

PETALING TIN BERHAD (324-H)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)

	Current quarter ended 31 DEC 2017 RM'000	Preceding year corresponding quarter ended 31 DEC 2016 RM'000	Current year-to-date ended 31 DEC 2017 RM'000	Preceding year-to-date ended 31 DEC 2016 RM'000
Revenue	1,439	582	3,035	20,735
Direct costs	(146)	(26)	(885)	(6,818)
Gross profit	1,293	556	2,150	13,917
Other income	4,178	1,624	5,754	2,170
Selling and distribution costs	-	-	-	(885)
Administrative costs	(1,052)	(917)	(3,595)	(6,432)
Other costs	(10,864)	(113)	(16,722)	(345)
(Loss)/Profit from operations	(6,445)	1,150	(12,413)	8,425
Finance costs	-	-	-	-
(Loss)/Profit before taxation	(6,445)	1,150	(12,413)	8,425
Taxation	8	-	(49)	(2,977)
(Loss)/Profit for the period	(6,437)	1,150	(12,462)	5,448
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the financial period	(6,437)	1,150	(12,462)	5,448
(Loss)/Earnings per share attributable to owners of the parent (cent)				
Basic and diluted (loss)/earnings per share	(1.86)	0.33	(3.60)	1.58

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

PETALING TIN BERHAD (324-H)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	(Unaudited) As at 31 DEC 2017 RM'000	(Audited) As at 31 MAR 2017 RM'000
ASSETS		
Non- Current Assets		
Property, plant & equipment	118	254
Investment properties	164,373	161,373
Land held for property development	209,105	230,077
Total Non-Current Assets	<u>373,596</u>	<u>391,704</u>
Current Assets		
Accrued billings in respect of property development costs	-	1,129
Trade receivables	5,079	2,871
Other receivables	1,612	1,864
Tax recoverable	1	1
Fixed deposits with licensed banks	1,088	1,057
Cash and bank balances	11,910	28,669
Total Current Assets	<u>19,690</u>	<u>35,591</u>
TOTAL ASSETS	<u>393,286</u>	<u>427,295</u>
EQUITY AND LIABILITIES		
Share capital	346,103	346,103
Reserves	3,188	15,650
Treasury shares	(68)	(68)
Total Equity	<u>349,223</u>	<u>361,685</u>
Non- Current Liabilities		
Deferred tax liabilities	32,068	31,918
Total Non-Current Liabilities	<u>32,068</u>	<u>31,918</u>
Current Liabilities		
Trade payables	2,070	19,282
Other payables	9,665	11,150
Taxation	260	3,260
Total Current Liabilities	<u>11,995</u>	<u>33,692</u>
Total Liabilities	<u>44,063</u>	<u>65,610</u>
TOTAL EQUITY AND LIABILITIES	<u>393,286</u>	<u>427,295</u>
Net Assets per share (RM)	<u>1.00</u>	<u>1.05</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

PETALING TIN BERHAD (324-H)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)**

	←←←←← Attributable to owners of the Parent →→→→→						→	
	←←←←← Non-distributable →→→→→					Accumulated Losses		Total Equity
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserves	Other Reserves			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2017	346,103	(68)	43,954	2,970	3,526	(34,800)	361,685	
Realisation of revaluation deficit				(285)		285	-	
Net loss for the period	-	-	-	-	-	(12,462)	(12,462)	
At 31 December 2017	<u>346,103</u>	<u>(68)</u>	<u>43,954</u>	<u>2,685</u>	<u>3,526</u>	<u>(46,977)</u>	<u>349,223</u>	
At 1 April 2016	346,103	(68)	43,954	2,970	3,526	(27,701)	368,784	
Net loss for the year	-	-	-	-	-	(7,099)	(7,099)	
At 31 March 2017	<u>346,103</u>	<u>(68)</u>	<u>43,954</u>	<u>2,970</u>	<u>3,526</u>	<u>(34,800)</u>	<u>361,685</u>	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

PETALING TIN BERHAD (324-H)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017
(The figures have not been audited)**

	Current year to date ended 31 DEC 2017 RM'000	Corresponding year to date ended 31 DEC 2016 RM'000
Cash Flows from Operating Activities		
(Loss)/ Profit before taxation	(12,413)	8,425
Adjustments for:-		
Depreciation of property, plant and equipment	136	155
Fair value adjustment on investment properties	(3,000)	-
Impairment loss on land held for property development	16,763	-
Interest income	(480)	(579)
Penalty waived	-	(1,336)
Reversal of impairment loss on receivables	(1,630)	-
Write off of land held for property development	252	-
Operating (loss)/ profit before working capital changes	(372)	6,665
Changes in working capital		
Land held for property development	3,957	6,682
Accrued billings in respect of property development costs	1,129	-
Receivables	(326)	23,902
Payables	(18,697)	(3,967)
Cash (used in)/generated from operations	(14,309)	33,282
Tax paid	(2,899)	(13,738)
Interest received	480	579
Net cash (used in)/generated from operating activities	(16,728)	20,123
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-	(8)
Net cash used in investing activities	-	(8)
Cash Flows from Financing Activities		
Withdrawal of fixed deposit	-	50
Increase in fixed deposits pledged with licensed banks	(31)	-
Net cash (used in)/generated from financing activities	(31)	50
Net (decrease)/increase in cash and cash equivalents	(16,759)	20,165
Cash and cash equivalents at the beginning of the financial period	28,669	1,319
Cash and cash equivalents at the end of the financial period	11,910	21,484

PETALING TIN BERHAD (324-H)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 (CONT'D)
(The figures have not been audited)**

	Current year to date ended 31 DEC 2017 RM'000	Corresponding year to date ended 31 DEC 2016 RM'000
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	70	277
Fixed deposits pledged with licensed banks	1,088	1,025
Cash held under housing development accounts	910	629
Short term investment funds	10,930	20,578
	<hr/> 12,998	<hr/> 22,509
Less: Fixed deposits pledged with licensed banks	(1,088)	(1,025)
	<hr/> 11,910	<hr/> 21,484

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

Part A - Notes In Compliance with FRS 134

A1. Basis of Preparation and Accounting Policies

The quarterly consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2017. The explanatory notes attached to the quarterly consolidated 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 March 2017.

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Adoption of new and amended standards

During the financial period, the Group and the Company have adopted the following amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial year:

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to FRS 12 Disclosures of Interests in Other Entities (*Annual Improvements to FRSs 2014-2016 Cycle*)

The adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial years beginning on or after
Annual Improvements to FRSs 2014 – 2016 Cycle:		
Amendments to FRS 1		1 January 2018
Amendments to FRS128		1 January 2018
Amendments to FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
Amendments to FRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018 *

IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretations 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

**Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of FRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021*

The Group and the Company intend to adopt the above FRSs when they become effective.

The initial application of the abovementioned FRSs is not expected to have any significant impact on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 Financial Instruments: Recognition and Measurement.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting FRS 9.

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual years 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 (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual years beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 March 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

A2. Qualification of Financial Statements

The Group's audited financial statements for the preceding financial year ended 31 March 2017 was not subject to any qualification.

A3. Seasonality or Cyclicity Factors

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

A4. Items of Unusual Nature and Amount

Saved as disclosure in note B9, 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.

A5. Changes in Estimates

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

A6. 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.

A7. Dividends Paid

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

A8. Segmental Reporting

Analysis by Business Segment

3 months ended 31 December 2017

	Property Development	Other Operations	Total Before Elimination	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	1,439	-	1,439	-	1,439
Inter-segment revenue	16	-	16	(16)	-
	1,455	-	1,455	(16)	1,439
Results					
Segment loss before taxation	(6,445)	-	(6,445)	-	(6,445)
Depreciation	(43)	-	(43)	-	(43)
Fair value adjustment on investment properties	3,000	-	3,000	-	3,000
Interest income	134	-	134	-	134

9 months ended 31 December 2017

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	3,035	-	3,035	-	3,035
Inter-segment revenue	47	-	47	(47)	-
	<u>3,082</u>	<u>-</u>	<u>3,082</u>	<u>(47)</u>	<u>3,035</u>
Results					
Segment loss before taxation	(12,409)	(4)	(12,413)	-	(12,413)
Depreciation	(136)	-	(136)	-	(136)
Fair value adjustment on investment properties	3,000	-	3,000	-	3,000
Interest income	480	-	480	-	480

3 months ended 31 December 2016

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	582	-	582	-	582
Inter-segment revenue	16	-	16	(16)	-
	<u>598</u>	<u>-</u>	<u>598</u>	<u>(16)</u>	<u>582</u>
Results					
Segment profit before taxation	1,150	-	1,150	-	1,150
Depreciation	(50)	-	(50)	-	(50)
Interest income	280	-	280	-	280

9 months ended 31 December 2016

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	20,735	-	20,735	-	20,735
Inter-segment revenue	16	-	16	(16)	-
	<u>20,751</u>	<u>-</u>	<u>20,751</u>	<u>(16)</u>	<u>20,735</u>
Results					
Segment profit/(loss) before taxation	8,435	(10)	8,425	-	8,425
Depreciation	(155)	-	(155)	-	(155)
Interest income	579	-	579	-	579

Other Operations consist of investment holding, provision of management services and others.

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

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without amendment from the last audited financial statements for the year ended 31 March 2017.

A10. Material Subsequent Events

There were no material subsequent events occurred between 1 January 2018 and 17 February 2018 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) that have not been reflected in this interim financial report.

A11. 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.

A12. Changes in Contingent Assets and Contingent Liabilities

There were no material changes in contingent assets and contingent liabilities that had arisen since the financial year ended 31 March 2017.

A13. Capital Commitments

There were no material capital commitments for the purchase of property, plant and equipment not provided for in this interim financial report.

Part B – Notes in compliance with Bursa Securities Main Market Listing Requirements

B1. Review of Performance of the Company and its Principal Subsidiaries

3 months ended 31 December 2017

The Group registered revenues of RM1.44 million for the 3 months ended 31 December 2017 from RM0.58 million a year ago. Revenues were derived mainly from rental income of its investment properties and sale of completed properties for current period while revenues for the corresponding period were derived mainly from rental income.

The Group registered a loss before taxation of RM6.44 million from RM1.15 million profit before taxation a year earlier, attributed mainly to the impairment loss on land held for property development amounting to RM10.95 million and provision for tax penalties and interest amounting to RM2.02 million, mitigated by a fair value adjustment on investment properties of RM3.00 million and a reversal of provision no longer required on land premium amounting to RM2.40 million.

9 months ended 31 December 2017

The Group registered revenues of RM3.04 million for the 9 months ended 31 December 2017 from RM20.73 million a year ago. Revenues for the current 9 months were derived mainly from rental income of its investment properties and sale of completed properties while revenues for the corresponding period were derived mainly from a non-recurring sale of development land at Ulu Yam, Selangor.

The Group registered a loss before taxation of RM12.41 million from RM8.42 million profit before tax a year earlier, on impairment loss on land held for property development amounting to RM16.76 million and absence of land sale for the financial period under review.

B2. Material Changes in the Current Quarter Result Compared to the Results of the Preceding Reporting Quarter

	Current Quarter 31 Dec 2017 RM'000	Immediate Preceding Quarter 30 Sept 2017 RM'000	Changes RM'000
Revenue	1,439	1,012	427
Gross profit	1,293	300	993
Loss before taxation	(6,445)	(5,504)	(941)
Taxation	8	(36)	44
Loss after taxation	(6,437)	(5,540)	(897)

The increase in revenue is due to the sale of completed properties.

The higher loss after taxation recorded at current quarter was due mainly to the impairment loss on land held for property development of RM10.95 million and provision for tax penalties and interest of RM2.02 million offset by an increase in fair value adjustment on investment properties of RM3.00 million and a reversal of provision no longer required on land premium of RM2.40 million.

B3. Prospects

On the prospects for the remaining period to the end of the financial year ending 31 March 2018, the board of directors is of the opinion that the business outlook for the property market sector remains challenging. The future performance of the Group's property development hinges on the recovery of the property market and the Group's ability to compete with its competitors in launching, selling and completing its development projects.

B4. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Taxation

The taxation charges for the current quarter and financial year-to-date ended 31 December 2017 are as follows:

	3 months ended		9 months ended	
	31 Dec 2017 RM'000	31 Dec 2016 RM'000	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Current Tax				
Malaysian tax				
- Current taxation	-	-	55	2,977
Under/(Over)provision	(158)	-	(156)	-
	(158)	-	(101)	2,977
Deferred Tax				
Tax effect on fair value changes of investment properties	150	-	150	-
	150	-	150	-
	(8)	-	49	2,977

The effective tax rate of the Group for the financial year-to-date ended 31 December 2017 was higher than the statutory tax rate mainly due to the taxable profits in certain subsidiaries cannot be set-off against the tax losses incurred by the Company and other subsidiaries and the provision for deferred tax in respect of fair value adjustment on investment properties.

B6. Status of Corporate Proposals Announced But Not Completed as at 17 February 2018 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

There were no corporate proposals announced but not completed.

B7. Bank Borrowings and Debt Securities

There were no bank borrowings or debts securities as at 31 December 2017.

B8. Dividend

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

B9. (Loss)/Profit before taxation

	3 month ended		9 months ended	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after charging / (crediting):-				
Depreciation of property, plant and equipment	43	50	136	155
Fair value adjustment on investment properties	(3,000)	-	(3,000)	-
Impairment loss on land held for property development	10,950	-	16,763	-
Interest income	(134)	(280)	(480)	(579)
Rental income	(3)	(7)	(11)	(23)
Provision for / (reversal of) tax penalties and interest	2,018	(1,336)	2,021	(1,336)
Rental of office	-	3	-	5
Reversal of impairment loss on receivables	(1,040)	-	(1,630)	-
Write off of land held for property development	252	-	252	-

B10. Earnings/(Loss) Per Share

The calculation of basic earnings/ (loss) per share for the current quarter and financial year-to-date is based on the profit/(loss) after taxation for the current quarter and financial year-to-date respectively, divided by 345,830,979 ordinary shares, being the weighted average ordinary shares in issue excluding the weighted average treasury shares held by the Company.

B11. Outstanding Derivatives

There are no outstanding derivatives (including instruments designated as hedging instruments) as at 31 December 2017.

B12. Fair Value Changes of Financial Liabilities

The Group does not have any material financial liabilities measured at fair value through profit or loss as at 31 December 2017.

B13. Material Litigations

There were no material litigations as at 17 February 2018 (being the latest practical date which is not more than 7 days from the date of this quarterly report).

B14. Supplementary Information on the Disclosure of Realised and Unrealised Profit or Loss

The following analysis of realised and unrealised (accumulated losses)/retained profits of the Group at 31 December 2017 and 31 March 2017 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

The (accumulated losses)/retained profits of the Group as at 31 December 2017 and 31 Mar 2017 is analysed as follows:-

	As at 31 Dec 2017	As at 31 Mar 2017
	RM'000	RM'000
Retained Profits/ (Accumulated Losses)		
- Realised	263,489	275,666
- Unrealised	33,568	33,568
	<u>297,057</u>	<u>309,234</u>
Less: Consolidation Adjustments	(344,034)	(344,034)
Total Accumulated Losses	<u>(46,977)</u>	<u>(34,800)</u>

By order of the Board

Yew Nyuk Kwei (MACS 01247)
Company Secretary

Petaling Jaya, Selangor
24 February 2018