



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the fourth quarter ended 31 December 2016

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 December		12 months ended 31 December	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	A9	76,042	35,512	182,041	120,260
Cost of sales		(67,588)	(35,401)	(158,101)	(113,845)
Gross Profit		8,454	111	23,940	6,415
Other income		2,880	5,317	13,487	19,598
Administration expenses		(3,089)	(5,704)	(17,763)	(17,314)
Finance costs		(1,835)	(1,099)	(4,797)	(3,266)
Profit / (Loss) before taxation	A9	6,410	(1,375)	14,867	5,433
Income tax expenses	B5	(4,446)	(98)	(5,864)	(1,979)
Profit / (Loss) for the period		1,964	(1,473)	9,003	3,454
Attributable to:					
Owners of the Company		3,079	(1,335)	10,210	3,694
Non-controlling interests		(1,115)	(138)	(1,207)	(240)
Profit / (Loss) for the period		1,964	(1,473)	9,003	3,454
Earnings / (Loss) per share (sen)					
Basic	B10	1.8	(1.1)	5.9	3.2
Diluted	B10	1.8	(1.1)	5.9	3.2

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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for the fourth quarter ended 31 December 2016

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		12 months ended 31 December	
Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit / (Loss) for the period	1,964	(1,473)	9,003	3,454
Other Comprehensive Income	-	-	-	-
Total comprehensive income / (loss) for the period	1,964	(1,473)	9,003	3,454
Total comprehensive income / (loss) attributable to:				
Owners of the Company	3,079	(1,335)	10,210	3,694
Non-controlling interests	(1,115)	(138)	(1,207)	(240)
	1,964	(1,473)	9,003	3,454

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 31 December 2016

	31 December 2016	31 December 2015
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	62,422	3,665
Investment Properties	110,580	112,577
Goodwill	1,319	-
Deferred tax assets	1,765	2,909
Land held for future development	24,568	29,381
Trade receivables	6,254	6,254
	<u>206,908</u>	<u>154,786</u>
Current assets		
Amount due from contract customers	15,653	19,184
Inventories	3,953	2,640
Property development costs	77,398	65,834
Trade receivables	83,366	32,633
Accrued billings	8,872	9,173
Other receivables, prepayments and deposits	29,399	23,184
Tax refundable	17	17
Fixed deposits with licensed banks	645	187
Cash and bank balances	10,363	52,983
	<u>229,666</u>	<u>205,835</u>
TOTAL ASSETS	<u>436,574</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	(4,683)	(14,893)
Equity attributable to owners of the Company	174,688	164,478
Non-controlling interests	(1,451)	(244)
Total equity	<u>173,237</u>	<u>164,234</u>
Non-current liabilities		
Long-term bank borrowings	B7 77,010	49,795
Trade payables	8,877	8,877
	<u>85,887</u>	<u>58,672</u>
Current liabilities		
Short-term bank borrowings	B7 60,768	25,058
Amount due to contract customers	21,138	8,546
Trade payables	65,703	68,334
Other payables and accruals	25,222	34,786
Provision for taxation	4,619	991
	<u>177,450</u>	<u>137,715</u>
Total liabilities	<u>263,337</u>	<u>196,387</u>
TOTAL EQUITY AND LIABILITIES	<u>436,574</u>	<u>360,621</u>
Net assets per share (RM)	1.00	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 fourth quarter ended 31 December 2016

Note	<----- Attributable to Equity Holders of the Company ----->						Total	Non-controlling interests	Total Equity
	Share Capital	Capital Reserve	Share Premium	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	58,150	26,074	7,922	(14,893)	164,478	(244)	164,234	
Total comprehensive income for the period	-	-	-	-	10,210	10,210	(1,207)	9,003	
At 31 December 2016	87,225	58,150	26,074	7,922	(4,683)	174,688	(1,451)	173,237	
	<----- Attributable to Equity Holders of the Company ----->								
	<----- Non-Distributable ----->								
	Share Capital	Capital Reserve	Share Premium	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	
Shares issued pursuant to rights issue	29,075	-	582	-	-	29,657	-	29,657	
Total comprehensive income for the financial year	-	-	-	-	3,694	3,694	(240)	3,454	
Dividends to owners of the Company	-	-	-	-	(1,163)	(1,163)	-	(1,163)	
Recognition of fair value of warrants	-	-	(582)	8,141	(7,559)	-	-	-	
Reduction in par value of share capital	(58,150)	58,150	-	-	-	-	-	-	
Share issuance expenses	-	-	(579)	(219)	-	(798)	-	(798)	
At 31 December 2015	87,225	58,150	26,074	7,922	(14,893)	164,478	(244)	164,234	

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 fourth quarter ended 31 December 2016

	12 months ended 31 December	
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,867	5,433
Adjustments for:		
Non-cash / non-operating items	2,318	(10,971)
Operating profit / (loss) before working capital changes	17,185	(5,538)
Change in inventories	(1,313)	-
Change in property development costs	(11,563)	(11,724)
Change in amount due from / to contract customers	14,826	8,079
Change in trade and other receivables	(56,647)	(1,562)
Change in trade and other payables	(131)	(17,634)
Cash for operations	(37,643)	(28,379)
Interest paid	(4,797)	(3,107)
Tax paid	(2,310)	(2,583)
Net cash for operating activities	(44,750)	(34,069)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,270	507
Purchase of plant and equipment	(1,947)	(319)
Proceeds from disposal of property, 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 a subsidiary	(48,100)	-
Addition expenditure in investment properties	-	(926)
(Increase) / Decrease in fixed deposits pledged	(458)	3,662
Net cash (for) / from investing activities	(38,595)	5,637
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	-	(1,163)
Grant received	2,620	8,015
Net drawdown of borrowings	49,841	24,137
Repayment from a former subsidiary	-	1,706
Payment for share issuance expenses	-	(798)
Proceeds from issuance of shares pursuant to rights issue	-	29,657
Net cash from financing activities	52,461	61,554
Net (decrease) / increase in cash and cash equivalents	(30,884)	33,122
Cash and cash equivalents at 1 January	39,383	6,261
Cash and cash equivalents at 31 December	8,499	39,383



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the fourth quarter ended 31 December 2016

	12 months ended 31 December	
	2016	2015
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Cash and bank balances	10,363	52,983
Fixed Deposits with licensed banks	645	187
Bank Overdraft	(1,864)	(1,748)
	9,144	51,422
Less: Fixed deposits pledged to licensed banks	(645)	(187)
Less: TSR excess rights shares account	-	(11,852)
	8,499	39,383

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 significantly affected by any seasonal or cyclical factors during the current quarter.

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 31 December 2016.

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 2016

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	174,251	30,833	2,999	208,083
Elimination of Intersegment Sales	(26,042)	-	-	(26,042)
External Sales	148,209	30,833	2,999	182,041
Results				
Segment Results	15,170	4,426	(580)	19,016
Elimination of intersegment Results	(622)	-	-	(622)
	14,548	4,426	(580)	18,394
Financing Costs	(1,615)	(3,182)	-	(4,797)
Interest Income	1,241	27	2	1,270
Profit/(Loss) before Taxation	14,174	1,271	(578)	14,867

Segmental Results for 12 Months Ended 31 December 2015

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	121,470	23,885	531	145,886
Elimination of Intersegment Sales	(25,626)	-	-	(25,626)
External Sales	95,844	23,885	531	120,260
Results				
Segment Results	4,881	5,142	(535)	9,488
Elimination of intersegment Results	(1,296)	-	-	(1,296)
	3,585	5,142	(535)	8,192
Financing Costs	(1,128)	(2,138)	-	(3,266)
Interest Income	454	28	25	507
Profit/(Loss) before Taxation	2,911	3,032	(510)	5,433

A10 Property, plant and equipment

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

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 31 December 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	198,497
- Overdraft, revolving loan and hire purchase facilities	42,800
- Term loan	96,800
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	14,358
	<u>352,455</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 31 December 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 RM182.0 million and Profit Before Taxation of RM14.8 million for the current year as compared to previous year of RM120 million and RM5.4 million.

The increase in the Group's revenue by 52% and Profit Before Taxation by 174% was mainly contributed by Construction and Property Division from its on-going and new projects.

The Construction Division revenue achieved RM148 million for the current year as compared to RM96 million in the preceding year. The higher revenue by 54% as compared to last year was mainly attributable to progress claim on new projects awarded.

For the current year, the Property Division revenue increased to RM30.8 million as compared to previous year of RM23.8 million. The higher revenue was mainly due to higher development progress.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and Profit Before Taxation of RM76.0 million and RM6.4 million as compared to RM31.3 million and RM5.0 million reported in the immediate preceding quarter.

The Group registered a lower Profit Before Taxation of 8.4% in the current quarter as compared to the Profit Before Taxation of 15.9% reported in the immediate preceding quarter. The Group Profit Before Taxation for the immediate preceding quarter had included a gain of RM7 million from the disposal of joint venture land.

B3 Prospects for the Forthcoming Financial Year

The Board expects that the construction and property sector to remain competitive in 2017. While the Group will selectively participate in tender for construction projects, the Group will continue to expand in property development.

Barring any unforeseen circumstances, the Board expects that the performance of the Group for 2017 will be satisfactory.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2016	3 months ended 31 December 2015	12 months ended 31 December 2016	12 months ended 31 December 2015
	RM'000	RM'000	RM'000	RM'000
- Current income tax	4,521	(457)	5,939	2,306
- Deferred tax	(75)	555	(75)	(327)
	4,446	98	5,864	1,979

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.



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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 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.

B7 Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2016 are as follows:

(a) Short term borrowings

Short term borrowings (Secured)	RM'000
Portion of term loans payable within one year	7,221
Revolving loans payable within one year	20,000
Bills payable within one year	26,820
Bank overdraft	1,864
Portion of hire purchase payable within one year	4,863
	<u>60,768</u>

(b) Long term borrowings :

Long term borrowings (Secured)	
Portion of term loans payable after one year	70,311
Portion of hire purchase payable after one year	6,699
	<u>77,010</u>

B8 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 TSR Bina Sdn Bhd, a wholly owned subsidiary 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 hearing dates on 15 March 2017 and 16 March 2017 for assessment proceedings.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 December 2016.



TSR CAPITAL BERHAD
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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

B10 Earnings per Share

i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2016	31 December 2015	12 months ended 31 December 2016	31 December 2015
a Net Profit for the period attributable to equity holders (RM'000)	3,079	(1,335)	10,210	3,694
b Weighted average number of shares issue ('000)	174,450	117,564	174,450	116,619
a/b Basic earnings per share (sen)	1.8	(1.1)	5.9	3.2

ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December 2016	31 December 2015	12 months ended 31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
c Earnings				
Net Profit for the period (RM'000)	3,079	(1,335)	10,210	3,694
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	174,450	117,564	174,450	116,619
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-	-	-
c/d Diluted Earnings per Share (Sen)	1.8	(1.1)	5.9	3.2

B11 Realised and Unrealised (Losses)/Profits Disclosure

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Total (accumulated losses)/retained profits:		
- Realised	36,949	29,410
- Unrealised	1,765	2,909
	38,714	32,319
Less: Consolidation adjustments	(43,397)	(47,212)
	(4,683)	(14,893)



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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

B12 Profit Before Taxation

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

	Current quarter ended 31.12.16 RM'000	Cumulative quarter ended 31.12.16 RM'000
(a) Interest income	634	1,270
(b) Government Grant	1,929	3,218
(c) Interest expenses	(1,835)	(4,797)
(d) Depreciation and amortisation	(937)	(3,529)
(e) Gain on disposal of land held for future development	-	7,249

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 27 February 2017.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 27 February 2017