURE OF REALISED AND UNREALISED (LOSSES)/PROFITS

The breakdown of the (accumulated losses)/retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised (losses)/profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total (accumulated losses)/ retained profits:				
- realised	41,500	38,767	5,139	6,549
- unrealised	2,582	2,766	-	-
	<u>44,082</u>	<u>41,533</u>	<u>5,139</u>	<u>6,549</u>
Less: Consolidation adjustments	(53,947)	(52,820)	-	-
At 31 December	<u>(9,865)</u>	<u>(11,287)</u>	<u>5,139</u>	<u>6,549</u>

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 30 September 2015

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 30 September		9 months ended 30 September	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	A9	30,768	18,330	93,441	62,122
Cost of sales		(26,353)	(14,418)	(78,444)	(50,186)
Gross Profit		4,415	3,912	14,997	11,936
Other income		601	123	5,588	2,042
Administration expenses		(3,343)	(2,986)	(11,610)	(9,733)
Finance costs		(623)	(593)	(2,167)	(1,450)
Profit before taxation	A9	1,050	456	6,808	2,795
Income tax expenses	B5	(573)	174	(1,881)	(939)
Profit for the period		477	630	4,927	1,856
Attributable to:					
Owners of the Company		520	633	5,029	1,863
Non-controlling interests		(43)	(3)	(102)	(7)
Profit for the period		477	630	4,927	1,856
Earnings per share (sen)					
Basic	B13	0.4	0.6	4.3	1.6
Diluted	B13	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 30 September 2015

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	477	630	4,927	1,856
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	477	630	4,927	1,856
Total comprehensive income attributable to:				
Owners of the Company	520	633	5,029	1,863
Non-controlling interests	(43)	(3)	(102)	(7)
	477	630	4,927	1,856

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

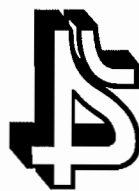
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2015

	30 September 2015	31 December 2014
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	3,983	8,778
Investment Properties	112,989	114,693
Deferred tax assets	3,464	2,582
Land held for future development	29,381	29,381
Trade receivables	8,749	8,749
	<u>158,566</u>	<u>164,183</u>
Current assets		
Amount due from contract customers	25,764	23,251
Inventories	3,443	3,443
Property development costs	64,070	55,445
Trade receivables	45,718	33,179
Accrued billings	6,860	5,009
Other receivables, prepayments and deposits	13,443	10,802
Tax refundable	17	17
Fixed deposits with licensed banks	186	3,849
Cash and bank balances	8,029	7,747
	<u>167,530</u>	<u>142,742</u>
TOTAL ASSETS	<u>326,096</u>	<u>306,925</u>
Equity		
Share capital	58,150	116,300
Capital reserve	58,150	-
Share premium	26,653	26,653
Accumulated losses	(5,999)	(9,865)
	<u>136,954</u>	<u>133,088</u>
Equity attributable to owners of the Company	136,954	133,088
Non-controlling interests	(106)	(4)
Total equity	<u>136,848</u>	<u>133,084</u>
Non-current liabilities		
Long-term bank borrowings	B9 36,364	40,117
Trade payables	8,423	8,423
	<u>44,787</u>	<u>48,540</u>
Current liabilities		
Short-term bank borrowings	B9 24,445	10,337
Amount due to contract customers	12,216	5,009
Trade payables	75,976	74,392
Other payables and accruals	29,015	34,295
Provision for taxation	2,809	1,268
	<u>144,461</u>	<u>125,301</u>
Total liabilities	<u>189,248</u>	<u>173,841</u>
TOTAL EQUITY AND LIABILITIES	<u>326,096</u>	<u>306,925</u>
Net assets per share (RM)	1.18	1.14

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30 SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the third quarter ended 30 September 2015

Note	Share Capital		Share Premium		Capital Reserve		Accumulated losses		Total		Non-controlling interests		Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	116,300	(58,150)	-	26,653	-	-	-	(9,865)	133,088	(4)	133,084			
Par Value Reduction	-	-	-	-	58,150	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	5,029	5,029	5,029	(102)	4,927			
Dividends to owners of the Company	-	-	-	-	-	-	(1,163)	(1,163)	(1,163)	-	(1,163)			
At 30 September 2015	116,300	(58,150)	-	26,653	-	58,150	(5,999)	136,954	(106)	136,848				

<----- Attributable to Equity Holders of the Company ----->

<----- Non-Distributable ----->

Note	Share Capital		Share Premium		Capital Reserve		Accumulated losses		Total		Non-controlling interests		Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	113,300	-	-	26,653	-	-	-	(11,287)	128,666	(187)	128,479			
Total comprehensive income for the period	-	-	-	-	-	-	1,863	1,863	1,863	(7)	1,856			
Allotment of shares to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	76	76			
Issuance of shares pursuant to the Private Placement	3,000	-	-	-	-	-	-	-	3,000	-	3,000			
Dividends to owners of the Company	-	-	-	-	-	-	(1,133)	(1,133)	(1,133)	-	(1,133)			
At 30 September 2014	116,300	-	-	26,653	-	-	(10,557)	132,396	(118)	132,278				

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the third quarter ended 30 September 2015

	9 months ended 30 September	
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,808	2,795
Adjustments for:		
Non-cash / non-operating items	81	2,527
Operating profit before working capital changes	6,889	5,322
Change in inventories	-	3,001
Change in property development costs	(10,130)	(19,045)
Change in amount due from / to contract customers	4,694	(18,405)
Change in trade and other receivables	(18,051)	18,872
Change in trade and other payables	(2,654)	(1,872)
Cash used in operations	(19,252)	(12,127)
Interest paid	(2,167)	(1,450)
Tax paid	(1,222)	(674)
Net cash used in operating activities	(22,641)	(14,251)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for land held for future development	-	(127)
Interest received	498	133
Purchase of plant and equipment	(248)	(120)
Proceeds from disposal of plant and equipment	840	-
Proceed from disposal of a subsidiary	1,873	-
Addition to investment properties	(909)	(2,102)
Net reduction of / (additional) fixed deposits pledged	3,664	988
Net cash generated from / (used in) investing activities	5,718	(1,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(1,163)	(1,133)
Grant received	8,015	-
Proceeds from issuance of ordinary shares	-	3,000
Proceeds from allotment of shares to non-controlling interest by a subsidiary	-	76
Repayment of hire purchase obligations	(860)	(459)
Repayment of term loans	(2,795)	(2,758)
Drawdown of short-term bank borrowings	13,824	-
Net cash generated from / (used in) financing activities	17,021	(1,274)
Net decrease in cash and cash equivalents	98	(16,753)
Cash and cash equivalents at 1 January	6,261	28,877
Cash and cash equivalents at 30 September	6,359	12,124

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the third quarter ended 30 September 2015

	9 months ended 30 September	
	2015	2014
	<u>RM'000</u>	<u>RM'000</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,029	12,124
Fixed Deposits with licensed banks	186	3,830
Bank Overdraft	(1,670)	-
	<u>6,545</u>	<u>15,954</u>
Less: Fixed Deposits pledged to licensed banks	(186)	(3,830)
	<u>6,359</u>	<u>12,124</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

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

Notes to the Interim Financial Report

A1 Basis of preparation

The interim financial report has been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with FRS 134, "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014.

The accounting policies and presentation adopted in the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein referred to as "Transitioning Entities"). Transitioning Entities are allowed to continue to use the existing FRS Framework and defer adoption of MFRS to annual periods beginning on or after 1 January 2017.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework. Accordingly, the Group will be required to prepare its first set of MFRS financial statement for the financial year ended 31 December 2017.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, except for the adoption of the following new/revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2015.

Amendments to FRS 119: Defined Benefit Plans - Employee Contributions
Annual Improvements to FRSs 2010 - 2012 Cycle
Annual Improvements to FRSs 2011 - 2013 Cycle

The initial application of the above new/revised FRSs and Amendments to FRSs are not expected to have any significant impact on the financial statements of the Group.

A3 Auditor's Report on Preceding Annual Financial Statements

There were no qualification in the auditors' report of the Company's previous financial statements for the year ended 31 December 2014.

A4 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors during the financial periods under review.

A5 Unusual items due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6 Changes in Estimates

There were no changes in the estimates of amounts, which give a material effect in the current quarter.

A7 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter ended 30 September 2015.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30 SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

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

Notes to the Interim Financial Report

A8 Dividends Paid

During the current quarter, the Company has paid a first and final single dividend of 1 Sen per ordinary share amounting to RM1,163,000 for the financial year ended 31 December 2014.

A9 Segmental Information

Segmental information is presented in respect of the Group's business segments were as follows:-

Segmental Results for 9 Months Ended 30 September 2015

	Construction	Mining	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	89,941	8,693	16,793	-	115,427
Elimination of Intersegment Sales	(21,986)	-	-	-	(21,986)
External Sales	67,955	8,693	16,793	-	93,441
Results					
Segment Results	(1,545)	8,823	4,399	46	11,723
Elimination of intersegment Results	(3,246)	-	-	-	(3,246)
	(4,791)	8,823	4,399	46	8,477
Financing Costs	(646)	-	(1,521)	-	(2,167)
Interest Income	7	443	24	24	498
Profit/(Loss) before Taxation	(5,430)	9,266	2,902	70	6,808

Segmental Results for 9 Months Ended 30 September 2014

	Construction	Mining	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	70,557	-	11,584	-	82,141
Elimination of Intersegment Sales	(20,019)	-	-	-	(20,019)
External Sales	50,538	-	11,584	-	62,122
Results					
Segment Results	2,637	-	1,730	(390)	3,977
Elimination of intersegment Results	(114)	-	-	-	(114)
	2,523	-	1,730	(390)	3,863
Financing Costs	(219)	-	(1,231)	-	(1,450)
Interest Income	259	-	42	81	382
Profit/(Loss) before Taxation	2,563	-	541	(309)	2,795

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2015.

A11 Material Events Subsequent to the End of Interim Period

There were no material events subsequent to the end of the financial period.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

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

Notes to the Interim Financial Report

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period except for the following:-

On 18 March 2015, the Company disposed off its entire equity interest comprising 2,050,000 ordinary shares representing 100% of the total issued and paid up capital of TSR Properties Sdn Bhd ("TSRP") for a total cash consideration of RM1,900,000.00. Following the disposal, TSRP has ceased to be a wholly owned subsidiary of the Company.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 30 September 2015 are as follows:

	RM'000
Corporate guarantees given to licensed financial institutions in respect of the following facilities granted to subsidiaries	
- Bank guarantee and trade lines	118,497
- Overdraft, revolving loan and hire purchase facilities	21,000
- Term loan	47,000
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	4,358
	<u>190,855</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 30 September 2015 except as disclosed as follow:

	RM'000
<i>Contracted and provided for</i>	
- Leasehold Land	<u>4,888</u>

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Malaysia Securities Berhad**

Notes to the Interim Financial Report

B1 Review of Performance of the Company and Its Principal Subsidiaries

The Group registered a Profit Before Taxation of RM1.0 million in the current quarter against a Profit Before Taxation of RM0.4 million in the last year corresponding period on the back of revenue of RM30 million and RM18 million respectively.

The Construction Division's revenue achieved RM67.9 million for the financial period to-date as compared to RM50.5 million in the previous year corresponding period. The higher turnover was a result of the higher construction billings in tandem with more on-going construction activities. The construction margin was reduced due to the higher construction cost and overhead incurred for certain projects.

The Property Division's revenue recorded RM16.7 million for the financial period to-date as compared to previous year corresponding period of RM11.6 million. The higher turnover was mainly due to the higher progress billings and rental income recorded from the new office space available for lease.

The Group's revenue recorded RM9 million for the financial period to-date in respect of iron ore mining income from a joint venture in Kedah.

B2 Material Changes in the Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group registered a Profit Before Taxation of 3.4% in the current quarter, marginally lower than the Profit Before Taxation of 4.1% reported in the immediate preceding quarter. The lower profit margin of the current quarter was mainly attributable to the higher construction cost incurred.

B3 Prospects for the Current Financial Year

The Board anticipates that the Group continues to operate in a competitive business environment in the current financial year.

The Construction Segment's profit margin remain low due to limited number of jobs available in the market couple with increasing cost of construction.

The Development and Properties Investment Segment is likely to achieve a lower profit margin due to the set back from the implementation of Goods and Services Tax and the weaker market sentiment.

However, the Board is cautiously optimistic that the Group will remain profitable for the current financial year.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
- Current income tax	885	(174)	2,763	939
- Deferred tax	(312)	-	(882)	-
	573	(174)	1,881	939

The effective tax rate for the Group in the current quarter is higher than the statutory tax rate mainly due to certain expenses are not allowable as deduction of expenses.

B6 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no profit on sale of unquoted investments and/or properties outside the ordinary course of the Group's business of the current quarter ended 30 September 2015.

**UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)**



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Malaysia Securities Berhad**

Notes to the Interim Financial Report

B7 Quoted Securities

- a) There were no purchases and disposals of quoted securities for the current quarter and financial period and profit / loss arising therefrom.
- b) There were no investments in quoted securities for the current quarter and financial period.

B8 Status of Corporate Proposal

There were no corporate proposals announced but not completed at the latest practicable date ("LPD") except the followings:-

- (a) The Company had on 28 June 2011 and 9 January 2013 announced that TSR Ocean Park Sdn Bhd, a wholly owned subsidiary of the Company, had entered into a sale and purchase agreement dated 28 June 2011 and a supplemental agreement dated 8 January 2013 with Best Reap Sdn Bhd for the proposed acquisition of a parcel of leasehold commercial land held under H.S.(D) 8376, PT 74, Bandar and Daerah Port Dickson, Negeri Sembilan measuring approximately 11.52 acres for a purchase price of RM9,032,599. As at LPD, the Proposed Acquisition is pending completion; and
- (b) RHB Investment Bank Berhad ("RHB Investment Bank") had on 24 July 2014 and 13 August 2014 announced that the Company proposes to undertake the following:-
 - (i) private placement of up to 11,330,000 new ordinary shares of RM1.00 each in TSR, representing up to 10% of the issued and paid-up share capital of TSR, to investors to be identified at an issue price to be determined ("Proposed Private Placement");
 - (ii) share capital reduction via the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in TSR ("Existing TSR Share(s)") pursuant to Section 64(1) of the Companies Act, 1965 ("Act") ("Proposed Share Capital Reduction");
 - (iii) renounceable rights issue of up to 62,315,000 new ordinary shares of RM0.50 each in TSR ("Rights Share(s)") together with up to 62,315,000 free detachable new warrants ("Warrant(s)", on the basis of one (1) Rights Share and one (1) free Warrant for every two (2) ordinary shares of RM0.50 each in TSR ("TSR Share(s)" or "Share(s)") held after the Proposed Share Capital Reduction on an entitlement date to be determined and announced later;
 - (iv) increase in the authorised share capital of TSR from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each ("Proposed Increase in Authorised Share Capital"); and
 - (v) amendments to the Memorandum and Articles of Association of TSR to facilitate the implementation of the Proposed Share Capital Reduction as well as the Proposed Increase in Authorised Share Capital.

(Collectively referred to as the "Proposals").

The Proposals are subject to the following approvals being obtained:

- (i) the approval of the shareholders of TSR for the Proposed Share Capital Reduction, Proposed Rights Issue with Warrants, Proposed Increase in Authorised Share Capital and Proposed Amendments at an extraordinary general meeting ("EGM") to be convened;
- (ii) the approval of Bursa Securities for the following:
 - (a) the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement;
 - (b) the admission of the Warrants to the Official List of Bursa Securities pursuant to the Proposed Rights Issue with Warrants; and
 - (c) the listing of and quotation for Rights Shares, Warrants as well as new Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities pursuant to the Proposed Rights Issue with Warrants; Warrants;
- (iii) the approval of the High Court of Malaya for the Proposed Share Capital Reduction; and
- (iv) any other relevant authorities or persons, if necessary.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD
(Company No : 541149-W)
(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Malaysia Securities Berhad

Notes to the Interim Financial Report

B8 Status of Corporate Proposal (Cont'd)

The Proposed Rights Issue with Warrants, Proposed Increase in Authorised Share Capital and the Proposed Amendments are conditional upon completion of the Proposed Share Capital Reduction. The Proposed Private Placement is not conditional upon any proposals. For practical purposes, notwithstanding that certain proposals may be conditional upon other proposals, the Proposals may be implemented concurrently, consecutively or otherwise.

Save as provided above, the Proposals are not conditional upon any other corporate exercises being undertaken by TSR.

On 29 August 2014, on behalf of the Board of Directors of the Company, RHB Investment Bank announced that Bursa Securities had vide its letter dated 26 August 2014 approved the Proposed Private Placement. On 25 September 2014, 3,000,000 new ordinary shares of RM1.00 each represent the first tranche of the Private Placement were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Subsequently, on behalf of the Board of the Company, RHB Investment Bank announced Bursa Securities had vide its letter dated 27 October 2014 approved the Proposed Rights Issue with Warrants subject to the conditions as stated in the announcement.

Shareholders of TSR had approved the Proposals at EGM held on 24 November 2014.

On 29 December 2014, the High Court of Malaya granted an order confirming the Proposed Share Capital Reduction. On 13 January 2015, the sealed order of the High Court of Malaya confirming the Proposed Share Capital Reduction has been lodged with Companies Commission of Malaysia, thus marking the completion of the Proposed Share Capital Reduction.

On 2 July 2015, on behalf of the Board of Directors of the Company, RHB Investment Bank announced that the Company had received an approval letter from Bursa Securities for an extension of time of up to six months from 30 June 2015 until 31 December 2015 for the Company to complete the Private Placement.

On 16 November 2015, on behalf of the Board of Directors of the Company, RHB Investment Bank announced that the Company had resolved to fix the issue price of the Right Shares at RM0.51 per Right Shares and the exercise price of the Warrants at RM0.70 each. The Company had on even date entered into an underwriting agreement with RHB Investment Bank for the underwriting of up to 25,454,594 Rights Shares. The Company had also on even date executed the deed poll constituting the Warrants.

B9 Group Borrowings and Debt Securities

Total group borrowings as at 30 September 2015 are as follows:

(a) Short term borrowings

Short term borrowings (Secured)	RM'000
Portion of term loans payable within one year	3,226
Revolving loan payable within one year	11,000
Banker acceptance payable within one year	7,824
Bank overdraft	1,670
Portion of hire purchase payable within one year	725
	<u>24,445</u>

(b) Long term borrowings :

Long term borrowings (Secured)	
Portion of term loans payable after one year	35,517
Portion of hire purchase payable after one year	847
	<u>36,364</u>

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risks as at the date of this announcement.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30
SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Malaysia Securities Berhad**

Notes to the Interim Financial Report

B11 Material Litigation

There were no material litigations involving the Group as at the last annual balance sheet date and the latest practicable date except as disclosed in the following which involve subsidiaries of the Company:-

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

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

A notice of application to stay the hearing of assessment of damages was filed on 4 November 2015 ("Stay Application") and the Stay Application is fixed for case management on 7 January 2016 at the Seremban High Court.

b) TSR Bina Sdn Bhd ("TSRB" or "Plaintiff") v Kontena Nasional Berhad ("Defendant")

The Plaintiff initiated an action against the Defendant on 1 March 2005 to recover the liquidated ascertained damages being the sum of RM1,060,000 and the defect liability damages being the sum of RM223,494.46 which have been wrongfully deducted by the Defendant. The Plaintiff has also claimed against the Defendant for the certified sum of RM847,001.55 that has yet to be paid by the Defendant. The sum of RM847,001.55 has been paid by the Defendant after the Federal Court and Court of Appeal confirmed the decision of the Senior Assistant Registrar given on 27 August 2007. Subsequently the Plaintiff proceeded with full trial to recover the sum of RM1,060,000 and RM223,494.46. However, the High Court dismissed the Plaintiff's claim with costs of RM15,000 on 26 August 2014. On 9 September 2014, an appeal to the Court of Appeal arising from this decision was filed. On 25 August 2015, the Court of Appeal dismissed the appeal. The Plaintiff will apply for leave to appeal to the Federal Court ("Leave"). The Notice of Motion for the Leave has been filed and the Federal Court has fixed 17 February 2016 for hearing.

c) TSR Bina Sdn Bhd ("Plaintiff") v Josu Engineering Construction Sdn Bhd & Messrs GH Tee & Co ("Defendant")

The Plaintiff had filed an action against the Defendants to impeach the judgement entered on 6 February 2007 in the Seremban High Court Civil Suit No.: MTI-22-2-2004 (Josu Engineering Construction Sdn Bhd v TSR Bina Sdn Bhd) ("Judgement") for a declaration that the Judgement is null and void and is to be set aside on the basis that the Defendants had wrongfully and/or fraudulently misled the High Court Judge in granting the Judgement. The High Court had allowed both the Defendants' notice of application to strike out the Plaintiff's claim against the Defendants on 17 February 2015 with costs on a full indemnity basis to be assessed by the Court ("Order of 17 February 2015"). The Plaintiff filed a notice on 11 March 2015 to appeal against the Order of 17 February 2015. The said appeal was fixed for hearing on 22 September 2015 and was subsequently dismissed. On 21 October 2015, the Plaintiff filed 2 applications for leave to appeal to the Federal Court and the first case management session was fixed on 11 November 2015 for both leave applications. The Court has fixed the said applications for hearing on 25 February 2016.

B12 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 September 2015.

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE NINE (9)-MONTH FPE 30 SEPTEMBER 2015 (Cont'd)



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B13 Earnings per Share

i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September 2015	2014	9 months ended 30 September 2015	2014
a Net Profit for the period attributable to equity holders (RM'000)	520	633	5,029	1,863
b Weighted average number of shares issue ('000)	116,300	113,496	116,300	113,366
a/b Basic earnings per share (sen)	0.4	0.6	4.3	1.6

ii) Diluted earnings per share

The Company does not have any convertible shares or financial instruments for the current quarter and financial period to-date.

B14 Realised and Unrealised (Losses)/Profits Disclosure

	As at 30.9.2015 RM'000	As at 31.12.2014 RM'000
Total (accumulated losses)/retained profits:		
- Realised	47,059	41,500
- Unrealised	3,464	2,582
	50,523	44,082
Less: Consolidation adjustments	(56,522)	(53,947)
	(5,999)	(9,865)

B15 Profit Before Taxation

The following items have been included in arriving at profit before tax:

	Current quarter ended 30.9.15 RM'000	Cumulative quarter ended 30.9.15 RM'000
(a) Interest income	7	498
(b) Government Grant	960	4,074
(c) Write back of impairment loss on receivable	-	-
(d) Interest expenses	(623)	(2,167)
(e) Depreciation and amortisation	(757)	(2,253)

B16 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 25 November 2015.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 25 November 2015

DIRECTORS' REPORT

**TSR CAPITAL BERHAD** (541149-W)

Level 16, Menara TSR, 12 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor, Malaysia.
Tel: 03 7717 7717 Fax: 03 7717 7728 E-mail: general@tsrcap.com / contracts@tsrcap.com

Date: 19 NOV 2015

To: The Shareholders of TSR Capital Berhad ("TSR" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of TSR ("**Board**"), I wish to report that after making due enquiries in relation to TSR and its subsidiary companies ("**Group**") during the period between 31 December 2014, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus, that:-

- (a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there have been no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of TSR; and
- (f) there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of TSR.

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

TENGGU DATUK MUSTAPHA BIN TENGGU MOHAMED
Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights Shares, the Warrants and the TSR Shares to be issued arising from the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- (ii) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (iii) All the Rights Shares and the TSR Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then TSR Shares, save and except that such shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of such shares.
- (iv) Save for the Entitled Shareholders who will be allotted the Provisional Rights Shares with Warrants, no person has been or is entitled to be granted an option to subscribe for any of our securities as at the LPD.
- (v) Save as disclosed in **Section 2.6** of this Abridged Prospectus as well as the Rights Shares, the Warrants and the TSR Shares to be issued arising from the exercise of the Warrants, as at the LPD, none of the securities of our Group have been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash within the two (2) years immediately preceding the LPD.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are set out below:

Article 85

- (a) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting. Provided that such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- (b) Executive Director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may from time to time determine.
- (c) Fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover.
- (d) Salaries payable to executive Director(s) may not include a commission on or percentage of turnover.
- (e) Any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

ADDITIONAL INFORMATION (Cont'd)

Article 86

- (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be, determined by the Company in general meeting and such remuneration may be, either, in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to non-executive Director(s) shall not include a commission on or percentage of turnover of profits.

3. MATERIAL CONTRACTS

As at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, neither TSR nor its subsidiary companies have been engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of TSR and/ or its subsidiary companies and the Board has no knowledge of any proceedings pending or threatened against TSR and/ or its subsidiary companies or any fact likely to give rise to any proceeding which may materially and adversely affect the financial position of our Group.

Josu Engineering Construction Sdn Bhd (“Plaintiff”) v TSR Bina Sdn Bhd (“Defendant”)

The Plaintiff had commenced an action against the Defendant for unlawful termination of the letter of award. On 6 February 2007, the Plaintiff obtained a judgment 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.

A notice of application to stay the hearing of assessment of damages was filed on 4 November 2015 (“**Stay Application**”) and the Stay Application is fixed for case management on 7 January 2016 at the Seremban High Court.

ADDITIONAL INFORMATION (Cont'd)**TSR Bina Sdn Bhd (“Plaintiff”) v Kontena Nasional Berhad (“Defendant”)**

The Plaintiff initiated an action against the Defendant on 1 March 2005 to recover the liquidated ascertained damages being the sum of RM1,060,000 and the defect liability damages being the sum of RM223,494.46 which have been wrongfully deducted by the Defendant. The Plaintiff has also claimed against the Defendant for the certified sum of RM847,001.55 that has yet to be paid by the Defendant. The sum of RM847,001.55 has been paid by the Defendant after the Federal Court and Court of Appeal confirmed the decision of the Senior Assistant Registrar given on 27 August 2007. Subsequently the Plaintiff proceeded with full trial to recover the sum of RM1,060,000 and RM223,494.46. However, the High Court dismissed the Plaintiff’s claim with costs of RM15,000 on 26 August 2014. On 9 September 2014, an appeal to the Court of Appeal arising from this decision was filed. On 25 August 2015, the Court of Appeal dismissed the appeal. The Plaintiff will apply for leave to appeal to the Federal Court (“**Leave**”). The Notice of Motion for the Leave has been filed and the Federal Court has fixed 17 February 2016 for hearing.

TSR Bina Sdn Bhd (“Plaintiff”) v Josu Engineering Construction Sdn Bhd & Messrs GH Tee & Co (“Defendant”)

The Plaintiff had filed an action against the Defendants to impeach the judgement entered on 6 February 2007 in the Seremban High Court Civil Suit No.: MTI-22-2-2004 (Josu Engineering Construction Sdn Bhd v TSR Bina Sdn Bhd) (“**Judgement**”) for a declaration that the Judgement is null and void and is to be set aside on the basis that the Defendants had wrongfully and/or fraudulently misled the High Court Judge in granting the Judgement. The High Court had allowed both the Defendants’ notices of application to strike out the Plaintiff’s claim against the Defendants on 17 February 2015 with costs on a full indemnity basis to be assessed by the Court (“**Order of 17 February 2015**”). The Plaintiff filed a notice of appeal on 11 March 2015 to appeal against the Order of 17 February 2015. The said appeal was fixed for hearing on 22 September 2015 and was subsequently dismissed. On 21 October 2015, the Plaintiff filed 2 applications for leave to appeal to the Federal Court and the first case management session was fixed on 11 November 2015 for both leave applications. The Court has fixed the said applications for hearing on 25 February 2016.

5. GENERAL

- (i) There is no existing or proposed service contract entered or to be entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- (ii) Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:
 - (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - (b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;
 - (c) unusual, infrequent events or transactions or significant economic changes which materially affect the amount of reported income from the operations of our Group;

ADDITIONAL INFORMATION (Cont'd)

- (d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on the revenue or operating income of our Group;
- (e) substantial increase in revenues; and
- (f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

6. CONSENTS

Our Principal Adviser and Underwriter, company secretaries, principal bankers, Bloomberg LP, share registrar and due diligence solicitor for the Rights Issue with Warrants have given and have not subsequently withdrawn their written consents the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent the inclusion in this Abridged Prospectus its name, the letter on the proforma consolidated statements of financial position of our Group as at 31 December 2014, the audited consolidated financial statements of our Group for the FYE 31 December 2014, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Level 16, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:

- (i) Our Memorandum and Articles of Association;
- (ii) The Deed Poll constituting the Warrants;
- (iii) The relevant cause papers in respect of the material litigation referred to in **Section 4** above;
- (iv) The letters of consent referred to in **Section 6** above;
- (v) The proforma consolidated statements of financial position of TSR as at 31 December 2014 together with the reporting accountants' report thereon, as set out in **Appendix III** of this Abridged Prospectus;
- (vi) Our audited consolidated financial statements of TSR for the past two (2) financial years up to and including FYE 31 December 2014;
- (vii) Our latest unaudited quarterly report for the nine (9)-month FPE 30 September 2015, as set out in **Appendix V** of this Abridged Prospectus;
- (viii) The Directors' Report, as set out in **Appendix VI** of this Abridged Prospectus; and
- (ix) The undertaking letters from the Undertaking Shareholders referred to in **Section 4** of this Abridged Prospectus.

ADDITIONAL INFORMATION (Cont'd)

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHB Investment Bank, being our Principal Adviser and Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK