



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 for the second quarter ended 30 June 2017

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 30 June		6 months ended 30 June	
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	60,114	43,176	103,929	74,656
Cost of sales		(53,366)	(39,233)	(88,217)	(63,715)
Gross Profit		6,748	3,943	15,712	10,941
Other income		124	1,089	205	1,878
Administration expenses		(3,522)	(2,362)	(8,130)	(7,720)
Finance costs		(1,683)	(885)	(3,294)	(1,639)
Profit before taxation	A9	1,667	1,785	4,493	3,460
Income tax expenses	B5	(931)	(287)	(1,880)	(1,001)
Profit for the period		736	1,498	2,613	2,459
Attributable to:					
Owners of the Company		738	1,495	2,617	2,464
Non-controlling interests		(2)	3	(4)	(5)
Profit for the period		736	1,498	2,613	2,459
Earnings per share (sen)					
Basic	B10	0.4	0.9	1.5	1.4
Diluted	B10	0.4	0.9	1.5	1.4

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 second quarter ended 30 June 2017

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
Note	RM'000	RM'000	RM'000	RM'000
Profit for the period	736	1,498	2,613	2,459
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	736	1,498	2,613	2,459
Total comprehensive income attributable to:				
Owners of the Company	738	1,495	2,617	2,464
Non-controlling interests	(2)	3	(4)	(5)
	736	1,498	2,613	2,459

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 30 June 2017

	Note	30 June 2017 (Unaudited) RM'000	31 December 2016 (Audited) RM'000
Non-Current Assets			
Property, plant and equipment		64,050	63,741
Investment Properties		109,489	110,580
Deferred tax assets		1,765	1,765
Land held for future development		24,568	24,568
		<u>199,872</u>	<u>200,654</u>
Current assets			
Amount due from contract customers		21,198	15,653
Inventories		3,953	3,953
Property development costs		76,447	78,952
Trade receivables		82,713	93,268
Accrued billings		11,826	7,317
Other receivables, prepayments and deposits		26,824	28,750
Tax refundable		17	17
Fixed deposits with licensed banks		648	645
Cash and bank balances		11,457	10,363
		<u>235,083</u>	<u>238,918</u>
TOTAL ASSETS		<u>434,955</u>	<u>439,572</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		(1,876)	(4,493)
		<u>177,495</u>	<u>174,878</u>
Equity attributable to owners of the Company		177,495	174,878
Non-controlling interests		(1,455)	(1,451)
Total equity		<u>176,040</u>	<u>173,427</u>
Non-current liabilities			
Long-term borrowings	B7	82,488	76,894
		<u>82,488</u>	<u>76,894</u>
Current liabilities			
Amount due to contract customers		19,123	21,138
Trade payables		74,498	84,579
Other payables and accruals		28,312	18,030
Provision for taxation		5,597	4,619
Short-term borrowings	B7	48,897	60,885
		<u>176,427</u>	<u>189,251</u>
Total liabilities		<u>258,915</u>	<u>266,145</u>
TOTAL EQUITY AND LIABILITIES		<u>434,955</u>	<u>439,572</u>
Net assets per share (RM)		1.02	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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the second quarter ended 30 June 2017

Note	<----- Attributable to Equity Holders of the Company ----->						Non-controlling interests	Total Equity
	<----- Non-Distributable ----->							
	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Accumulated losses	Total		
	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	-	-	-	-	2,617	2,617	(4)	2,613
At 30 June 2017	87,225	58,150	26,074	7,922	(1,876)	177,495	(1,455)	176,040

Note	<----- Attributable to Equity Holders of the Company ----->						Non-controlling interests	Total Equity
	<----- Non-Distributable ----->							
	Share Capital	Capital Reserve	Share Premium	Warrant Reserve	Accumulated losses	Total		
	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	-	-	-	-	2,464	2,464	(5)	2,459
At 30 June 2016	87,225	58,150	26,074	(949)	(12,429)	166,942	(249)	166,693

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

for the second quarter ended 30 June 2017

	6 months ended 30 June 2017	30 June 2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,493	3,460
Adjustments for:		
Non-cash / non-operating items	6,537	3,498
Operating profit before working capital changes	11,030	6,958
Change in property development costs	2,504	(4,176)
Change in amount due from / to contract customers	(7,560)	(1,907)
Change in trade and other receivables	5,669	(22,226)
Change in trade and other payables	853	(4,340)
Cash from / (for) operations	12,496	(25,691)
Interest paid	(3,294)	(1,639)
Tax paid	(901)	(808)
Net cash from / (for) operating activities	8,301	(28,138)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	28	30
Purchase of plant and equipment	(454)	(1,304)
Increase in fixed deposits pledged	(2)	(2)
Net cash for investing activities	(428)	(1,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grant received	2,301	1,179
Net repayment of borrowings	(8,696)	(447)
Net cash (for) / from financing activities	(6,395)	732
Net increase / (decrease) in cash and cash equivalents	1,478	(28,682)
Cash and cash equivalents at 1 January	8,498	39,383
Cash and cash equivalents at 30 June	9,976	10,701
Cash and cash equivalents comprise the following:		
Cash and bank balances	11,457	11,711
Fixed Deposits with licensed banks	648	189
Bank Overdraft	(1,481)	(1,010)
	10,624	10,890
Less: Fixed deposits pledged to licensed banks	(648)	(189)
	9,976	10,701

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.

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

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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 June 2017.

A9 Segmental Information

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

Segmental Results for 6 Months Ended 30 June 2017

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	93,664	18,500	15	112,179
Elimination of Intersegment Sales	(8,250)	-	-	(8,250)
External Sales	85,414	18,500	15	103,929
Results				
Segment Results	8,727	554	(284)	8,997
Elimination of intersegment Results	(1,238)	-	-	(1,238)
	7,489	554	(284)	7,759
Financing Costs	(911)	(2,383)	-	(3,294)
Interest Income	13	15	-	28
Profit/(Loss) before Taxation	6,591	(1,814)	(284)	4,493

Segmental Results for 6 Months Ended 30 June 2016

	Construction	Property Development	Investment and others	Total
	RM'000	RM'000	RM'000	RM'000
Sales				
Total Sales	73,474	10,599	-	84,073
Elimination of Intersegment Sales	(9,417)	-	-	(9,417)
External Sales	64,057	10,599	-	74,656
Results				
Segment Results	4,515	1,559	(672)	5,402
Elimination of intersegment Results	(333)	-	-	(333)
	4,182	1,559	(672)	5,069
Financing Costs	(410)	(1,229)	-	(1,639)
Interest Income	12	16	2	30
Profit/(Loss) before Taxation	3,784	346	(670)	3,460

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 June 2017.



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

Notes to the Interim Financial Report

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.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at 30 June 2017 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	16,858
	<u>354,955</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment as at 30 June 2017 except as disclosed as follow:

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



**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 RM60.1 million and Profit Before Taxation of RM1.6 million for the current quarter as compared to corresponding quarter of RM43.1 million and RM1.7 million.

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

The Construction Division revenue achieved RM85 million for the current period as compared to RM64 million in the previous corresponding period. The higher revenue by 33% as compared to last year was the result of higher construction billings in tandem with higher construction activities.

The Property Division revenue increased to RM18 million as compared to previous corresponding period of RM10 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 RM60.1 million and RM1.6 million as compared to RM43.8 million and RM2.8 million reported in the immediate preceding quarter.

The Group registered a lower Profit Before Taxation of 2.8% in the current quarter as compared to the Profit Before Taxation of 6.4% reported in the immediate preceding quarter. The lower Profit Before Taxation in the current quarter was mainly attributable to lower project margin achieved for certain projects.

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 Expenses

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		6 months ended 30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
- Current income tax	931	287	1,880	1,001
- Deferred tax	-	-	-	-
	931	287	1,880	1,001

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 30 June 2017 are as follows:

	RM'000
(a) <u>Short term borrowings:</u>	
Short term borrowings (Secured)	
Portion of term loans payable within one year	8,975
Revolving loans payable within one year	22,000
Bills payable within one year	11,065
Bank overdraft	1,481
Portion of hire purchase payable within one year	5,376
	<u>48,897</u>
(b) <u>Long term borrowings:</u>	
Long term borrowings (Secured)	
Portion of term loans payable after one year	76,845
Portion of hire purchase payable after one year	5,643
	<u>82,488</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 case management on 20 September 2017 for assessment proceedings.

B9 Dividend Payables

The Board of Directors did not recommend the payment of dividend for the quarter ended 30 June 2017.



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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 30 June		6 months ended 30 June	
	2017	2016	2017	2016
a Net Profit for the period attributable to equity holders (RM'000)	738	1,495	2,617	2,464
b Weighted average number of shares issue ('000)	174,450	174,450	174,450	174,450
a/b Basic earnings per share (sen)	0.4	0.9	1.5	1.4

ii) Diluted earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		6 months ended 30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
c Earnings				
Net Profit for the period (RM'000)	738	1,495	2,617	2,464
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)	0.4	0.9	1.5	1.4

B11 Disclosure of Realised and Unrealised Profits or Losses

	As at 30.06.2017	As at 31.12.2016
	RM'000	RM'000
Total (accumulated losses)/retained profits:		
- Realised	39,413	36,522
- Unrealised	(260)	(260)
	39,153	36,262
Less: Consolidation adjustments	(41,029)	(40,755)
	(1,876)	(4,493)



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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 30.06.17	Cumulative quarter ended 30.06.17
	RM'000	RM'000
(a) Interest income	11	28
(b) Interest expenses	(1,683)	(3,294)
(c) Depreciation and amortisation	(963)	(1,646)

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 29 August 2017.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Petaling Jaya
Date: 29 August 2017