



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the financial period ended 31 March 2018

		Individual Quarter	Cumulative Quarter
		3 months ended	15 months ended
		31 March 2018	31 March 2018
	Note	RM'000	RM'000
Revenue	A9	75,890	323,569
Cost of sales		(66,267)	(281,675)
Gross Profit		9,623	41,894
Other income		1,329	4,384
Administration expenses		(6,385)	(25,490)
Finance costs		(1,740)	(8,091)
Share of result of an associate		(230)	(77)
Profit before taxation	A9	2,597	12,620
Income tax expenses	B5	(2,024)	(3,924)
Profit for the period		573	8,696
Attributable to:			
Owners of the Company		575	8,705
Non-controlling interests		(2)	(9)
Profit for the period		573	8,696
Earnings per share (sen)			
Basic	B10	0.3	5.0
Diluted	B10	0.3	5.0

The Company changed its financial year end from 31st December to 30th June. As such, there are no comparative figures for the preceding year corresponding periods.

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.



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for the financial period ended 31 March 2018

	Individual Quarter	Cumulative Quarter
	3 months ended	15 months ended
	31 March 2018	31 March 2018
Note	RM'000	RM'000
Profit for the period	573	8,696
Other Comprehensive Income	-	-
Total comprehensive income for the period	573	8,696
Total comprehensive income / (loss) attributable to:		
Owners of the Company	575	8,705
Non-controlling interests	(2)	(9)
	573	8,696

The Company changed its financial year end from 31st December to 30th June. As such, there are no comparative figures for the preceding year corresponding periods.

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)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2018

	31 March 2018	31 December 2016
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	64,125	63,741
Investment Properties	107,992	110,580
Investment in an associate	(37)	-
Deferred tax assets	1,765	1,765
Land held for future development	24,568	24,568
	<u>198,413</u>	<u>200,654</u>
Current assets		
Amount due from contract customers	19,448	15,653
Inventories	45,277	3,953
Property development costs	29,360	78,952
Trade receivables	87,163	93,268
Accrued billings	-	7,317
Other receivables, prepayments and deposits	28,242	28,750
Tax refundable	17	17
Fixed deposits with licensed banks	664	645
Cash and bank balances	22,369	10,363
	<u>232,540</u>	<u>238,918</u>
TOTAL ASSETS	<u>430,953</u>	<u>439,572</u>
Equity		
Share capital	113,299	87,225
Capital reserve	58,150	58,150
Share premium	-	26,074
Warrant Reserve	7,922	7,922
Retained Profits / (Accumulated losses)	4,212	(4,493)
	<u>183,583</u>	<u>174,878</u>
Equity attributable to owners of the Company	183,583	174,878
Non-controlling interests	(1,460)	(1,451)
Total equity	<u>182,123</u>	<u>173,427</u>
Non-current liabilities		
Long-term borrowings	B7 72,741	76,894
	<u>72,741</u>	<u>76,894</u>
Current liabilities		
Amount due to contract customers	14,547	21,138
Trade payables	88,294	84,579
Other payables and accruals	24,424	18,030
Provision for taxation	3,871	4,619
Short-term borrowings	B7 44,953	60,885
	<u>176,089</u>	<u>189,251</u>
Total liabilities	<u>248,830</u>	<u>266,145</u>
TOTAL EQUITY AND LIABILITIES	<u>430,953</u>	<u>439,572</u>
Net assets per share (RM)	1.05	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)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the financial period ended 31 March 2018

	<----- Attributable to Equity Holders of the Company ----->							Non-controlling interests	Total Equity
	<----- Non-Distributable ----->				(Accumulated losses) / Retained Profits	Total			
15 months ended 31 March 2018	Share Capital	Capital Reserve	Share Premium	Warrant Reserve					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2017	87,225	58,150	26,074	7,922	(4,493)	174,878	(1,451)	173,427	
Total comprehensive income for the period	-	-	-	-	8,705	8,705	(9)	8,696	
Transfer pursuant to Companies Act 2016 (*)	26,074	-	(26,074)	-	-	-	-	-	
At 31 March 2018	113,299	58,150	-	7,922	4,212	183,583	(1,460)	182,123	

	<----- Attributable to Equity Holders of the Company ----->							Non-controlling interests	Total Equity
	<----- Non-Distributable ----->				Accumulated losses	Total			
12 months ended 31 December 2016	Share Capital	Capital Reserve	Share Premium	Warrant Reserve					
	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	-	-	-	-	10,400	10,400	(1,207)	9,193	
At 31 December 2016	87,225	58,150	26,074	7,922	(4,493)	174,878	(1,451)	173,427	

* The amount standing to the credit of the share premium account of RM26,074,000 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Companies Act 2016 (the "Act"). Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purpose as set out in Section 618 (3) of the Act.

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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

for the financial period ended 31 March 2018

	15 months ended 31 March 2018	12 months ended 31 December 2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,620	15,057
Adjustments for:		
Non-cash / non-operating items	13,581	(216)
Operating profit before working capital changes	26,201	14,841
Change in inventories	(41,324)	(1,313)
Change in property development costs	50,687	(12,228)
Change in amount due from / to contract customers	(10,386)	17,807
Change in trade and other receivables	12,977	(50,338)
Change in trade and other payables	10,758	963
Cash from / (for) operations	48,913	(30,268)
Interest paid	(8,091)	(4,719)
Tax paid	(4,673)	(2,311)
Net cash from / (for) operating activities	36,149	(37,298)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	70	1,271
Investment in an associate	(40)	-
Purchase of plant and equipment	(2,945)	(1,949)
Proceeds from disposal of plant and equipment	33	20
Proceed from disposal of land held for future development	-	3,167
Acquisition of subsidiary	-	(21,168)
Increase in fixed deposits pledged	(18)	(458)
Net cash for investing activities	(2,900)	(19,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grant received	3,490	2,620
Net (repayment) / drawdown of borrowings	(23,801)	39,031
Repayment to a former director of a newly acquired subsidiary	-	(16,121)
Net cash (for) / from financing activities	(20,311)	25,530
Net increase / (decrease) in cash and cash equivalents	12,938	(30,885)
Cash and cash equivalents at beginning of year	8,498	39,383
Cash and cash equivalents at end of period	21,436	8,498
Cash and cash equivalents comprise the following:		
Cash and bank balances	22,369	10,363
Fixed Deposits with licensed banks	664	645
Bank Overdraft	(933)	(1,865)
	22,100	9,143
Less: Fixed deposits pledged to licensed banks	(664)	(645)
	21,436	8,498

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.



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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 2016. Certain comparatives were restated to conform with the disclosure for current reporting period.

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.

The Group falls within the definition of Transitioning Entities under the Malaysian Financial Reporting Standards ("MFRS Framework") 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 30 June 2019.

On 22 December 2017, the Company announced the change in its financial year end from 31 December to 30 June. The first set of audited financial statements reflecting the change shall be made up from 1 January 2017 to 30 June 2018 covering a period of 18 months. Thereafter, the subsequent financial years of the Company shall end on 30 June.

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.



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 2018.

A9 Segmental Information

Due to the change in financial year end from 31 December to 30 June, there are no comparative figures for the segmental information for the current period under review. However, the Company provide hereunder the comparative for purpose of reference.

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

Segmental Results for 15 Months Ended 31 March 2018

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	305,310	31,077	15	336,402
Elimination of Intersegment Sales	(12,833)	-	-	(12,833)
External Sales	292,477	31,077	15	323,569
Results				
Segment Results	29,040	2,257	(512)	30,785
Elimination of intersegment Results	(10,144)	-	-	(10,144)
	18,896	2,257	(512)	20,641
Financing Costs	(2,103)	(5,988)	-	(8,091)
Interest Income	31	39	-	70
Profit/(Loss) before Taxation	16,824	(3,692)	(512)	12,620

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	175,239	30,833	2,999	209,071
Elimination of Intersegment Sales	(26,042)	-	-	(26,042)
External Sales	149,197	30,833	2,999	183,029
Results				
Segment Results	13,101	5,728	383	19,212
Elimination of intersegment Results	(622)	-	-	(622)
	12,479	5,728	383	18,590
Financing Costs	(1,620)	(3,184)	-	(4,804)
Interest Income	1,242	27	2	1,271
Profit/(Loss) before Taxation	12,101	2,571	385	15,057



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

Notes to the Interim Financial Report

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 31 March 2018.

A11 Material Subsequent Events

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:-

The Company had on 18 January 2018 incorporated a wholly-owned subsidiary, TSR Development Sdn Bhd ("TSRD") by subscribing for two (2) ordinary shares, representing the entire issued share capital of TSRD.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 31 March 2018 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	40,763
- Term loan	96,800
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	18,358
	<u>354,418</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 31 March 2018 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 Company changed its financial year end from 31 December to 30 June, as such there is no comparative figure for the current quarter and current cumulative quarter. However, the Company provide hereunder the comparative and analysis of the current quarter for purpose of reference.

	<u>Current quarter</u> 3 months ended 31 March 2018	<u>Corresponding quarter</u> 3 months ended 31 March 2017
	RM'000	RM'000
Revenue	75,890	43,815
Profit before taxation	2,597	2,826

For the current quarter, the Group recorded revenue of RM75.9 million, 73% higher than previous corresponding quarter of RM43.8 million. The increase in revenue was mainly contributed by the Construction Division which attributed to the higher construction billings in tandem with higher construction activities.

The Group registered Profit before taxation of RM2.6 million for the current quarter which is slightly lower than the previous corresponding quarter of RM2.8 million mainly due to lower sales achieved by the property segment.

B2 Comparison With Immediate Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue and Profit Before Taxation of RM75.9 million and RM2.6 million as compared to RM75.2 million and RM4.4 million reported in the immediate preceding quarter.

The Group registered a Profit Before Taxation of 3.4% in the current quarter which is lower than the Profit Before Taxation of 5.9% reported in the immediate preceding quarter. The lower profit margin of the current quarter was mainly attributed to the higher administration expenses and lower other income recorded in the current quarter as compared to immediate preceding quarter.

B3 Prospects for the Current Financial Year

The Board expects that the construction and property sector to remain competitive in financial year ending 30 June 2018. 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 2018 will be satisfactory.

B4 Profit Forecast and Profit Guarantee

Not applicable.

B5 Income Tax Expenses

	<u>Individual Quarter</u> 3 months ended 31 March 2018	<u>Cumulative Quarter</u> 15 months ended 31 March 2018
	RM'000	RM'000
- Current income tax	2,024	3,924
- Deferred tax	-	-
	<u>2,024</u>	<u>3,924</u>

The effective tax rate for the Group in the current quarter is higher than the statutory tax rate mainly due to higher 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 March 2018 are as follows:

	RM'000
(a) <u>Short term borrowings:</u>	
Short term borrowings (Secured)	
Portion of term loans payable within one year	9,108
Revolving loans payable within one year	20,500
Bills payable within one year	8,610
Bank overdraft	933
Portion of hire purchase payable within one year	5,802
	<u>44,953</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	69,975
Portion of hire purchase payable after one year	2,766
	<u>72,741</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 July 2018, 17 July 2018, 18 July 2018 and 19 July 2018 for the calling of Plaintiff's witnesses.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 31 March 2018.



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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

	<u>Individual Quarter</u> <u>3 months ended</u> <u>31 March 2018</u>	<u>Cumulative Quarter</u> <u>15 months ended</u> <u>31 March 2018</u>
a Net Profit for the period attributable to equity holders (RM'000)	575	8,705
b Weighted average number of shares issue ('000)	174,450	174,450
a/b Basic earnings per share (sen)	0.3	5.0

ii) Diluted earnings per share

	<u>Individual Quarter</u> <u>3 months ended</u> <u>31 March 2018</u> <u>RM'000</u>	<u>Cumulative Quarter</u> <u>15 months ended</u> <u>31 March 2018</u> <u>RM'000</u>
c Earnings		
Net Profit for the period (RM'000)	575	8,705
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	174,450	174,450
Potential dilutive ordinary shares for weighted average number of unexercised warrant issued ('000)	-	-
c/d Diluted Earnings per Share (Sen)	0.3	5.0

B11 Disclosure of Realised and Unrealised Profits or Losses

	As at 31.3.2018 RM'000	As at 31.12.2016 RM'000
Total retained profits / (accumulated losses):		
- Realised	47,037	36,522
- Unrealised	(260)	(260)
	46,777	36,262
Less: Consolidation adjustments	(42,565)	(40,755)
	4,212	(4,493)



**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:

	Individual quarter ended 31.3.18 RM'000	Cumulative quarter ended 31.3.18 RM'000
(a) Interest income	21	70
(b) Government Grant	991	3,632
(c) Interest expenses	(1,740)	(8,091)
(d) Depreciation and amortisation	(925)	(4,505)

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 30 May 2018.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 30 May 2018