



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 for the third quarter ended 30 September 2011

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		9 months ended	
		30 September		30 September	
		2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	29,482	55,119	83,515	124,219
Cost of sales		(39,072)	(51,268)	(86,084)	(113,385)
Gross (Loss) / Profit		(9,590)	3,851	(2,569)	10,834
Other income		293	356	1,121	1,052
Administration expenses		(2,421)	(3,660)	(9,304)	(10,235)
Finance costs		(88)	(52)	(179)	(199)
(Loss) / Profit before taxation	A9	(11,806)	495	(10,931)	1,452
Income tax expenses	B5	500	(357)	(75)	(715)
(Loss) / Profit for the period		(11,306)	138	(11,006)	737
Attributable to:					
Equity holders of the Company		(11,306)	139	(11,005)	723
Non-controlling interests		-	(1)	(1)	14
(Loss) / Profit for the period		(11,306)	138	(11,006)	737
(Loss) / Earning per share (sen)					
Basic	B13	(10.0)	0.1	(9.7)	0.6
Diluted	B13	(8.7)	0.1	(8.5)	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 2010 and the accompanying explanatory notes attached to this interim financial statements.



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for the third quarter ended 30 September 2011

Note	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
(Loss) / Profit for the period	(11,306)	138	(11,006)	737
Other Comprehensive Income	-	-	-	-
Total comprehensive (loss) / income for the year	(11,306)	138	(11,006)	737
Total comprehensive (loss)/income attributable to:				
Equity holders of the parent	(11,306)	139	(11,005)	723
Non-controlling interests	-	(1)	(1)	14
	(11,306)	138	(11,006)	737
	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this interim financial statements.

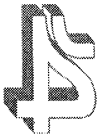


TSR CAPITAL BERHAD
 (Company No : 541149-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 As at 30 September 2011

	30 September 2011	31 December 2010
Note	(Unaudited) RM'000	(Audited) RM'000
Non-Current Assets		
Property, plant and equipment	47,042	33,240
Deferred tax assets	543	411
Property development costs	41,871	35,977
Land held for future development	4,613	4,613
Trade receivables	749	1,041
	94,818	75,282
Current assets		
Amount due from contract customers	45,272	56,126
Inventories	4,731	5,906
Trade receivables	26,391	29,204
Other receivables, prepayments and deposits	19,368	15,446
Tax refundable	1,827	1,269
Fixed deposits with licensed banks	5,534	17,830
Cash and bank balances	19,363	39,529
	122,486	165,310
TOTAL ASSETS	217,304	240,592
Equity		
Share capital	113,300	113,300
Share premium	26,653	26,653
Retained earnings	3,056	14,061
Equity attributable to equity holders of the Company	143,009	154,014
Non-controlling interests	-	511
Total equity	143,009	154,525
Non-current liabilities		
Long-term bank borrowings	12,180	1,149
Trade payables	17,086	17,086
	29,266	18,235
Current liabilities		
Short-term bank borrowings	1,088	981
Trade payables	23,126	31,920
Other payables and accruals	20,602	34,923
Current tax payables	213	8
	45,029	67,832
Total liabilities	74,295	86,067
TOTAL EQUITY AND LIABILITIES	217,304	240,592
Net assets per share (RM)	1.26	1.36

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

<----- Attributable to Equity Holders of the Company ----->

Note	Share Capital RM'000	<- Non-Distributable ->			Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
		Share Premium RM'000	Retained Earnings RM'000	<-Distributable-> RM'000			
At 1 January 2011	113,300	26,653	14,061	154,014	511	154,525	
Total comprehensive loss for the year	-	-	(11,005)	(11,005)	(1)	(11,006)	
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	(510)	(510)	
At 30 September 2011	113,300	26,653	3,056	143,009	-	143,009	

<----- Attributable to Equity Holders of the Company ----->

Note	Share Capital RM'000	<- Non-Distributable ->			Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
		Share Premium RM'000	Retained Earnings RM'000	<-Distributable-> RM'000			
At 1 January 2010	113,300	26,653	11,867	151,820	792	152,612	
- As previously stated	-	-	2,485	2,485	-	2,485	
- Effect of Adopting FRS 139	113,300	26,653	14,352	154,305	792	155,097	
Profit for the year	-	-	723	723	14	737	
Dividend paid	-	-	(1,699)	(1,699)	-	(1,699)	
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	(296)	(296)	
At 30 September 2010	113,300	26,653	13,376	153,329	510	153,839	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



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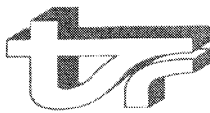
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)
for the third quarter ended 30 September 2011

	9 months ended 30 September	
	2011	2010
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(10,931)	1,452
Adjustments for:		
Non-cash & non-operating items	<u>1,783</u>	<u>790</u>
Operating (loss)/profit before working capital changes	(9,148)	2,242
Net change in current assets	5,409	(20,306)
Net change in current liabilities	<u>(23,969)</u>	<u>86</u>
Cash used in operations	(27,708)	(17,978)
Non-operating items	<u>(837)</u>	<u>(908)</u>
Net cash used in operating activities	(28,545)	(18,886)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in) / generated from investing activities	(14,376)	461
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from /(used) in financing activities	<u>10,455</u>	<u>(2,456)</u>
Net Decreased in cash and cash equivalents	(32,466)	(20,881)
Cash and cash equivalents at 1 January	57,143	64,059
Cash and cash equivalents at 30 September	<u><u>24,677</u></u>	<u><u>43,178</u></u>

Cash and cash equivalents comprise the following:

	9 months ended 30 September	
	2011	2010
	<u>RM'000</u>	<u>RM'000</u>
Cash and bank balances	19,363	16,420
Fixed Deposit with license banks	5,534	26,972
Less: Fixed Deposit Pledged to Financial Institutions	<u>(220)</u>	<u>(214)</u>
	<u><u>24,677</u></u>	<u><u>43,178</u></u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this interim financial statements



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 have been prepared under the historical cost convention.

The interim financial statements are unaudited and has 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 Group's audited financial statements presented in the Annual Report for the financial year ended 31 December 2010.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2010. 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 2010.

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 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2011.

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1	Limited Exemption form Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based payment
Amendments to FRS 2	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosure – Improving Disclosure about Financial Instruments
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Improvements to FRSs (2010)	

The initial application of the above revised FRSs, Amendments/Improvements to FRSs and IC Interpretation is 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 2010.

A4 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors for the interim periods 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.



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

A6 Changes in Estimates

There were no changes in the estimates of amounts, which give a material effect in the current quarter.

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 ended 30 September 2011.

None of the options under the warrants were exercised into new ordinary shares for the current quarter. The number of outstanding warrants as at 30 September 2011 was 16,000,000. The warrants may be exercised at anytime after the issuance date of 8 December 2003 until the expiry date which is the date occurring on 9 December 2013, being the tenth anniversary of the issue date of the warrants.

A8 Dividends Paid

There were no dividend paid in the current quarter ended 30 September 2011.

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 2011

	Construction	Manufacturing	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	90,743	2,496	9,056	-	102,295
Elimination of Intersegment Sales	(17,640)	(1,140)	-	-	(18,780)
External Sales	73,103	1,356	9,056	-	83,515
Results					
Segment Results	(10,053)	(787)	690	(411)	(10,561)
Elimination of intersegment Results	(529)	(52)	-	-	(581)
	(10,582)	(839)	690	(411)	(11,142)
Financing Costs	(168)	(11)	-	-	(179)
Interest Income	295	4	8	83	390
(Loss)/Profit before Taxation	(10,455)	(846)	698	(328)	(10,931)

Segmental Results for 9 Months Ended 30 September 2010

	Construction	Manufacturing	Property Development	Investment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales					
Total Sales	129,300	12,206	-	-	141,506
Elimination of Intersegment Sales	(12,818)	(4,469)	-	-	(17,287)
External Sales	116,482	7,737	-	-	124,219
Results					
Segment Results	2,237	129	(82)	(327)	1,957
Elimination of intersegment Results	(864)	(190)	-	-	(1,054)
	1,373	(61)	(82)	(327)	903
Financing Costs	(188)	(11)	-	-	(199)
Interest Income	567	4	1	176	748
Profit before Taxation	1,752	(68)	(81)	(151)	1,452



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

A10 Property, plant and equipment

There were no revalued property, plant and equipment as at 30 September 2011.

A11 Material Events Subsequent to the End of Interim Period

There were no material events subsequent to the end of the current financial period ended 30 September 2011 up to the date of this report.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current year to date except for the following:-

- a) On 16 May 2011, TSR Bina Sdn Bhd, a wholly owned subsidiary of the Company disposed 15% equity interest in Konsortium Pembinaan Bukit Timah-TSR Bina Sdn Bhd ("KPBT-TSRB") comprising 15 ordinary shares of RM1.00 each at par. Upon the disposal, KPBT-TSRB will become a 55% owned subsidiary of TSR Bina Sdn Bhd.
- b) On 16 June 2011, TSR Bina Sdn Bhd, a wholly owned subsidiary of the Company acquired 40% equity interest in TSR Usahasama Sdn. Bhd. ("TSR Usahasam") comprising 120,004 ordinary shares of RM1.00 each at par. Upon the acquisition, TSR Usahasama will become a wholly owned subsidiary of TSR Bina Sdn Bhd.

A13 Changes in Contingent Liabilities

Contingent liabilities of the Group as at the date of this announcement are as follows:

	RM'000
Corporate guarantees given to licensed financial institutions in respect of the following facilities granted to subsidiaries	
- Advance, Performance bonds and Trade Lines	146,083
- Overdraft	2,000
- Term Loan	57,000
Corporate guarantees given to suppliers in respect of goods supply to its wholly owned subsidiary companies	4,858
	<u>209,941</u>

A14 Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment in the interim financial statements as at 30 September 2011 except as disclosed as follow:

	RM'000
Contracted but not provided for	
- Freehold Land	6,665
- Leasehold Land	<u>25,762</u>
	<u>32,427</u>

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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

B1 Review of Performance of the Company and Its Principal Subsidiaries

The Group registered a Loss Before Taxation of RM11.80 million in the current quarter against a Profit Before Taxation of RM0.49 million in the last year corresponding period on the back of revenue of RM29.4 million and RM55.1 million respectively. The lower turnover was the result of lower construction billings in tandem with a lower on-going construction activities. The losses incurred by the Group was mainly due to provision for expected loss for certain projects.

B2 Material Changes in the (Loss)/Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group registered a Loss Before Taxation of 40% in the current quarter as compared to a Profit Before Tax of 1.1% reported in the immediate preceding quarter. The losses were resulted from the provision for expected loss for certain projects.

B3 Prospects for the Current Financial Year

The Board of Directors anticipates that the Company is facing a competitive and challenging business environment in the forthcoming quarters in 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	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
- Current income tax	(500)	357	75	715

The effective tax rate for the Group in the current quarter is higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes.

B6 Profits/(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 2011.

B7 Quoted Securities

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



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

B8 Status of Corporate Proposal

There were no corporate proposals announced but not completed at the date of this report.

B9 Group Borrowings and Debt Securities

Total group borrowings as at 30 September 2011 are as follows:

(a) Short term borrowings

Short term borrowings (Secured)

Portion of hire purchase payable within one year

RM'000

1,088

1,088

(b) Long term borrowings :

Long term borrowings (Secured)

Term loan

11,377

Portion of hire purchase payable after one year

803

12,180

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.

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 TSR Bina Sdn Bhd ("TSRB"), a wholly owned subsidiary of Company:-

a) Josu Engineering Construction Sdn Bhd ("JEC") Vs TSRB

The Plaintiff (JEC) filed a Writ of Summons and a Statement of Claim sometime on the 5th January 2004, alleging, inter alia, that their termination by the Defendant was unlawful, irregular, invalid and/or improper. The Plaintiff is claiming the sum of RM6,066,653.00 with interest and costs.

The Defendant (TSRB) has instituted a counter-claim against the Plaintiff in the amount of RM3,422,611.95 as well as for general damages, interest and costs. Our solicitors are of the opinion that the Defendant has a defense against the claim initiated by the Plaintiff.

On 1 March 2010, the Learned Judge had heard the application of plaintiff to amend the High Court's note of proceedings and had ordered that the note be amended to reflect a judgement granted in terms as per the prayers listed in paragraphs 9.1 (a) to (l)(iii) of the Plaintiff's Statement of Claim subject to such damages being assessed by the Registrar on a date to be fixed.

TSRB ("Appellant") has filed a Notice of Appeal to the Court of Appeal against the decision of the High Court. On 16 August 2011, the Court of Appeal dismissed the Appellant's appeal. The Company is now in the midst of strategising further appeal pending the advices from the solicitors.

B12 Dividend Payables

The Boards of Directors does not recommend the payment of any dividend for the quarter ended 30 September 2011.



TSR CAPITAL BERHAD
(Company No : 541149-W)

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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

B13 Earnings per Share

i) Basic earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
a Earnings				
Net Profit for the period attributable to equity holders	(11,306)	139	(11,005)	723
b Weighted average number of ordinary shares				
- Ordinary shares issued at beginning of period ('000)	113,300	113,300	113,300	113,300
	113,300	113,300	113,300	113,300
a/b Basic Earning per Share (Sen)	(10.0)	0.1	(9.7)	0.6

ii) Diluted earnings per share

c Earnings				
Net Profit for the period (RM'000)	(11,306)	139	(11,005)	723
d Weighted average number of ordinary shares for basic earnings per share in i) above ('000)	113,300	113,300	113,300	113,300
Potential dilutive ordinary shares for unexercised warrant issued ('000)	16,000	16,000	16,000	16,000
	129,300	129,300	129,300	129,300
c/d Diluted Earning per Share (Sen)	(8.7)	0.1	(8.5)	0.6

B14 Realised and Unrealised Profit/(Losses) Disclosure

	As at 30.9.2011 RM'000	As at 31.12.2010 RM'000
Total retained earnings of the Group:-		
- Realised	12,585	22,382
- Unrealised	(9,529)	(8,321)
Total Group retained earnings as per consolidated accounts	3,056	14,061



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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

B15 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2011.

TSR CAPITAL BERHAD
BY ORDER OF THE BOARD
Kuala Lumpur
Date: 30 November 2011