



TSR CAPITAL BERHAD
 (Company No : 541149-W)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 30 September 2016

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	31,343	30,768	105,999	84,748
Cost of sales		(26,798)	(26,353)	(90,513)	(78,444)
Gross Profit		4,545	4,415	15,486	6,304
Other income		8,730	601	10,607	14,281
Administration expenses		(6,954)	(3,343)	(14,674)	(11,610)
Finance costs		(1,323)	(623)	(2,962)	(2,167)
Profit before taxation	A9	4,998	1,050	8,457	6,808
Income tax expenses	B5	(417)	(573)	(1,418)	(1,881)
Profit for the period		4,581	477	7,039	4,927
Attributable to:					
Owners of the Company		4,668	520	7,131	5,029
Non-controlling interests		(87)	(43)	(92)	(102)
Profit for the period		4,581	477	7,039	4,927
Earnings per share (sen)					
Basic	B13	2.7	0.4	4.1	4.3
Diluted	B13	2.7	0.4	4.1	4.3

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the third quarter ended 30 September 2016

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2016	2015	2016	2015
Note	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,581	477	7,039	4,927
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	4,581	477	7,039	4,927
Total comprehensive income / (loss) attributable to:				
Owners of the Company	4,668	520	7,131	5,029
Non-controlling interests	(87)	(43)	(92)	(102)
	4,581	477	7,039	4,927

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 30 September 2016

	30 September 2016	31 December 2015
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	60,892	3,665
Investment Properties	110,813	112,577
Goodwill	1,319	-
Deferred tax assets	1,690	2,909
Land held for future development	24,568	29,381
Trade receivables	6,254	6,254
	<u>205,536</u>	<u>154,786</u>
Current assets		
Amount due from contract customers	29,530	19,184
Inventories	2,640	2,640
Property development costs	72,395	65,834
Trade receivables	52,371	32,633
Accrued billings	4,374	9,173
Other receivables, prepayments and deposits	32,762	23,184
Tax refundable	17	17
Fixed deposits with licensed banks	191	187
Cash and bank balances	11,076	52,983
	<u>205,356</u>	<u>205,835</u>
TOTAL ASSETS	<u>410,892</u>	<u>360,621</u>
Equity		
Share capital	87,225	87,225
Capital reserve	58,150	58,150
Share premium	26,074	26,074
Warrant Reserve	7,922	7,922
Accumulated losses	(7,762)	(14,893)
Equity attributable to owners of the Company	171,609	164,478
Non-controlling interests	(336)	(244)
Total equity	<u>171,273</u>	<u>164,234</u>
Non-current liabilities		
Long-term bank borrowings	B9 74,965	49,795
Trade payables	8,877	8,877
	<u>83,842</u>	<u>58,672</u>
Current liabilities		
Short-term bank borrowings	B9 46,727	25,058
Amount due to contract customers	10,178	8,546
Trade payables	65,417	68,334
Other payables and accruals	32,777	34,786
Provision for taxation	678	991
	<u>155,777</u>	<u>137,715</u>
Total liabilities	<u>239,619</u>	<u>196,387</u>
TOTAL EQUITY AND LIABILITIES	<u>410,892</u>	<u>360,621</u>
Net assets per share (RM)	0.98	0.94

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 third quarter ended 30 September 2016

Note	<----- Attributable to Equity Holders of the Company ----->						Total	Non-controlling interests	Total Equity
	Share Capital	Share Premium	Capital Reserve	Warrant Reserve	Accumulated losses				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2016	87,225	26,074	58,150	7,922	(14,893)	164,478	(244)	164,234	
Total comprehensive income for the period	-	-	-	-	7,131	7,131	(92)	7,039	
At 30 September 2016	87,225	26,074	58,150	7,922	(7,762)	171,609	(336)	171,273	
	<----- Attributable to Equity Holders of the Company ----->								
	<----- Non-Distributable ----->								
	Share Capital	Share Premium	Capital Reserve	Warrant 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	
At 1 January 2015	116,300	26,653	-	-	(9,865)	133,088	(4)	133,084	
Par Value Reduction	(58,150)	-	58,150	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	5,029	5,029	(102)	4,927	
Dividends to owners of the Company	-	-	-	-	(1,163)	(1,163)	-	(1,163)	
At 30 September 2015	58,150	26,653	58,150	-	(5,999)	136,954	(106)	136,848	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



TSR CAPITAL BERHAD
 (Company No : 541149-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
 for the third quarter ended 30 September 2016

	9 months ended 30 September	
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,457	6,808
Adjustments for:		
Non-cash / non-operating items	1,277	81
Operating profit before working capital changes	9,734	6,889
Change in inventories	-	-
Change in property development costs	(6,560)	(10,130)
Change in amount due from / to contract customers	(10,011)	4,694
Change in trade and other receivables	(24,741)	(18,051)
Change in trade and other payables	6,927	(2,654)
Cash used in operations	(24,651)	(19,252)
Interest paid	(2,962)	(2,167)
Tax paid	(1,730)	(1,222)
Net cash used in operating activities	(29,343)	(22,641)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	636	498
Purchase of plant and equipment	(3,204)	(248)
Proceeds from disposal of plant and equipment	-	840
Proceed from disposal of a subsidiary	-	1,873
Proceed from disposal of land held for future development	10,640	-
Acquisition of subsidiary	(48,100)	-
Addition to investment properties	-	(909)
Increase in fixed deposits pledged	(4)	3,664
Net cash (used in) / generated from investing activities	(40,032)	5,718
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	-	(1,163)
Grant received	1,179	8,015
Net drawdown of borrowings	38,523	10,169
Net cash generated from financing activities	39,702	17,021
Net (decrease) / increase in cash and cash equivalents	(29,673)	98
Cash and cash equivalents at 1 January	39,383	6,261
Cash and cash equivalents at 30 September	9,710	6,359



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the third quarter ended 30 September 2016

	9 months ended 30 September	
	<u>2016</u>	<u>2015</u>
	<u>RM'000</u>	<u>RM'000</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	11,076	8,029
Fixed Deposits with licensed banks	191	186
Bank Overdraft	<u>(1,366)</u>	<u>(1,670)</u>
	9,901	6,545
Less: Fixed Deposits pledged to licensed banks	<u>(191)</u>	<u>(186)</u>
	<u>9,710</u>	<u>6,359</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015.

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 2015. 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 2015.

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 2018.

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 2018.

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 2015, except for the adoption of the following new/revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2016.

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities - Applying the Consolidation Exception
Amendments to FRS 101: Presentation of Financial Statements - Disclosure Initiative
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements
Annual improvements to FRSs 2012 - 2014 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 2015.

A4 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors during the financial period 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.

A8 Dividends Paid

There were no dividend paid in the current quarter ended 30 September 2016.

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 2016

	Construction RM'000	Property Development RM'000	Investment and others RM'000	Total RM'000
Sales				
Total Sales	104,553	16,477	39	121,069
Elimination of Intersegment Sales	(15,070)	-	-	(15,070)
External Sales	89,483	16,477	39	105,999
Results				
Segment Results	12,605	(407)	(738)	11,460
Elimination of intersegment Results	(677)	-	-	(677)
	11,928	(407)	(738)	10,783
Financing Costs	(1,137)	(1,825)	-	(2,962)
Interest Income	613	21	2	636
Profit/(Loss) before Taxation	11,404	(2,211)	(736)	8,457

Segmental Results for 9 Months Ended 30 September 2015

	Construction RM'000	Property Development RM'000	Investment and others RM'000	Total RM'000
Sales				
Total Sales	89,941	16,793	-	106,734
Elimination of Intersegment Sales	(21,986)	-	-	(21,986)
External Sales	67,955	16,793	-	84,748
Results				
Segment Results	7,278	4,399	46	11,723
Elimination of intersegment Results	(3,246)	-	-	(3,246)
	4,032	4,399	46	8,477
Financing Costs	(646)	(1,521)	-	(2,167)
Interest Income	450	24	24	498
Profit before Taxation	3,836	2,902	70	6,808

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2016.



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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 current quarter except for the following:-

As disclosed in Note B8 (b), the Proposed Acquisition of Satu Kahwin Sdn Bhd ("SKSB") had been completed on 19th September 2016. Following the completion, SKSB is now a wholly owned subsidiary of TSR Mix Sdn Bhd, which in turn is a wholly owned subsidiary of the Company.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 30 September 2016 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	204,497
- Overdraft, revolving loan and hire purchase facilities	33,000
- Term loan	90,800
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	11,108
	<u>339,405</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 30 September 2016 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

The Group registered revenue of RM105.9 million and Profit Before Taxation of RM8.4 million for the current period as compared to last year corresponding period of RM84.7 million and RM6.8 million.

The Construction Division's revenue achieved RM89 million for the current period as compared to RM68 million in the preceding year corresponding period. The higher revenue by 32% as compared to last year corresponding period was mainly attributable to progress claim on new projects awarded in Jun 2015 and early 2016.

The Property Division's revenue recorded RM16 million for the current period, which is on par with the previous corresponding period of RM16 million.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and Profit Before Taxation of RM31.3 million and RM5.0 million as compared to RM43.1 million and RM1.7 million reported in the immediate preceding quarter.

The Group registered a higher Profit Before Taxation of 15.9% in the current quarter as compared to the Profit Before Taxation of 4.1% reported in the immediate preceding quarter. This was mainly due to recognition of gain on disposal of joint venture land in the current quarter.

B3 Prospects for the Current Financial Year

The Board is cautiously optimistic on the construction and property development sectors in 2016. The Board expects that the construction and property development sectors will remain positive in 2016. It is expected that more new projects to be launched by the Government including MRT Line 2, LRT Line 3, highways and public housing projects and property development in strategic locations are still feasible.

While the Group will continue its strategy on selective tendering for construction projects, the Group also plan to strengthen its presence in property development in Klang Valley.

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
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
- Current income tax	417	885	1,418	2,763
- Deferred tax	-	(312)	-	(882)
	417	573	1,418	1,881

The effective tax rate for the Group in the current quarter is lower than the statutory tax rate mainly due to the higher capital allowance.



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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

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 2016.

B7 Quoted Securities

- a) There were no purchases and disposals of quoted securities for the current quarter and profit / loss arising therefrom.
- b) There were no investments in quoted securities for the current quarter.

B8 Status of Corporate Proposal

There were no corporate proposals announced but not completed as 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) Maybank Investment Bank Berhad had on 16 February 2016 announced that TSR Mix Sdn Bhd ("TMSB"), a wholly owned subsidiary of the Company, had entered into a conditional sale and purchase agreement ("SPA") with Dato' Sri Meer Sadik bin Dato' Habib Mohamed and Datin Sri Zarida binti Noordin (collectively referred to as "Vendors") for the proposed acquisition of the entired issued and paip up capital of Satu Kahwin Sdn Bhd ("SKSB") for a total consideration of RM48,100,000.00 ("Proposed Acquisition").

The Proposed Acquisition is subject to the approval of the shareholders of the Company. The shareholders of TSR had approved the Proposed Acquisition at the extraordinary general meeting held on 2nd August 2016.

The Proposed Acquisition had been completed on 19th September 2016. Following the completion, SKSB is a wholly owned subsidiary of TMSB.

B9 Group Borrowings and Debt Securities

Total group borrowings as at 30 September 2016 are as follows:

(a) Short term borrowings

Short term borrowings (Secured)	RM'000
Portion of term loans payable within one year	7,601
Revolving loans payable within one year	16,000
Bills payable within one year	17,347
Bank overdraft	1,366
Portion of hire purchase payable within one year	4,413
	<u>46,727</u>

(b) Long term borrowings :

Long term borrowings (Secured)	
Portion of term loans payable after one year	71,070
Portion of hire purchase payable after one year	3,895
	<u>74,965</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 ("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.

The Court has fixed final case management on 16 January 2017 and hearing dates on 21 February 2017 and 22 February 2017 for assessment proceedings.

B12 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 September 2016.

B13 Earnings per Share

i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended	30 September	9 months ended	30 September
	2016	2015	2016	2015
a Net Profit for the period attributable to equity holders (RM'000)	4,668	520	7,131	5,029
b Weighted average number of shares issue ('000)	174,450	116,300	174,450	116,300
a/b Basic earnings per share (sen)	2.7	0.4	4.1	4.3

ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended	30 September	9 months ended	30 September
	2016	2015	2016	2015
c Earnings				
Net Profit for the period (RM'000)	4,668	520	7,131	5,029
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	174,450	116,300	174,450	116,300
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-	-	-
c/d Diluted Earnings per Share (Sen)	2.7	0.4	4.1	4.3



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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

B14 Realised and Unrealised (Losses)/Profits Disclosure

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Total (accumulated losses)/retained profits:		
- Realised	35,304	29,410
- Unrealised	1,690	2,909
	<u>36,994</u>	<u>32,319</u>
Less: Consolidation adjustments	(44,756)	(47,212)
	<u>(7,762)</u>	<u>(14,893)</u>

B15 Profit Before Taxation

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

	Current quarter ended 30.9.16 RM'000	Cumulative quarter ended 30.9.16 RM'000
(a) Interest income	606	636
(b) Government Grant	737	1,289
(c) Interest expenses	(1,323)	(2,962)
(d) Depreciation and amortisation	(972)	(2,592)
(e) Gain on disposal of land held for future development	7,249	7,249

B16 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 28 November 2016.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 28 November 2016