

PETALING TIN BERHAD

Quarterly Report on Consolidated Results For the Third Quarter Ended 31 July 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31 Jul 08 <i>RM'000</i>	PRECEDING YEAR CORRESPONDING QUARTER 31 Jul 07 <i>RM'000</i>	CURRENT YEAR TO DATE 31 Jul 08 <i>RM'000</i>	PRECEDING CORRESPONDING YEAR TO DATE 31 Jul 07 <i>RM'000</i>
Revenue	8,193	1,735	12,482	9,469
Gross Profit	1,073	604	2,100	2,379
Other Operating Income	105	757	629	995
Operating Expenses	(1,359)	(2,807)	(4,373)	(5,839)
Loss from Operations	(181)	(1,446)	(1,644)	(2,465)
Finance Cost	(6)	(5)	(27)	(33)
Share of Profits and Losses of Associated Companies	-	-	-	-
Loss Before Taxation	(187)	(1,451)	(1,671)	(2,498)
Taxation	(17)	(9)	(39)	(42)
Net Loss Attributable to Shareholders of the Company	(204)	(1,460)	(1,710)	(2,540)
Loss Per Share (sen)				
- Basic	(0.06)	(0.42)	(0.50)	(0.74)
- Fully Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2007)

PETALING TIN BERHAD

Quarterly Report on Consolidated Results For the Third Quarter Ended 31 July 2008

CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited)	(Audited)
	AS AT CURRENT FINANCIAL PERIOD ENDED 31 July 2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 Oct 2007 RM'000
ASSETS		
Non- Current Assets		
Property, Plant & Equipment	3,153	3,256
Investment In Associated Companies	-	-
Investment Property	126,182	126,182
Deferred Land & Development Expenditures	185,744	181,647
	<u>315,079</u>	<u>311,085</u>
Current Assets		
Property Development Expenditures	74,717	75,551
Inventories	6,278	7,318
Trade & Other Receivables	52,186	50,896
Short Term Investments	12,176	13,008
Fixed Deposits with Financial Institutions	1,206	1,329
Cash and Bank Balances	2,664	3,794
	<u>149,227</u>	<u>151,896</u>
Total Assets	<u>464,306</u>	<u>462,981</u>
EQUITY AND LIABILITIES		
Share Capital	344,292	344,292
Treasury Shares	(68)	(68)
Reserves	30,585	32,295
Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS")	2,100	2,100
Total Equity	<u>376,909</u>	<u>378,619</u>
Non- current Liabilities		
Deferred Taxation	32,952	32,933
Long Term Borrowings	310	340
	<u>33,262</u>	<u>33,273</u>
Current Liabilities		
Trade Payables	7,085	2,948
Other Payables and Accrued Liabilities	12,364	12,779
Borrowings	153	69
Taxation	34,533	35,293
	<u>54,135</u>	<u>51,089</u>
Total Liabilities	87,397	84,362
Total Equity and Liabilities	<u>464,306</u>	<u>462,981</u>
Net Assets Per Share (RM)	1.10	1.10

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2007)

PETALING TIN BERHAD

Quarterly Report on Consolidated Results For the Third Quarter Ended 31 July 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)

	SHARE CAPITAL	SHARE PREMIUM	RESERVES	ICULS- EQUITY INSTRUMENTS	ACCUMULATED LOSSES	TREASURY SHARES	TOTAL SHAREHOLDERS' EQUITY
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2007	344,292	43,664	5,097	2,100	(16,466)	(68)	378,619
Net loss for the period	-	-	-	-	(1,710)	-	(1,710)
At 31 July 2008	<u>344,292</u>	<u>43,664</u>	<u>5,097</u>	<u>2,100</u>	<u>(18,176)</u>	<u>(68)</u>	<u>376,909</u>
At 1 November 2006	344,292	43,664	8,668	2,100	(36,869)	(68)	361,787
Effect of adoption FRS 3	-	-	(212)	-	212	-	-
Effect of adoption FRS 140	-	-	(4,929)	-	4,929	-	-
At 1 November 2006 (Restated)	<u>344,292</u>	<u>43,664</u>	<u>3,527</u>	<u>2,100</u>	<u>(31,728)</u>	<u>(68)</u>	<u>361,787</u>
Net loss for the period	-	-	-	-	(2,540)	-	(2,540)
At 31 July 2007	<u>344,292</u>	<u>43,664</u>	<u>3,527</u>	<u>2,100</u>	<u>(34,268)</u>	<u>(68)</u>	<u>359,247</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2007)

PETALING TIN BERHAD

Quarterly Report on Consolidated Cashflow For the Third Quarter Ended 31 July 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**(The figures have not been audited)**

	CURRENT FINANCIAL PERIOD ENDED 31 July 2008 RM'000	PRECEDING FINANCIAL PERIOD ENDED 31 July 2007 RM'000
Cash Flows From Operating Activities		
Net Loss Before Tax	(1,671)	(2,498)
Adjustment for:-		
Non-Cash Items	(186)	798
Non-Operating Items	302	(266)
Operating Loss Before Working Capital Changes	(1,555)	(1,966)
Changes In Working Capital		
Net Change In Current Assets	(3,512)	(1,407)
Net Change In Current Liabilities	3,724	6,521
Cash (Used In) / Generated From Operations	(1,343)	3,148
Tax Paid	(780)	(16)
Interest Received	276	144
Interest Paid	(11)	(11)
Net Cash (Used In) / Generated From Operations	(1,858)	3,265
Cash Flow From Investing Activities		
Equity Investments	123	(81)
Other Investments	672	(65)
Net Cash Generated From / (Used In) Investing Activities	795	(146)
Cash Flow From Financing Activities		
Bank Borrowings	(67)	(34)
Net Changes in Cash & Cash Equivalents	(1,130)	3,085
Cash & Cash Equivalents At Beginning of the Period	3,794	3,474
Cash & Cash Equivalents At End of the Period	2,664	6,559

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2007)

Notes

1. Basis of Preparation

The quarterly financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 – Interim Financial Reporting and appendix 9B part A of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with Petaling Tin Berhad’s audited financial statements for the year ended 31 October 2007.

The accounting policies and methods of computation adopted by the Group in this financial report are consistent with those adopted in the financial statements for the year ended 31 October 2007 save for the adoption of the following Financial Reporting Standards (“FRS”) and IC interpretation issued by the Malaysian Accounting Standards Board which are applicable to the Group commencing from the financial year ending 31 October 2008:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates – net investment in foreign operation
FRS 124	Related Party Disclosure
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above FRS and IC interpretation do not have any impact on the result and the financial position of the Company and its subsidiary companies for the current quarter and financial year to date.

2. Qualification of Financial Statements

The Group’s audited financial statements for the preceding year ended 31 October 2007 was not subject to any qualification.

3. Seasonality or Cyclical Factors

The Group's current quarter and financial year to date performance were not affected nor influenced by seasonal or cyclical factors.

4. Items of Unusual Nature and Amount

There were no items affecting the assets, liabilities, equity, net income, or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year to date.

5. Changes in Estimates

There were no changes in the estimates of amounts reported in the prior interim periods of the current financial year or changes in estimates of amounts reported in the prior financial years that have a material effect in the current quarter and financial year to date.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

7. Dividends Paid

There were no dividends paid during the current quarter and financial year to date.

8. Segmental Reporting

Analysis by Business Segment

Current Year to date ended 31 July 2008

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	12,482	-	12,482	-	12,482
Inter-segment revenue	-	2,432	2,432	(2,432)	-
	12,482	2,432	14,914	(2,432)	12,482
Results					
Segment results	1,554	(3,422)	(1,868)	-	(1,868)
Interest expense					(14)
Interest income					206
Dividend revenue					5
Loss before taxation					(1,671)
Income taxes					(39)
Loss after taxation					(1,710)

Preceding Year to date ended 31 July 2007

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	9,469	-	9,469	-	9,469
Inter-segment revenue	-	2,059	2,059	(2,059)	-
	9,469	2,059	11,528	(2,059)	9,469
Results					
Segment results	902	(3,541)	(2,639)	-	(2,639)
Interest expense					(11)
Interest income					144
Dividend revenue					8
Loss before taxation					(2,498)
Income taxes					(42)
Loss after taxation					(2,540)

The geographical analysis is not presented as the Group's operations are solely based in Malaysia.

9. Valuation of Property, Plant and Equipment

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

10. Material Events

The Company announced on 7 December 2007 that its wholly-owned subsidiary, PTB Horticulture Farm Sdn Bhd ("PTBHF") had on even date entered into a Sale & Purchase Agreement with Karambunai Corp Bhd ("KCB") to acquire approximately 8,201.86 square metres of leasehold land in Petaling Jaya together with a four storey building with an annexed single storey warehouse and ancillary building free from all encumbrances for a cash consideration of RM12 million. The acquisition was deemed a related party transaction by virtue of Tan Sri Dr. Chen Lip Keong, Datuk Wan Kassim Bin Ahmed, Chen Yiy Hwuan and Chen Yiy Fon being directors and /or substantial shareholder in both the Company and KCB. The acquisition was subsequently completed on 11 August 2008.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date.

12. Changes in Contingent Liabilities and Contingent Assets

There was no contingent asset that had arisen since the last annual balance sheet date. There were also no changes in the contingent liabilities since the last annual balance sheet date. The contingent liabilities as at the date of this report are as follows:

- (i) Certain purchasers have instituted legal proceedings against the subsidiary company, Magilds Park Sdn Bhd., for recovery of progressive payments paid to the subsidiary company amounting to RM314,503 and liquidated ascertained damages of RM93,682 of which RM300,151 has been accrued for in the financial statements.

No additional provision has been made as the legal proceedings are still pending.

- (ii) A consultant has instituted legal action against the subsidiary company, Magilds Park Sdn. Bhd., for the recovery of debts amounting to RM467,253 of which RM200,000 has been accrued in the financial statements.

The balance of claim amounting to RM267,253 has not been accrued in the financial statements as the outcome of this litigation is still pending.

Additional information required by the Bursa Malaysia's Listing Requirement

1. Review of Performance of the Company and its Principal Subsidiaries

For the current quarter ended 31 July 2008, the Group has recorded a pre-tax loss of RM186,815 as compared to pre-tax loss of RM1,451,424 for the preceding year's corresponding quarter ended 31 July 2007.

This is mainly due to higher revenue recognised on its residential development component at Desa Bukit Indah during the quarter.

In the opinion of the Directors, the result for the current quarter and financial year to date have not been affected by any transactions or events of a material or unusual nature which has arisen between 31 July 2008 and the date of this announcement.

2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

For the current quarter ended 31 July 2008, the Group has recorded a pre-tax loss of RM186,815 as compared to a pre-tax loss of RM1,266,598 for the previous quarter ended 30 April 2008. The lower pre-tax loss for this quarter was mainly due to higher revenue recognised on its residential development component at Desa Bukit Indah during the quarter.

3. Prospects for the Remaining Financial Year

The Group expects the remaining financial year to be challenging with the increase in cost of building materials such as steel bars and cement prices. The rising inflation due to the increase in crude oil prices worldwide will have a negative impact on the property development sector. Nevertheless, barring unforeseen circumstances, the Group expects to generate earnings from residential development components of its prime projects located at Taman Kelab Ukay, Ampang and Desa Bukit Indah, Sungai Buloh.

4. Profit Forecast and Profit Guarantee

Not applicable as the Group did not announce any forecast results or undertake any profit guarantee in respect of the financial year.

5. Taxation

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Corresponding Year To Date
	31 July 08 RM'000	31 July 07 RM'000	31 July 08 RM'000	31 July 07 RM'000
Taxation comprises the followings:				
Malaysian Taxation based on results for the year	17	9	20	42
Originating temporary differences	-	-	19	-
	<u>17</u>	<u>9</u>	<u>39</u>	<u>42</u>

Although the Group incurred a loss for the current quarter and financial year to date, there is a tax charged due to no group relief that can be utilized to offset against taxable profits of other subsidiaries within the group.

6. Profit on Sales of Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties for the current quarter and financial year to date.

7. Short term Investments

a) Quoted Investments in Malaysia

	As At 31 July 08
	RM'000
At Costs	549
Add: Additions	1,297
Less: Provision for Diminution in Value	(45)
Less: Disposal during the period	(1,601)
At book value	<u>200</u>
Market value	200
Sales Proceeds	1,516
Less: Quoted Securities at Costs	(1,601)
Loss on Disposal of Quoted Securities	<u>(85)</u>

Other short term investments include the following:-

- b) Short-term funds placement in fixed income trust fund as at 31 July 2008 amounting to RM11,975,627/- (2007: RM12,459,504/-) bear interest at rates ranging from 3.29% to 3.50% per annum and have an average maturity ranging from 1 to 365 days.

8. Status of Corporate Proposals

As at the date of this report, the rescue exercise duly approved by the shareholders at an Extraordinary General Meeting held on 20 August 1999 has been completed, save and except for the transfer of land title of the Ulu Kelang Project, which is in progress.

9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 July 2008 are as follows:

	RM'000
Secured	
<i>Long Term Borrowings</i>	
Total outstanding hire purchase liabilities	463
Repayment due within the next 12 months	(153)
Total	<u>310</u>
<i>Short Term Borrowings</i>	
Current portion of hire purchase liabilities	<u>153</u>

The above borrowings are denominated in Ringgit Malaysia.

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

11. Cash And Cash Equivalents

	Current Year To Date 31 July 08 RM'000	Preceding Corresponding Year To Date 31 July 07 RM'000
Fixed Deposits with Financial Institutions	1,206	1,324
Cash and Bank Balances	2,664	6,559
	<u>3,870</u>	<u>7,883</u>
Less: Fixed Deposits under lien	(1,206)	(1,324)
Cash & Cash Equivalents at End of Period	<u>2,664</u>	<u>6,559</u>

12. Material Litigation

Save as disclosed below, the Group is not engaged in any material litigation as at the date of this report.

- (a) On 12 April 1996, Lam Hong Kee Sdn. Bhd. ("LHKSB") entered into a Sale and Purchase Agreement with Magilds Park Sdn. Bhd. ("MPSB"), a subsidiary of the Company, for the purchase of an industrial lot held under the land title H.S.(D) 37590 Lot No. 19694, Mukim of Batu, District of Gombak, Selangor Darul Ehsan at the purchase price of RM786,258. On 18 April 2000, LHKSB as the Plaintiff filed a suit against MPSB. LHKSB is claiming, among others for a refund of RM314,503 which they have paid in respect of the progressive payment towards the purchase price and a claim for the sum of RM92,394 being interest of the progressive purchase price paid. Upon MPSB's application, the High Court has on 22 September 2004 struck out the Plaintiff's claim with costs. However, the Plaintiff is entitled to appeal to the Court of Appeal against the High Court's decision and has done so on 21 October 2004. The matter is now pending hearing at the Court of Appeal on a date to be fixed by the Court of Appeal.

Provision has been made in the accounts of MPSB in accordance to legal advice.

- (b) In 2003, Newmet Konsultan ("Plaintiff") filed a suit against Magilds Park Sdn. Bhd. ("MPSB"), a subsidiary of the Company, claiming for RM467,252.50 being the professional fees claimed to be owed by MPSB for services rendered of which RM200,000 has been accrued in the financial statements. MPSB's solicitors had filed appearance and defense on behalf of MPSB. The matter is now fixed for final case management on 22 October 2008 before the High Court Judge. The parties are in the process of finalizing the evidential documents as well as the disputed issues to be determined by the Court.

13. Dividend

There was no dividend proposed or declared for the current quarter and financial year to date.

14. Loss Per Share

- (a) The calculation of basic loss per share for the current quarter and financial year to date are based on the Group loss after tax of RM204,046 for the current quarter and RM1,710,861 for the financial year to date divided by 344,020,635 shares, being the weighted average ordinary shares in issue excluding the weighted average treasury shares held by the Company. The calculation of basic loss per share for the preceding year corresponding quarter and year to date are based on Group loss after tax of RM1,460,626 and RM2,539,835 divided by weighted average ordinary shares in issue of 344,213,430.
- (b) The fully diluted loss per share for the current quarter and financial year to date and for the preceding year correspondence periods are not presented as the assumed conversion of the outstanding ICULS and reissue of the treasury shares are anti-dilutive.

By Order of The Board

PETALING TIN BERHAD



LAM HOI KHONG
Chief Financial Officer
Petaling Jaya, Selangor
Date : 24 September 2008