

PETALING TIN BERHAD**Quarterly Report on Consolidated Results For the Second Quarter Ended 30 April 2006****CONDENSED CONSOLIDATED INCOME STATEMENT****(The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 Apr 06 <i>RM'000</i>	PRECEDING YEAR CORRESPONDING QUARTER 30 Apr 05 <i>RM'000</i>	CURRENT YEAR TO DATE 30 Apr 06 <i>RM'000</i>	PRECEDING CORRESPONDING YEAR TO DATE 30 Apr 05 <i>RM'000</i>
Revenue	3,144	1,984	7,725	3,937
Gross Profit/ (Loss)	437	(104)	170	1,106
Other Operating Income	299	149	331	307
Operating Expenses	(2,036)	(2,181)	(3,685)	(3,955)
Loss from Operations	(1,300)	(2,136)	(3,184)	(2,542)
Finance Cost	(1)	(14)	(2)	(16)
Share of Profits and Losses of Associated Companies	-	-	-	-
Loss Before Taxation	(1,301)	(2,150)	(3,186)	(2,558)
Taxation	-	106	(123)	41
Net Loss Attributable to Shareholders of The Company	(1,301)	(2,044)	(3,309)	(2,517)
Loss Per Share (sen)				
- Basic	(0.38)	(0.59)	(0.96)	(0.73)
- Fully Diluted	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2005)

PETALING TIN BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET
(The figures have not been audited)

Registered Office :
1st Floor, No. 118, Jalan Semangat,
46300 Petaling Jaya,
Selangor Darul Ehsan.
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Tel : 03-7968 1222
Fax : 03-7954 1155

	AS AT CURRENT YEAR ENDED 30 Apr 2006 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 Oct 2005 RM'000	
1	Property, Plant & Equipment	4,593	4,604
2	Investment In Associated Companies	-	-
3	Long Term Investments	226,339	226,349
4	Goodwill on Consolidation	2,103	2,243
5	Capital Work-In-Progress	10,141	10,141
6	Current Assets		
	Development Properties and Expenditures	37,624	38,664
	Stocks	10,876	11,689
	Trade Debtors & Other Receivables	113,879	156,668
	Short Term Investments	446	446
	Fixed Deposits with Financial Institutions	41,442	1,265
	Cash and Bank Balances	2,993	1,101
		<hr/> 207,260	<hr/> 209,833
7	Current Liabilities		
	Trade Creditors	3,576	2,920
	Other Creditors and Accrued Liabilities	15,000	15,463
	Borrowings	39	-
	Taxation	35,720	35,708
		<hr/> 54,335	<hr/> 54,091
8	Net Current Assets	152,925	155,742
		<hr/> <hr/> 396,101	<hr/> <hr/> 399,079
9	Shareholders' Funds		
	Share Capital	344,292	344,292
	Treasury Shares	(68)	(68)
	Reserves	18,712	22,021
	Irredeemable Convertible Unsecured Loan Stocks 2000/2010 ("ICULS")	2,100	2,100
		<hr/> 365,036	<hr/> 368,345
11	Deferred Taxation	30,784	30,734
12	Long Term Borrowings	281	-
		<hr/> <hr/> 396,101	<hr/> <hr/> 399,079
13	Net Assets Per Share (RM)	1.06	1.07

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2005)

PETALING TIN BERHAD**Quarterly Report on Consolidated Results For the Second Quarter Ended 30 April 2006****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)**

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	RESERVES RM'000	ICULS - EQUITY INSTRUMENT RM'000	ACCUMULATED LOSSES RM'000	TREASURY SHARE RM'000	TOTAL SHAREHOLDERS' EQUITY RM'000
At 1 November 2005	344,292	43,664	9,198	2,100	(30,841)	(68)	368,345
Net Loss For The Period	-	-	-	-	(3,309)	-	(3,309)
At 30 April 2006	<u>344,292</u>	<u>43,664</u>	<u>9,198</u>	<u>2,100</u>	<u>(34,150)</u>	<u>(68)</u>	<u>365,036</u>
At 1 November 2004	344,292	43,664	9,198	2,100	(15,734)	-	383,520
Net Loss For The Year	-	-	-	-	(15,107)	-	(15,107)
Buy- back of shares						(68)	(68)
At 31 October 2005	<u>344,292</u>	<u>43,664</u>	<u>9,198</u>	<u>2,100</u>	<u>(30,841)</u>	<u>(68)</u>	<u>368,345</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 2005)

PETALING TIN BERHAD**Quarterly Report on Consolidated Cashflow For the Second Quarter Ended 30 April 2006****CONDENSED CONSOLIDATED CASH FLOW STATEMENT**
(The figures have not been audited)

	CURRENT YEAR TO DATE 30 Apr 2006 RM'000	PRECEDING FINANCIAL YEAR ENDED 31 Oct 2005 RM'000
Cash Flows From Operating Activities		
Net Loss Before Tax	(3,186)	(17,099)
Adjustment for:-		
Non-Cash Items	634	2,726
Non-Operating Items	(198)	(81)
Operating Loss Before Working Capital Changes	(2,750)	(14,454)
Changes In Working Capital		
Net Change In Current Assets	44,650	14,276
Net Change In Current Liabilities	191	1,721
Cash Generated From Operations	42,091	1,543
Tax Paid	(57)	(464)
Interest Received	191	52
Interest Paid	-	(1)
Net Cash Generated From Operations	42,225	1,130
Cash Flow From Investing Activities		
Equity Investments	8	(51)
Other Investments	(434)	(1,388)
	41,799	(309)
Cash Flow From Financing Activities		
Bank Borrowings	320	(36)
Net Changes in Cash & Cash Equivalents	42,119	(345)
Cash & Cash Equivalents At Beginning of Period/Year	1,101	1,446
Cash & Cash Equivalents At End of Period/Year	43,220	1,101

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 October 2005)

Notes

1. Basis of Preparation

The interim financial report has been prepared in accordance with FRS 134²⁰⁰⁴ - Interim Financial Reporting (formerly known as MASB 26) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 October 2005.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2005.

2. Qualification of Financial Statements

The Group's audited financial statements for the preceding year ended 31 October 2005 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 period of the current financial year or changes in estimates of amounts reported in 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 dividend paid during the current quarter and financial year to date.

8. Segmental Reporting for the Current Financial Year to Date

Analysis by Business Segment

	Property Development RM'000	Other Operations RM'000	Total Before Elimination RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External sales	7,725	-	7,725	-	7,725
Inter-segment sales	-	1,272	1,272	(1,272)	-
	<u>7,725</u>	<u>1,272</u>	<u>8,997</u>	<u>(1,272)</u>	<u>7,725</u>
Results					
Segment results	(1,439)	(1,854)	(3,293)	(101)	(3,394)
Interest expense					-
Interest income					196
Dividend revenue					<u>12</u>
Loss before taxation					(3,186)
Income taxes					<u>(123)</u>
Loss after taxation					<u><u>(3,309)</u></u>

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 Subsequent to the Financial Year to Date

There were no material events subsequent to the second quarter ended 30 April 2006 till the date of this report that have not been reflected in the financial statements for the said period.

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 assets that had arisen since the last annual balance sheet date.

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.

A sub-contractor 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 Requirements

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

For the current quarter ended 30 April 2006, the Group has recorded a pre-tax loss of RM1,301,270 as compared to pre-tax loss of RM2,150,604 for the preceding year's corresponding quarter ended 30 April 2005.

The improvement in results is mainly due to revenue recognised from the progressive development of the residential properties at Taman Kelab Ukay.

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 30 April 2006 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 30 April 2006, the Group has recorded a pre-tax loss of RM1,301,270 as compared to a pre-tax loss of RM1,884,386 for the previous quarter ended 31 January 2006. The higher pre-tax loss for the previous quarter ended 31 January 2006 was mainly due to spill-over of costs incurred in respect of development properties at Desa Bukit Indah, Sungai Buloh and the Bukit Ceylon project which was disposed in the previous financial year.

3. Prospects for the Current Financial Year

The remaining financial year is expected to be positive in view of the Government's recent fiscal measures to rebuild overall consumer confidence. With the continued consumer interest in residential housing developments, the Group will continue to concentrate on residential property development projects on choice locations.

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
	30 April 06 RM'000	30 April 05 RM'000	30 April 06 RM'000	30 April 05 RM'000
Taxation comprises of the followings:	-	-	-	-
Malaysian Taxation based on results for the year	-	-	73	65
Originating and reversal of temporary differences	-	(106)	50	(106)
	-	(106)	123	(41)

Although the Group has incurred a loss for the financial year to date, there is a tax charge due to no group relief for losses suffered by certain subsidiaries that can be utilized to offset against taxable profits of other subsidiaries within the Group. The transfer to deferred taxation is due to originating and reversal of temporary differences on deferred tax liability recorded in Magilds Park Sdn Bhd in respect of development property sold during the financial year to date.

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. Quoted Securities

a) There were no purchase or disposal of quoted securities for the current quarter and financial year to date.

b) Total investments in quoted securities as at 30 April 2006 are as follows:

	RM'000
Quoted shares, at cost	1,144
Provision for diminution in value	(698)
At book value	<u>446</u>
Market value	<u><u>546</u></u>

8. Status of Corporate Proposals

As at the date of the 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 30 April 2006 are as follows:

Secured	RM'000
<i>Long Term Borrowings</i>	
Total outstanding hire purchase liabilities	320
Repayment due within the next 12 months	(39)
Total	<u><u>281</u></u>
<i>Short Term Borrowings</i>	
Current portion of hire purchase liabilities	<u>39</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 30 Apr 2006	Preceding Financial Year Ended 31 Oct 2005
	RM'000	RM'000
Fixed Deposits with Financial Institutions	41,442	1,265
Cash and Bank Balances	2,993	1,101
	<u>44,435</u>	<u>2,366</u>
Less: Fixed Deposits under lien	(1,215)	(1,265)
Cash & Cash Equivalents at End of Period/Year	<u>43,220</u>	<u>1,101</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) On 6 July 2005, PTB Horticulture Farm Sdn. Bhd. ("PHF") ("Plaintiff"), a subsidiary of the Company, entered into a sale and purchase agreement ("Principal Agreement") with Starpuri Development Sdn. Bhd. ("SDSB") ("Defendant") to sell the Plaintiff's land held under Geran No.49875 Lot 1325 Seksyen 57, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan measuring approximately 9,764 aquare metres in area (the "Property") for a sum of RM59.0 million.

In relation to the Principal Agreement, the Plaintiff and Defendant entered into three (3) other agreements namely supplemental agreement dated 15 December 2005, 2nd supplemental agreement dated 5 January 2006 and stakeholders agreement dated 6 July 2005.

PHF filed an originating summons against SDSB on 14 March 2006 to seek judicial determination and the following relieves:-

- (i) to determine the true interpretation of clause 2.2(a) and 2.2(b) of the second supplemental agreement dated 5 January 2006 between PHF and SDSB, read together with Clause 3.3 of the Stakeholders Agreement dated 6 July 2005, in particular, PHF is entitled to the payment of RM2.5 million under clause 2.2(b) of the second supplemental agreement and payment of RM2.5 million under clause 2.2(a) of the second supplemental agreement;
- (ii) following the determination of the court on the matter described in paragraph (i), a further order that the stakeholder under the second supplemental agreement, Messrs Ghazi & Lim make payment pursuant to clause 2.2(b) or clause 2.2(a) of the second supplemental agreement within 7 days of such order;
- (iii) cost; and
- (iv) other relieves as the court deems suitable.

SDSB's memorandum of appearance dated 7 April 2005 was served on PHF on 7 April 2006 and SDSB's affidavit of reply was served on PHF on 13 April 2006. Hearing is fixed on 12 July 2006.

- (c) 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 defence on behalf of MPSB. The matter is now fixed for case management on 22 June 2006 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 RM1,301,270 for the current quarter and RM3,308,761 for financial year to date divided by 344,213,430 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 RM2,044,192 and RM2,517,064 divided by weighted average ordinary shares in issue of 344,292,335.
- (b) The fully diluted loss per share for the current quarter and financial year to date and for the preceding year corresponding 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

HO KHIM TAIK
Chief Financial Officer

Petaling Jaya, Selangor
Date : 29 June 2006