



**BURSA MALAYSIA**

**Financial Results**

Form Version 8 (Enhanced)

Ownership transfer to CS\_SECURITY SERVICES HOLDINGS PENANG/EDMS/KLSE on 17/05/2012 05:06:06 PM

Submitted by CS\_SECURITY SERVICES HOLDINGS PENANG on 17/05/2012 05:06:17 PM

Reference No CS-120517-1D43E

**Submitting Investment**

**Bank/Advisor**  
(if applicable)

**Submitting Secretarial Firm**      SECURITIES SERVICES (HOLDINGS) SDN BHD  
(if applicable)

**Company name \***                      PBA HOLDINGS BHD

**Stock name \***                         PBA

**Stock code \***                         5041

**Contact person \***                    THUM SOOK FUN

**Designation \***                        COMPANY SECRETARY

**Part A1 : QUARTERLY REPORT**

**Financial Year End \***                31/12/2012

**Quarter \***                              ● 1 Qtr ○ 2 Qtr ○ 3 Qtr ○ 4 Qtr ○ Other

**Quarterly report for the**            31/03/2012  
**financial period ended \***

**The figures \***                         ○ have been audited      ● have not been audited

**Please attach the full Quarterly Report here:**



PBAHB-Interim Results Q112.pdf

**Remarks:**

**Currency**                                      Malaysian Ringgit (MYR)

**Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION**

**Summary of Key Financial Information for the financial period ended**  
**\* 31/03/2012**

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR TO	PRECEDING YEAR

	QUARTER *	CORRESPONDING	DATE *	CORRESPONDING
	31/03/2012	QUARTER	31/03/2012	PERIOD
	[dd/mm/yyyy]	31/03/2011	[dd/mm/yyyy]	31/03/2011
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	61,019	56,313	61,019	56,313
2 Profit/(loss) before tax	10,185	13,243	10,185	13,243
3 Profit/(loss) for the period	8,417	11,035	8,417	11,035
4 Profit/(loss) attributable to ordinary equity holders of the parent	8,417	11,035	8,417	11,035
5 Basic earnings/(loss) per share (Subunit)	2.54	3.33	2.54	3.33
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00

	AS AT END OF CURRENT QUARTER*	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.0800	2.0600

Remarks :

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

**PRIVATE & CONFIDENTIAL**

**PBA HOLDINGS BHD**

Company No: 515119-U  
(Incorporated in Malaysia)

**Interim Financial Report**

**31 MARCH 2012**

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Condensed Consolidated Statement of Financial Position  
As at 31 March 2012 - unaudited

	Note	31 March 2012 RM'000	31 December 2011 RM'000
<b>Assets</b>			
Property, plant and equipment	5	742,724	740,249
Investment in a jointly controlled entity		1,418	1,418
Other investments	18	26,707	25,157
<b>Total non-current assets</b>		<u>770,849</u>	<u>766,824</u>
Inventories		13,420	12,440
Trade and other receivables		32,059	36,474
Current tax assets		3,552	4,116
Cash and cash equivalents		66,054	78,081
<b>Total current assets</b>		<u>115,085</u>	<u>131,111</u>
<b>Total assets</b>		<u>885,934</u>	<u>897,935</u>
<b>Equity</b>			
Share capital		165,635	165,635
Reserves		524,787	515,344
<b>Total equity</b>	7	<u>690,422</u>	<u>680,979</u>
Deferred liabilities	20	69,129	69,528
Deferred tax liabilities		7,150	6,500
Other non-current payables		22,159	22,365
<b>Total non-current liabilities</b>		<u>98,438</u>	<u>98,393</u>
Deferred liabilities	20	1,595	1,595
Trade and other payables		95,479	116,968
<b>Total current liabilities</b>		<u>97,074</u>	<u>118,563</u>
<b>Total liabilities</b>		<u>195,512</u>	<u>216,956</u>
<b>Total equity and liabilities</b>		<u>885,934</u>	<u>897,935</u>

Condensed Consolidated Statement of Comprehensive Income  
For the three months ended 31 March 2012 - unaudited

	Note	Three months ended 31 March		Current year-to-date ended 31 March	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Continuing operations</b>					
Revenue		61,019	56,313	61,019	56,313
Cost of sales		<u>(42,291)</u>	<u>(36,818)</u>	<u>(42,291)</u>	<u>(36,818)</u>
<b>Gross profit</b>		<u>18,728</u>	<u>19,495</u>	<u>18,728</u>	<u>19,495</u>
Other operating income		3,214	3,669	3,214	3,669
Administrative expenses		<u>(12,309)</u>	<u>(10,389)</u>	<u>(12,309)</u>	<u>(10,389)</u>
<b>Operating profit</b>		<u>9,633</u>	<u>12,775</u>	<u>9,633</u>	<u>12,775</u>
Interest income		552	468	552	468
Share of profit of jointly controlled entity, net of tax		-	-	-	-
<b>Profit before tax</b>		<u>10,185</u>	<u>13,243</u>	<u>10,185</u>	<u>13,243</u>
Income tax expense	16	<u>(1,768)</u>	<u>(2,208)</u>	<u>(1,768)</u>	<u>(2,208)</u>
<b>Profit for the period</b>		<u>8,417</u>	<u>11,035</u>	<u>8,417</u>	<u>11,035</u>
<b>Other comprehensive income, net of tax</b>					
Fair value of available-for-sale financial assets	18	<u>1,026</u>	<u>70</u>	<u>1,026</u>	<u>70</u>
<b>Total other comprehensive income for the period</b>		<u>1,026</u>	<u>70</u>	<u>1,026</u>	<u>70</u>
<b>Total comprehensive income for the period</b>		<u>9,443</u>	<u>11,105</u>	<u>9,443</u>	<u>11,105</u>
<b>Profit for the period attributable to owners of the company</b>		<u>8,417</u>	<u>11,035</u>	<u>8,417</u>	<u>11,035</u>
<b>Total comprehensive income attributable to owners of the company</b>		<u>9,443</u>	<u>11,105</u>	<u>9,443</u>	<u>11,105</u>
<b>Basic earnings per ordinary share (sen) :</b>	23	<u>2.54</u>	<u>3.33</u>	<u>2.54</u>	<u>3.33</u>

Condensed Consolidated Statement of Changes in Equity  
For the three months ended 31 March 2011 - unaudited

	Non-distributable					Distributable		
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Share option reserve RM'000	Fair value reserve RM'000	Foreign Currency Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2011	165,635	(4)	161,944	-	3,471	(154)	317,391	648,283
Fair value of available-for-sale financial assets	-	-	-	-	70	-	-	70
Total other comprehensive income for the period	-	-	-	-	70	-	-	70
Profit for the period	-	-	-	-	-	-	11,035	11,035
Total comprehensive income for the period	-	-	-	-	70	-	11,035	11,105
At 31 March 2011	165,635	(4)	161,944	-	3,541	(154)	328,426	659,388

Condensed Consolidated Statement of Changes in Equity  
For the three months ended 31 March 2012 - unaudited

	Non-distributable					Distributable		
	Treasury shares	Share premium	Share option reserve	Fair value reserve	Foreign Currency Translation reserve	Retained earnings	Total equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2012	(6)	161,944	-	852	134	352,420	680,979	
Fair value of available-for-sale financial assets	-	-	-	1,026	-	-	1,026	
Total other comprehensive income for the period	-	-	-	1,026	-	-	1,026	
Profit for the period	-	-	-	-	-	8,417	8,417	
Total comprehensive income for the period	-	-	-	1,026	-	8,417	9,443	
At 31 March 2012	(6)	161,944	-	1,878	134	360,837	690,422	



Condensed Consolidated Statement of Cash Flows  
For the three months ended 31 March 2012 - unaudited

	Note	Three months ended 31 March	
		2012 RM'000	2011 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax from continuing operations		10,185	13,243
		<u>10,185</u>	<u>13,243</u>
<b>Adjustments for :</b>			
Depreciation of property, plant and equipment		10,446	9,821
Amortisation of deferred liabilities		(399)	-
Gain on disposal of other investments		(330)	(1,272)
Loss / (Gain) on disposal of property, plant and equipment		3	(1)
Property, plant & equipment written off		-	10
Dividend income		(162)	(173)
Interest income		(618)	(536)
		<u>19,125</u>	<u>21,091</u>
<b>Operating profit before changes in working capital changes</b>			
Inventories		(980)	614
Trade and other receivables		2,761	(594)
Trade and other payables		(20,050)	(5,065)
		<u>856</u>	<u>16,046</u>
<b>Cash generated from operations</b>			
Retirement benefits paid		-	(833)
Income tax (paid) / refunded		(551)	2,471
		<u>305</u>	<u>17,684</u>
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Dividends received		158	151
Interest received		618	536
Proceeds from disposal of other investments	18	10,317	8,651
Proceeds from disposal of property, plant and equipment		-	9
Purchase of other investments	18	(10,511)	(8,825)
Purchase of property, plant and equipment		(12,914)	(14,500)
		<u>(12,332)</u>	<u>(13,978)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flow from financing activities</b>			
<b>Net cash from financing activities</b>		-	-
Net (decrease) / increase in cash and cash equivalents		(12,027)	3,706
Cash and cash equivalents at 1 January		78,081	66,425
		<u>66,054</u>	<u>70,131</u>
<b>Cash and cash equivalents at 31 March</b>			

**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statement of cash flow comprise :

	Three months ended 31 March	
	2012 RM'000	2011 RM'000
Cash and bank balances	2,005	8,231
Short-term deposits with licensed banks	64,049	61,900
	<u>66,054</u>	<u>70,131</u>

## Notes to the Condensed Consolidated Interim Financial Statements

PBA Holdings Bhd is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Condensed Consolidated Interim Financial Statements of the Group as at and for the three months period ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in jointly controlled entity.

The Consolidated Financial Statements of the Group as at and for the year ended 31 December 2011 are available upon request from the Company's registered office at:

Level 32, Komtar  
10000 Penang

These Condensed Consolidated Interim Financial Statements were authorized for issue by Board of Directors on 16 May 2012.

### **1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

### **2. Significant accounting policies**

The Group's financial statements for annual period beginning on 1 January 2012 were prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). The transitioning to MFRS will not have any significant impact on the Group.

### **3. Changes in estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2011.

### **4. Seasonality of operations**

There is no seasonality or cyclicity on the Group's operations.

## Notes to the Condensed Consolidated Interim Financial Statements

**5. Property, plant and equipment****a) Acquisition and disposals**

During the three months ended 31 March 2012 the Group acquired assets with a cost of RM12.91 million (31 March 2011 : RM14.50 million).

Other assets with carrying amount of RM Nil were disposed off during the three month period ended 31 March 2012 (31 March 2011: RM9,500), resulting in a gain on disposal of RM Nil (31 March 2011: gain of RM1,200), which is included in other income.

**b) Depreciation and amortization**

	Three months ended 31 March		Current year to-date ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Charge for the period	10,446	9,821	10,446	9,821

**c) Capital Commitments**

	At 31 March 2012 RM'000	At 31 December 2011 RM'000
Approved Capital Expenditures:-		
i) Contracted but not provided for in the Financial Statements	96,000	107,000
ii) Approved but not contracted for	<u>132,000</u>	<u>134,000</u>

**6. Share capital**

There were no additional issuance of share capital as at 31 March 2012 (31 March 2011: nil).

**7. Changes in composition of the Group**

There are no changes in the composition of the Group for the current quarter and current financial year to-date ended 31 March 2012.

**8. Operating segments**

There is only one business segment being to abstract raw water, treat, supply and distribute water in the state of Penang. Other operations of the Group mainly comprise investment holding, provision of water bottling services and training facilities none of which constitutes a separately reportable segment.

## Notes to the Condensed Consolidated Interim Financial Statements

### 9. Subsequent event

There are no material events subsequent to the statement of financial position date up to the date of the issuance of this report.

### 10. Contingencies

#### Company

	At 31 March 2012 RM'000	At 31 December 2011 RM'000
Corporate guarantee given to a bank in respect of credit facilities granted to a jointly controlled entity	129	129

### 11. Related parties

No disclosure of related party transactions is required in the financial statements of state-controlled enterprises of transactions with other state-controlled enterprises as permitted by FRS 124 – Related Party Disclosures.

There are no significant changes in the key management personnel compensation for the period.

## Notes to the Condensed Consolidated Interim Financial Statements

**NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS:  
Chapter 9, Appendix 9B, Part A.****12. Review of Group performance**

Group revenue for the quarter ended 31 March 2012 increased by RM4.7 million or 8.4% as compared to the preceding year corresponding quarter 2011. The increase was mainly due to the increase in consumption. Group profit before tax of RM10.2 million decrease by 22.7% as compared to the preceding year corresponding quarter of RM13.2 million. The decrease was mainly due to the increase in the cost of sales from administrative and depreciation expenses.

**13. Variation of results against preceding quarter**

Group revenue increased from RM56.1 million to RM61.0 million as compared to the immediate preceding quarter. Group profit before tax of RM10.2 million was up by RM3.9 million compared to the immediate preceding quarter of RM6.3 million largely due to the increase in consumption.

**14. Current year prospects**

Revenue from sales of water is expected to sustain for the year. Nevertheless, the Board continues to be mindful on measures implemented to mitigate escalating costs amidst prevailing economic conditions.

**15. Profit forecast or profit guarantee**

Not applicable.

**16. Income tax expense**

	Three months ended 31 March		Current year to-date ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Current income tax</b>				
Malaysian - current year	1,118	408	1,118	408
- prior year	-	-	-	-
	<u>1,118</u>	<u>408</u>	<u>1,118</u>	<u>408</u>
<b>Deferred Tax</b>				
- Origination and reversal of temporary differences	650	1,800	650	1,800
- Prior Year	-	-	-	-
	<u>650</u>	<u>1,800</u>	<u>650</u>	<u>1,800</u>
Income tax expense from continuing operations	<u>1,768</u>	<u>2,208</u>	<u>1,768</u>	<u>2,208</u>

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax expected for the full year applied to the pre-tax income of the interim period.

The lower effective tax rate of the Group is due to reinvestment allowance claimed by ae subsidiary company.

## Notes to the Condensed Consolidated Interim Financial Statements

**16. Income tax expense (continued)**

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group for the current year to-date is as follows:

	31 March 2012 RM'000
Profit before taxation	10,185
Taxation at Malaysian statutory tax rate of 25%	2,546
Income not subject to tax	(123)
Expenses not deductible for tax purposes	411
Deferred tax assets recognised in respect of unutilised reinvestment allowances	(1,182)
Others	116
Tax expense for the period	1,768

As at 31 March 2012, the unutilised reinvestment allowance of the Group available indefinitely for off setting against future taxable profits amounted to RM349 million.

**17. Corporate proposals**

There are no corporate proposals which have been announced for the current quarter and current financial year to-date.

**18. Deferred liabilities**

	At 31 March 2012 RM'000	At 31 December 2011 RM'000
Non-current	69,129	69,528
Current	1,595	1,595
<b>Total Deferred liabilities</b>	<b>70,724</b>	<b>71,123</b>

The deferred liabilities representing lease incentive are to be amortised over the lease period of 45 years with effect from 1 August 2011.

**19. Material litigation**

As at 16 May 2012, there was no material litigation against the Group.

**20. Dividends**

The Board of Directors recommended a final tax exempt dividend of 3.5% amounting to approximately RM5,798,000 in respect of the financial year ended 31 December 2011 subject to the approval of shareholders at the forthcoming Annual General Meeting (31 December 2010 – final tax exempt dividend of 3% amounting to RM4,969,000).

## Notes to the Condensed Consolidated Interim Financial Statements

**21. Earnings per ordinary share**  
Basic earnings per ordinary shareholders

Profit for the period	Three months ended 31 March 2012 Continuing operations RM'000	Three months ended 31 March 2011 Continuing operations RM'000	Current year to-date 31 March 2012 Continuing operations RM'000	Current year to-date 31 March 2011 Continuing operations RM'000
	8,417	11,035	8,417	11,035
Issued ordinary shares at 1 January	Three months ended 31 March 2012 '000 Shares	Three months ended 31 March 2011 '000 Shares	Current year to-date 31 March 2012 '000 Shares	Current year to-date 31 March 2011 '000 Shares
Effect of share buyback	331,265	331,266	331,265	331,266
Weighted average number of ordinary shares	331,265	331,266	331,265	331,266
Basic earnings per ordinary share	Three months ended 31 March 2012 Continuing operations Sen	Three months ended 31 March 2011 Continuing operations Sen	Current year to-date 31 March 2012 Continuing operations Sen	Current year to-date 31 March 2011 Continuing operations Sen
	2.54	3.33	2.54	3.33

## Notes to the Condensed Consolidated Interim Financial Statements

**22. Realised and Unrealised Profits or Losses**

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2012, into realised and unrealised profits, was compiled with the Guidance on Special Matter No 1, Determination of Realised and Unrealised Profit or Losses in the context of Disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad, is as follows:

	At 31 March 2012 RM'000	At 31 December 2011 RM'000
Total retained earnings :		
Realised gain	312,923	303,856
Unrealised	(7,150)	(6,500)
	305,773	297,356
Share of retained earnings of jointly controlled entity		
Realised	1,284	1,284
	307,057	298,640
Add : Consolidation adjustments	53,780	53,780
Total retained earnings	360,837	352,420

**23. Auditor's report on preceding annual financial statements**

The auditor's report on the audited annual financial statements for the year ended 31 December 2011 was not qualified

**24. Notes to the Condensed Statement of Comprehensive Income**

	Three months ended 31 March 2012 RM'000	Year to-date 31 March 2012 RM'000
a) Interest Income	552	552
b) Other Operating Income	3,214	3,214
c) Depreciation and amortization	10,446	10,446
d) Provision for and write off of receivables	1,208	1,208
e) Gain on disposal of quoted investments	330	330