



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**for the first quarter ended 31 March 2017**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 March		3 months ended 31 March	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Revenue</b>	<b>A9</b>	43,815	31,480	43,815	31,480
Cost of sales		(34,851)	(24,482)	(34,851)	(24,482)
<b>Gross Profit</b>		<b>8,964</b>	<b>6,998</b>	<b>8,964</b>	<b>6,998</b>
Other income		81	789	81	789
Administration expenses		(4,608)	(5,358)	(4,608)	(5,358)
Finance costs		(1,611)	(754)	(1,611)	(754)
<b>Profit before taxation</b>	<b>A9</b>	<b>2,826</b>	<b>1,675</b>	<b>2,826</b>	<b>1,675</b>
Income tax expenses	<b>B5</b>	(949)	(714)	(949)	(714)
<b>Profit for the period</b>		<b>1,877</b>	<b>961</b>	<b>1,877</b>	<b>961</b>
Attributable to:					
Owners of the Company		1,879	969	1,879	969
Non-controlling interests		(2)	(8)	(2)	(8)
<b>Profit for the period</b>		<b>1,877</b>	<b>961</b>	<b>1,877</b>	<b>961</b>
<b>Earnings per share (sen)</b>					
Basic	<b>B10</b>	1.1	0.6	1.1	0.6
Diluted	<b>B10</b>	1.1	0.6	1.1	0.6

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**for the first quarter ended 31 March 2017**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Note	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	1,877	961	1,877	961
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,877</b>	<b>961</b>	<b>1,877</b>	<b>961</b>
Total comprehensive income attributable to:				
Owners of the Company	1,879	969	1,879	969
Non-controlling interests	(2)	(8)	(2)	(8)
	<b>1,877</b>	<b>961</b>	<b>1,877</b>	<b>961</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
As at 31 March 2017

	<b>31 March 2017</b>	<b>31 December 2016</b>
Note	<b>(Unaudited) RM'000</b>	<b>(Audited) RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	64,920	63,741
Investment Properties	110,081	110,580
Deferred tax assets	1,765	1,765
Land held for future development	24,568	24,568
	<u>201,334</u>	<u>200,654</u>
<b>Current assets</b>		
Amount due from contract customers	15,459	15,653
Inventories	3,953	3,953
Property development costs	75,157	78,952
Trade receivables	63,892	93,268
Accrued billings	11,051	7,317
Other receivables, prepayments and deposits	30,761	28,750
Tax refundable	17	17
Fixed deposits with licensed banks	646	645
Cash and bank balances	20,228	10,363
	<u>221,164</u>	<u>238,918</u>
<b>TOTAL ASSETS</b>	<u>422,498</u>	<u>439,572</u>
<b>Equity</b>		
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	(2,614)	(4,493)
Equity attributable to owners of the Company	176,757	174,878
Non-controlling interests	(1,453)	(1,451)
<b>Total equity</b>	<u>175,304</u>	<u>173,427</u>
<b>Non-current liabilities</b>		
Long-term bank borrowings	85,950	76,894
	<u>85,950</u>	<u>76,894</u>
<b>Current liabilities</b>		
Short-term bank borrowings	51,424	60,885
Amount due to contract customers	16,263	21,138
Trade payables	67,457	84,579
Other payables and accruals	21,008	18,030
Provision for taxation	5,092	4,619
	<u>161,244</u>	<u>189,251</u>
<b>Total liabilities</b>	<u>247,194</u>	<u>266,145</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>422,498</u>	<u>439,572</u>
Net assets per share (RM)	1.01	1.00

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

for the first quarter ended 31 March 2017

Note	<----- Attributable to Equity Holders of the Company ----->						Total	Non-controlling interests	Total Equity
	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Accumulated losses	Non-Distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2017</b>	87,225	58,150	26,074	7,922	(4,493)	174,878	(1,451)	173,427	
Total comprehensive income for the period	-	-	-	-	1,879	1,879	(2)	1,877	
<b>At 31 March 2017</b>	<u>87,225</u>	<u>58,150</u>	<u>26,074</u>	<u>7,922</u>	<u>(2,614)</u>	<u>176,757</u>	<u>(1,453)</u>	<u>175,304</u>	

  

	<----- Attributable to Equity Holders of the Company ----->						Total	Non-controlling interests	Total Equity
	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Accumulated losses	Non-Distributable			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2016</b>	87,225	58,150	26,074	7,922	(14,893)	164,478	(244)	164,234	
Total comprehensive income for the period	-	-	-	-	969	969	(8)	961	
<b>At 31 March 2016</b>	<u>87,225</u>	<u>58,150</u>	<u>26,074</u>	<u>7,922</u>	<u>(13,924)</u>	<u>165,447</u>	<u>(252)</u>	<u>165,195</u>	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)**  
for the first quarter ended 31 March 2017

	<b>3 months ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,826	1,675
<b>Adjustments for:</b>		
Non-cash / non-operating items	2,847	1,119
Operating profit before working capital changes	5,673	2,794
Change in property development costs	3,795	(3,333)
Change in amount due from / to contract customers	(4,681)	(6,908)
Change in trade and other receivables	23,630	(13,310)
Change in trade and other payables	(13,642)	(8,770)
Cash from / (for) operations	14,775	(29,527)
Interest paid	(1,611)	(754)
Tax paid	(477)	(269)
Net cash from / (for) operating activities	12,687	(30,550)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	17	18
Purchase of plant and equipment	(16)	(710)
Addition to investment properties	-	(25)
Increase in fixed deposits pledged	(1)	(1)
Net cash from / (for) investing activities	-	(718)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Grant received	-	1,179
Net repayment of borrowings	(1,764)	(2,030)
Net cash for financing activities	(1,764)	(851)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,923</b>	<b>(32,119)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>8,498</b>	<b>39,383</b>
<b>Cash and cash equivalents at 31 March</b>	<b>19,421</b>	<b>7,264</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	20,228	8,647
Fixed Deposits with licensed banks	646	188
Bank Overdraft	(807)	(1,383)
	20,067	7,452
Less: Fixed deposits pledged to licensed banks	(646)	(188)
	19,421	7,264

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.



**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 2016.

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 2016. 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 2016.

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 2016, except for the adoption of the following new/revised Financial Reporting Standards (FRSs) and Amendments to FRSs with effect from 1 January 2017.

Amendments to FRS 107 : Disclosure Initiative

Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses

Annual improvements to FRS 2014 - 2016 Cycle :

- Amendments to FRS 12 : Clarification of the Scope of Standard

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 2016.

**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.



**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**

**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 March 2017.

**A9 Segmental Information**

Segmental information is presented in respect of the Group's business segments were as follows:-

**Segmental Results for 3 Months Ended 31 March 2017**

	<b>Construction</b>	<b>Property Development</b>	<b>Investment and others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Sales</b>				
Total Sales	35,381	10,348	6	45,735
Elimination of Intersegment Sales	(1,920)	-	-	(1,920)
External Sales	33,461	10,348	6	43,815
<b>Results</b>				
Segment Results	3,802	1,037	(131)	4,708
Elimination of intersegment Results	(288)	-	-	(288)
	3,514	1,037	(131)	4,420
Financing Costs	(485)	(1,126)	-	(1,611)
Interest Income	6	11	-	17
Profit/(Loss) before Taxation	3,035	(78)	(131)	2,826

**Segmental Results for 3 Months Ended 31 March 2016**

	<b>Construction</b>	<b>Property Development</b>	<b>Investment and others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Sales</b>				
Total Sales	31,768	5,108	-	36,876
Elimination of Intersegment Sales	(5,396)	-	-	(5,396)
External Sales	26,372	5,108	-	31,480
<b>Results</b>				
Segment Results	3,568	577	(1,447)	2,698
Elimination of intersegment Results	(287)	-	-	(287)
	3,281	577	(1,447)	2,411
Financing Costs	(182)	(572)	-	(754)
Interest Income	9	7	2	18
Profit/(Loss) before Taxation	3,108	12	(1,445)	1,675

**A10 Property, plant and equipment**

There were no revalued property, plant and equipment as at 31 March 2017.



**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**

**A11 Material Events**

On 22 May 2017, the Company announced that its wholly-owned subsidiary, TSR Ocean Park Sdn Bhd had on 20th May 2017 entered into a Memorandum of Understanding ("MOU") and a Memorandum of Agreement ("MOA") with Globe Venture Holdings Inc. whereby the MOU is intended to set the terms governing the collaboration between the parties with respect to a proposed mixed development project on the sea fronting land with the size of over 52.2 acres situated at PD Waterfront, Port Dickson, Negeri Sembilan Darul Khusus ("Development Land") and MOA to jointly develop the proposed water chalet resort that to be built in part of the Development land.

**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 March 2017 are as follows:

	<b>RM'000</b>
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	16,358
	<u>354,455</u>

**A14 Capital Commitments**

There were no capital commitments for the purchase of property, plant and equipment as at 31 March 2017 except as disclosed as follow:

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





**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**

The Group registered revenue of RM43.8 million and Profit Before Taxation of RM2.8 million for the current quarter as compared to corresponding quarter of RM31.4 million and RM1.6 million.

The increase in the Group's revenue by 39% was mainly contributed by Construction and Property Division.

The Construction Division revenue achieved RM33 million for the current quarter as compared to RM26 million in the previous corresponding quarter. The higher revenue by 27% as compared to last year was the result of higher construction billings in tandem with higher construction activities.

The Property Division revenue increased to RM10 million as compared to previous corresponding quarter of RM5 million. The higher revenue was mainly due to higher development progress for on-going project.

**B2 Comparison With Immediate Preceding Quarter's Results**

For the current quarter under review, the Group recorded revenue and Profit Before Taxation of RM43.8 million and RM2.8 million as compared to RM76 million and RM6.4 million reported in the immediate preceding quarter.

The Group registered a lower Profit Before Taxation of 6.4% in the current quarter as compared to the Profit Before Taxation of 8.4% reported in the immediate preceding quarter. The lower Profit Before Taxation in the current quarter was mainly due to lower other income in the current quarter.

**B3 Prospects for the Current 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 cautiously 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 March		3 months ended 31 March	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
- Current income tax	949	714	949	714
- Deferred tax	-	-	-	-
	<u>949</u>	<u>714</u>	<u>949</u>	<u>714</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.



**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**

**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 March 2017 are as follows:

(a) Short term borrowings

<b>Short term borrowings (Secured)</b>	<b>RM'000</b>
Portion of term loans payable within one year	8,907
Revolving loans payable within one year	17,000
Bills payable within one year	19,286
Bank overdraft	807
Portion of hire purchase payable within one year	5,424
	<u>51,424</u>

(b) Long term borrowings :

<b>Long term borrowings (Secured)</b>	
Portion of term loans payable after one year	79,134
Portion of hire purchase payable after one year	6,816
	<u>85,950</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 16 August 2017 to 18 August 2017 for assessment proceedings.

**B9 Dividend Payables**

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 March 2017.



**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**

**B10 Earnings per Share**

**i) Basic earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended 31 March</b>		<b>3 months ended 31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
a Net Profit for the period attributable to equity holders (RM'000)	1,879	969	1,879	969
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic earnings per share (sen)	1.1	0.6	1.1	0.6

**ii) Diluted earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended 31 March</b>		<b>3 months ended 31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
c <b>Earnings</b> Net Profit for the period (RM'000)	1,879	969	1,879	969
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	174,450	174,450	174,450	174,450
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-	-	-
	174,450	174,450	174,450	174,450
c/d Diluted Earnings per Share (Sen)	1.1	0.6	1.1	0.6

**B11 Disclosure of Realised and Unrealised Profits or Losses**

	<b>As at 31.03.2017</b>	<b>As at 31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Total (accumulated losses)/retained profits:		
- Realised	38,061	36,522
- Unrealised	(260)	(260)
	37,801	36,262
Less: Consolidation adjustments	(40,415)	(40,755)
	(2,614)	(4,493)



**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**

**B12 Profit Before Taxation**

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

	<b>Current quarter ended 31.03.17 RM'000</b>	<b>Cumulative quarter ended 31.03.17 RM'000</b>
(a) Interest income	17	17
(b) Government Grant	-	-
(c) Interest expenses	(1,611)	(1,611)
(d) Depreciation and amortisation	(683)	(683)

**B13 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 24 May 2017.

**TSR CAPITAL BERHAD**  
BY ORDER OF THE BOARD  
Petaling Jaya  
Date: 24 May 2017