



TSR CAPITAL BERHAD

(Company No : 541149-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the fourth quarter ended 31 December 2014

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 December		12 months ended 31 December	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	A9	44,854	32,332	106,976	109,385
Cost of sales		(43,047)	(26,984)	(93,233)	(95,366)
Gross Profit		1,807	5,348	13,743	14,019
Other income		5,239	2,495	7,281	3,990
Administration expenses		(3,806)	(6,536)	(13,539)	(14,660)
Finance costs		(673)	(283)	(2,123)	(1,006)
Profit before taxation	A9	2,567	1,024	5,362	2,343
Income tax expenses	B5	(1,880)	2,629	(2,819)	2,374
Profit for the period		687	3,653	2,543	4,717
Attributable to:					
Owners of the Company		689	3,655	2,552	4,762
Non-controlling interests		(2)	(2)	(9)	(45)
Profit for the period		687	3,653	2,543	4,717
Earnings per share (sen)					
Basic	B13	0.6	3.2	2.2	4.2
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 2013 and the accompanying explanatory notes attached to this interim financial statements.



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	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the period	687	3,653	2,543	4,717
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	687	3,653	2,543	4,717
Total comprehensive income attributable to:				
Owners of the Company	689	3,655	2,552	4,762
Non-controlling interests	(2)	(2)	(9)	(45)
	687	3,653	2,543	4,717

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.



TSR CAPITAL BERHAD
(Company No : 541149-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 December 2014

	31 December 2014	31 December 2013
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	8,778	7,264
Investment Properties	114,693	114,164
Deferred tax assets	2,677	2,766
Land held for future development	29,381	36,923
Trade receivables	8,749	7,128
	164,278	168,245
Current assets		
Amount due from contract customers	21,092	21,869
Inventories	3,443	6,559
Property development costs	51,615	19,790
Trade receivables	24,703	16,042
Accrued billings	5,009	2,001
Other receivables, prepayments and deposits	10,802	23,323
Tax refundable	17	680
Fixed deposits with licensed banks	3,849	4,818
Cash and bank balances	7,747	28,877
	128,277	123,959
TOTAL ASSETS	292,555	292,204
Equity		
Share capital	116,300	113,300
Share premium	26,653	26,653
Accumulated losses	(9,868)	(11,287)
Equity attributable to owners of the Company	133,085	128,666
Non-controlling interests	-	(187)
Total equity	133,085	128,479
Non-current liabilities		
Long-term bank borrowings	40,117	41,882
Trade payables	8,423	9,152
	48,540	51,034
Current liabilities		
Short-term bank borrowings	10,337	8,479
Amount due to contract customers	7,502	12,930
Trade payables	74,235	65,515
Progress billings	-	360
Other payables and accruals	17,493	25,036
Provision for taxation	1,363	371
	110,930	112,691
Total liabilities	159,470	163,725
TOTAL EQUITY AND LIABILITIES	292,555	292,204
Net assets per share (RM)	1.14	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 2013 and the accompanying explanatory notes attached to the interim financial statements.



TSR CAPITAL BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the fourth quarter ended 31 December 2014

<----- Attributable to Equity Holders of the Company ----->

<- Non-Distributable ->

Note	Share Capital	Share Premium	Accumulated losses	Total	Non- controlling interests	Total Equity
	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	-	-	2,552	2,552	(9)	2,543
Allotment of shares to non-controlling interest of a subsidiary	-	-	-	-	196	196
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)
At 31 December 2014	116,300	26,653	(9,868)	133,085	-	133,085

<----- Attributable to Equity Holders of the Company ----->

<- Non-Distributable ->

	Share Capital	Share Premium	Accumulated losses	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	113,300	26,653	(16,049)	123,904	(142)	123,762
Total comprehensive income for the period	-	-	4,762	4,762	(45)	4,717
At 31 December 2013	113,300	26,653	(11,287)	128,666	(187)	128,479

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



TSR CAPITAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the fourth quarter ended 31 December 2014

	12 months ended 31 December	
	2014	2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,362	2,343
Adjustments for:		
Non-cash / non-operating items	(546)	3,155
Operating profit before working capital changes	4,816	5,498
Change in inventories	3,116	(1,574)
Change in property development costs	(23,102)	(18,146)
Change in amount due from / to contract customers	(4,650)	5,151
Change in trade and other receivables	645	10,258
Change in trade and other payables	448	14,469
Cash (used in) / generated from operations	(18,727)	15,656
Interest paid	(2,098)	(981)
Net of tax (paid) / refund	(1,075)	584
Net cash (used in) / generated from operating activities	(21,900)	15,259
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for land held for future development	(127)	(8,396)
Interest received	157	371
Purchase of plant and equipment	(157)	(630)
Proceeds from disposal of plant and equipment	-	1,061
Addition to investment properties	(4,243)	(22,478)
Withdrawal/(addition) of fixed deposits pledged to licensed banks	969	(3,584)
Net cash used in investing activities	(3,401)	(33,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(1,133)	-
Proceeds from issuance of ordinary shares	3,000	-
Proceeds from allotment of shares to non-controlling interest by a subsidiary	196	-
Grant received	4,464	3,347
Repayment of hire purchase obligations	(725)	(887)
Repayment of term loans	(3,117)	(20,626)
Drawdown of revolving loan	-	5,000
Drawdown of term loan	-	30,000
Net cash (used in)/generated from financing activities	2,685	16,834
Net Decrease in cash and cash equivalents	(22,616)	(1,563)
Cash and cash equivalents at 1 January	28,877	30,440
Cash and cash equivalents at 31 December	6,261	28,877



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the fourth quarter ended 31 December 2014

	12 months ended 31 December	
	2014	2013
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	7,747	28,877
Fixed Deposits with licensed banks	3,849	4,818
Bank Overdraft	(1,486)	-
	<u>10,110</u>	<u>33,695</u>
Less: Fixed Deposits pledged to licensed banks	(3,849)	(4,818)
	<u>6,261</u>	<u>28,877</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.



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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 2013.

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 2013. 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 2013.

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 2013, except for the adoption of the following new/revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2014.

Amendments to FRS 10, FRS 12
and FRS 127 (2011)

Amendments to FRS 132

Amendments to FRS 136

Amendments to FRS 139

IC Interpretation 21

Investment Entities

Offsetting Financial Assets and Financial Liabilities

Recoverable Amount Disclosures for Non-financial Assets

Novation of Derivatives and Continuation of Hedge Accounting

Levies

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 2013.

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.



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Part A - Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134

Notes to the Interim Financial Report

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 31 December 2014.

A8 Dividends Paid

There were no dividend paid in the current quarter 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 12 Months Ended 31 December 2014

	Construction	Manufacturing	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	119,296	-	19,493	-	138,789
Elimination of Intersegment Sales	(31,813)	-	-	-	(31,813)
External Sales	87,483	-	19,493	-	106,976
Results					
Segment Results	4,941	(235)	4,702	(379)	9,029
Elimination of intersegment Results	(2,147)	-	-	-	(2,147)
	2,794	(235)	4,702	(379)	6,882
Financing Costs	(366)	-	(1,757)	-	(2,123)
Interest Income	457	2	47	97	603
Profit/(Loss) before Taxation	2,885	(233)	2,992	(282)	5,362

Segmental Results for 12 Months Ended 31 December 2013

	Construction	Manufacturing	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	147,179	105	17,980	-	165,264
Elimination of Intersegment Sales	(55,871)	(8)	-	-	(55,879)
External Sales	91,308	97	17,980	-	109,385
Results					
Segment Results	17,688	(356)	2,013	(483)	18,862
Elimination of intersegment Results	(15,938)	-	-	-	(15,938)
	1,750	(356)	2,013	(483)	2,924
Financing Costs	(238)	-	(768)	-	(1,006)
Interest Income	89	7	174	155	425
Profit/(Loss) before Taxation	1,601	(349)	1,419	(328)	2,343

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 31 December 2014.



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Part A - Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134

Notes to the Interim Financial Report

A11 Material Events Subsequent to the End of Interim Period

There were no material events subsequent to the end of the financial period.

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 15 April 2014, the Company acquired the entire issued and paid up share capital comprising ordinary shares of RM1.00 each in LTP Wibawa Sdn Bhd ("LTP").

Subsequently on 13 August 2014, LTP allotted and issued 76,000 ordinary shares to Pembinaan Bukit Timah Sdn Bhd for a total cash consideration of RM76,000.00.

On 20 October 2014, LTP allotted and issued 120,000 ordinary shares, representing 30% of the enlarged issued and paid up share capital in LTP, to Lembaga Tabung Angkatan Tentera for a total cash consideration of RM120,000.00. Consequently, LTP became a 51% owned subsidiary of the Company.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 31 December 2014 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	112,896
- Overdraft, revolving loan and hire purchase facilities	15,000
- Term loan	47,000
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	4,358
	<u>179,254</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 31 December 2014 except as disclosed as follow:

	RM'000
<i>Contracted and provided for</i>	
- Leasehold Land	<u>4,888</u>



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B1 Review of Performance of the Company and Its Principal Subsidiaries

The Group registered a Profit Before Taxation of RM2.5 million in the current quarter against a Profit Before Taxation of RM1.0 million in the last year corresponding period on the back of revenue of RM44.8 million and RM32.3 million respectively.

Year-to-date, the Group recorded revenue of RM106 million, a marginal decrease of 2% compared to revenue of RM109 million in the previous year.

The Group registered a Profit Before Taxation of 5% for the year 2014 which was higher than the Profit Before Taxation of 2% in previous year. The better performance was attributable to the writeback of impairment loss on receivables and the contribution from the Government Grant.

The Construction Division achieved RM87.4 million revenue for the current year as compared to RM91.3 million in the previous year. The lower turnover was result of lower construction billings in tandem with lower on-going construction activities.

The Property Division recorded RM19.4 million revenue for the current year as compared to previous year of RM17.9 million. The higher turnover was mainly due to higher progress billings recorded.

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 5.7% in the current quarter which is higher than the Profit Before Taxation of 2.5% reported in the immediate preceding quarter. The better performance of the current quarter was mainly attributable to the contribution from the Government Grant.

B3 Prospects for the Forthcoming Financial Year

The Board is cautiously optimistic on the construction and property development sectors in 2015. While the Group will continue its strategy on selective tendering for construction projects, the Group will continue to expand its development projects which focus on niche locations.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
- Current income tax	1,791	(2,629)	2,730	(2,374)
- Deferred tax	89	-	89	-
	<u>1,880</u>	<u>(2,629)</u>	<u>2,819</u>	<u>(2,374)</u>

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 31 December 2014.



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B7 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;
- (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.



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B8 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 17 February 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 four months from 26 February 2015 until 30 June 2015 for the Company to complete the Private Placement.

B9 Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2014 are as follows:

(a) Short term borrowings

Short term borrowings (Secured)	RM'000
Portion of term loans payable within one year	3,169
Revolving loan payable within 1 year	5,000
Bank overdraft	1,486
Portion of hire purchase payable within one year	682
	<u>10,337</u>

(b) Long term borrowings :

Long term borrowings (Secured)	
Portion of term loans payable after one year	38,368
Portion of hire purchase payable after one year	1,749
	<u>40,117</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.



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B11 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 ("JEC") Vs TSR Bina Sdn Bhd ("TSRB")

The Plaintiff (JEC) filed a Writ of Summons and a Statement of Claim sometime on the 5th January 2004, alleging, inter alia, that their termination by the Defendant was unlawful, irregular, invalid and/or improper. The Plaintiff was claiming the sum of RM6,066,653.00 with interest and costs.

The Defendant (TSRB) had instituted a counter-claim against the Plaintiff in the amount of RM3,422,611.95 as well as for general damages, interest and costs. Our solicitors were of the opinion that the Defendant had a defense against the claim initiated by the Plaintiff.

On 1 March 2010, the Learned Judge had heard the application of plaintiff to amend the High Court's note of proceedings and had ordered that the note be amended to reflect a judgement granted in terms as per the prayers listed in paragraphs 9.1 (a) to (l)(iii) of the Plaintiff's Statement of Claim subject to such damages being assessed by the Registrar on a date to be fixed.

TSRB ("Appellant") had filed a Notice of Appeal to the Court of Appeal against the decision of the High Court. On 16 August 2011, the Court of Appeal dismissed the Appellant's appeal. TSRB then filed an application for leave to appeal against the Court of Appeal's decision in Federal Court on 14 September 2011. The Federal Court had dismissed the TSRB's application on 14 February 2012.

The matter is now pending assessment of damages in the Seremban High Court. On 5 February 2013, TSRB had filed a discovery application which was dismissed by the Deputy Registrar on 16 July 2013 and the appeal was also dismissed by the Seremban High Court Judge on 23 May 2014.

A second discovery application was also filed by TSRB on 27 June 2013 and was dismissed by the Senior Assistant Registrar on 14 August 2014. The High Court Judge has dismissed TSRB's appeal of the second discovery application on 26 January 2015.

On 28 May 2013, an interim payment application was filed by the JEC and was dismissed by the Seremban High Court Judge on 23 May 2014. JEC's appeal against the said decision to the Court of Appeal was partly allowed on 24 September 2014 and TSRB is currently applying for leave to appeal against the said decision to the Federal Court and the Federal Court has fixed 21 April 2015 for hearing of TSRB's leave application to appeal to the Federal Court.

b) Jalur Canggih Sdn Bhd ("JCSB" or "first Plaintiff") & TSR Bina Sdn Bhd ("TSRB" or "second Plaintiff") (collectively known as "the Plaintiffs") vs Permodalan Kedah Berhad ("Defendant")

The Plaintiffs have filed a civil suit against the Defendant seeking for damages to be assessed in respect of Defendant's breach of contract. No value of claim could be determined at that time as the claim was mainly for the share of proceeds obtained by the Defendant.

After the trial which concluded on 16 May 2012, the Court delivered its judgement on 14 September 2012 and ordered that there be Specific Performance of the Iron Ore Extraction Agreement on the terms pleaded, and the Defendant to pay second Plaintiff the sum of RM3,666,055.23 and interest as damages for breach of the Iron Ore Extraction Agreement.

On 20 September 2012, the Defendant filed Notice of Appeal to the Court of Appeal against the Judgement dated 14 September 2012. On 4 February 2013, the Court of Appeal had allowed the Defendant's appeal to set aside the Judgement of High Court and ordered that the sum of RM1,846,838.12 previously deposited with the Plaintiff's Solicitors be returned back to the Defendant.

As such, the Plaintiffs have applied for leave to appeal to the Federal Court and leave has been granted to the Plaintiffs. The Plaintiffs have filed a Notice of Appeal and subsequently the Record of Appeal. On 5 February 2015, the Federal Court has allowed the Plaintiff's appeal and upheld the High Court decision. The Court of Appeal decision is thus set aside.



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 (Cont'd)

c) TSR Bina Sdn Bhd ("TSRB" or "Plaintiff") v Kontena Nasional Berhad ("Defendant")

TSRB brought a claim against the defendant on 10 March 2005 for monies wrongfully deducted in connection with the final certificate, namely in connection with the imposition of Liquidated and Ascertained Damages amounting to RM1,060,000.00, the deductions amounting to RM233,494.46, as well as the amount certified as payable to TSRB amounting to RM847,001.55.

The High Court had entered a summary judgement on 27 August 2007 in TSRB's favour for the claimed sum amounting to RM847,001.55 together with interest. The Defendant then filed an appeal to the High Court. On 26 August 2009, the Judge had allowed the Defendant's appeal with costs. On 17 September 2009 TSRB had filed a Notice of Appeal to the Court of Appeal against the decision of the High Court. On 24 May 2011 the Court of Appeal had allowed TSRB's appeal, and TSRB succeeded in obtaining the claimed sum, namely RM847,001.55 together with interest in March 2012.

The trial for the balance of TSRB's claim amounting to RM1,293,494.46 was held on 10 May 2014, 11 May 2014, 15 May 2014 and 19 May 2014 respectively. On 26 August 2014, the High Court dismissed the Plaintiff's claim with costs. On 9 September 2014, an appeal to the Court of Appeal arising from this decision was filed. The matter is fixed for further case management on 27 March 2015.

d) TSR Bina Sdn Bhd ("Plaintiff") v Devan & Associates ("Defendant")

The Plaintiff had filed an action against Messrs Devan & Associates on 4 February 2013 in the Kuala Lumpur High Court for professional negligence in handling the Seremban High Court Civil Suit No.: MTI-22-2-2004 (Josu Engineering Construction Sdn Bhd v TSR Bina Sdn Bhd) by allowing a judgement dated 6 February 2007 to be entered against the Plaintiff.

On 30 August 2013, the High Court Judge had allowed the Plaintiff's claim against the Defendant for the estimated sum of RM9,710,070 with costs of RM40,000. The High Court Judge had also allowed the counter-claim by the Defendant for the sum of RM51,102 with costs of RM40,000.

Subsequently, the Defendant appealed to the Court of Appeal on 3 September 2013 whereby the Court of Appeal allowed the appeal by disallowing the Plaintiff's claim against the Defendant. The Plaintiff is currently seeking leave to appeal in the Federal Court against the decision by the Court of Appeal. The Federal Court has fixed 7 April 2015 for hearing of the Plaintiff's application of leave to appeal to the Federal Court.

e) TSR Bina Sdn Bhd ("Plaintiff") v Josu Engineering Construction Sdn Bhd & Messrs GH Tee & Co ("Defendant")

The Plaintiff had filed an action against the Defendant 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 Defendant had wrongfully and/or fraudulently misled the High Court Judge in granting the Judgement. The High Court has allowed the Defendant's application to strike out the Plaintiff's claim on 17 February 2015.

B12 Dividend Payables

The Board of Directors has proposed a first and final single tier dividend of RM0.01 per ordinary share for the financial year ended 31 December 2014 subject to the shareholder's approval at the forthcoming Annual General Meeting.



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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

Notes to the Interim Financial Report

B13 Earnings per Share

i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended	31 December	12 months ended	31 December
	2014	2013	2014	2013
a Net Profit for the period attributable to equity holders (RM'000)	689	3,655	2,552	4,762
b Weighted average number of shares issue ('000)	116,300	113,300	114,105	113,300
a/b Basic earnings per share (sen)	0.6	3.2	2.2	4.2

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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of the Group:-		
- Realised	(12,544)	(14,053)
- Unrealised	2,676	2,766
	<u>(9,868)</u>	<u>(11,287)</u>

B15 Profit Before Taxation

The following items have been included in arriving at profit before tax:

	Current quarter ended 31.12.14 RM'000	Cumulative quarter ended 31.12.14 RM'000
(a) Interest income	221	603
(b) Government Grant	3,291	3,624
(c) Writeback of impairment loss on receivable	520	1,774
(d) Interest expenses	(673)	(2,123)
(e) Depreciation and amortisation	(985)	(2,915)

B16 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2015.