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Financial Results

Ownership transfer to CS_SECURITIES SERVICES HOLDINGS PENANG/EDMS/KLSE on 30/10/2009 05:31:35 PM

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Reference No CS-091030-790BF

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 * 31/12/2009

Quarter * 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

Quarterly report for the financial period ended * 30/09/2009

The figures * have been audited have not been audited

Please attach the full Quarterly Report here:



PBAHB Interim Results Q309.pdf

Remarks:

Currency

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
* 30/09/2009

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
30/09/2009 [dd/mm/yyyy]	30/09/2008 [dd/mm/yyyy]	30/09/2009 [dd/mm/yyyy]	30/09/2008 [dd/mm/yyyy]
\$\$'000	\$\$'000	\$\$'000	\$\$'000

1 Revenue	47,409	48,142	137,316	142,606
2 Profit/(loss) before tax	8,216	4,526	13,545	22,655
3 Profit/(loss) for the period	6,800	5,395	12,866	21,074
4 Profit/(loss) attributable to ordinary equity holders of the parent	6,800	5,395	12,866	21,074
5 Basic earnings/(loss) per share (Subunit)	2.05	1.63	3.88	6.36
6 Proposed/Declared dividend per share (Subunit)	1.00	2.25	1.00	2.25

	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 (\$\$)	1.9100	1.8800

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

30 SEPTEMBER 2009

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PBA HOLDINGS BHD.
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet
At 30 September 2009

	30 September 2009 RM '000	31 December 2008 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	671,395	660,745
Investments in jointly controlled entity	1,305	1,305
Investments	13,913	10,888
Prepaid lease payments	17,104	17,278
Current assets		
Inventories	16,494	17,390
Trade receivables	10,563	12,258
Other receivables	25,175	26,354
Tax recoverable	8,892	8,653
Fixed deposits	61,900	67,900
Cash and bank balances	9,843	12,264
	132,866	144,819
TOTAL ASSETS	836,582	835,035
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	165,635	165,603
Reserves	466,532	458,608
	632,167	624,211
Minority Interest	-	-
Total Equity	632,167	624,211
Non-Current Liabilities		
Term loans - unsecured	72,663	78,340
Deferred taxation	6,300	6,000
Provision for retirement benefits	24,666	23,631
	103,629	107,971
Current Liabilities		
Trade payables	611	1,133
Other payables	90,670	86,071
Term loans (unsecured)	6,552	6,552
Proposed Dividend	-	7,452
Retirement benefit obligations	2,952	1,645
	100,785	102,853
Total Liabilities	204,415	210,824
TOTAL EQUITY AND LIABILITIES	836,582	835,035
Net assets per share (RM)	1.91	1.88

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

PBA HOLDINGS BHD.
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the period ended 30 September 2009

	3 months ended 30 September 2009 RM'000	3 months ended 30 September 2008 RM'000	9 months ended 30 September 2009 RM'000	9 months ended 30 September 2008 RM'000
Revenue	47,409	48,142	137,316	142,606
Cost of Sales	30,486	33,782	100,604	96,779
Gross Profit	16,924	14,360	36,712	45,827
Other income				
- Interest income	428	1,184	1,499	2,916
- Others	1,715	1,400	6,401	6,872
Administrative expenses	(10,845)	(12,412)	(31,041)	(32,948)
Profit from operations	8,222	4,532	13,570	22,667
Finance Cost				
- Interest expense	(6)	(6)	(25)	(12)
Share of profits of jointly controlled entity	-	-	-	-
Profit before taxation	8,216	4,526	13,545	22,655
Income Tax expense				
Company and subsidiaries	1,416	(869)	679	1,581
Jointly controlled entity	-	-	-	-
	(1,416)	869	(679)	(1,581)
Profit after taxation	6,800	5,395	12,866	21,074
Minority interest	-	-	-	-
Net Profit for the period	6,800	5,395	12,866	21,074
Earnings per share (sen)				
- Basic	2.05	1.63	3.88	6.36
- Diluted	1.98	1.59	3.75	6.20

The condensed consolidated income statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

PBA HOLDINGS BHD.
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Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2009

	Share capital RM 000	Treasury Share RM 000	Share Premium RM 000	Other Reserves RM 000	Distributable Retained profits RM 000	Total RM 000
At 1 January 2009	165,603	-	161,910	1,269	295,429	624,211
Issuance of shares pursuant to ESOS	32		27			59
Total recognised income and expense for the period	-	-	-	-	12,866	12,866
Final Dividend of 4% Less Tax at 25%	-		-	-	(4,968)	(4,968)
Purchase of treasury share	-	(1)	-	-	-	(1)
At 30 Sep 2009	<u>165,635</u>	<u>(1)</u>	<u>161,937</u>	<u>1,269</u>	<u>303,327</u>	<u>632,167</u>
At 1 January 2008	165,603	-	161,910	405	219,655	547,573
Effect of adopting revised FRS112	-	-	-	-	60,469	60,469
At 1 January 2008 (Restated)	165,603	-	161,910	405	280,124	608,042
Total recognised income and expense for the period	-	-	-	-	21,074	21,074
Final dividend of 6% less tax at 26%	-		-	-	(8,578)	(8,578)
At 30 Sep 2008	<u>165,603</u>	<u>-</u>	<u>161,910</u>	<u>405</u>	<u>292,620</u>	<u>620,538</u>

* The share capital includes 1 Special Rights Redeemable Preference Share (Special Share) of RM0.50 each

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

PBA HOLDINGS BHD.
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Condensed Consolidated Cash Flow Statement
For the period ended 30 September 2009

	9 months ended 30 September 2009 RM '000	9 months ended 30 September 2008 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,545	22,655
Adjustments for -		
Depreciation	27,614	23,976
Interest expense	-	-
Interest income	(1,499)	(2,916)
Provision for retirement benefits	3,963	3,713
Other miscellaneous	(2,295)	1,464
Operating profit before working capital changes	41,328	48,892
Net change in current assets	3,261	(3,562)
Net change in current liabilities	17,340	(26,790)
Cash generated from operations	61,929	18,540
Interest paid	-	-
Retirement benefits paid	(1,621)	(1,350)
Tax refund /(paid)	(584)	(234)
Net cash from operating activities	59,724	16,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received (net)	214	387
Interest received	1,499	2,916
Proceeds from disposal of property, plant and equipment	189	104
Proceeds from disposal/withdrawal of investments	18,241	26,439
Prepaid Land Lease payment	(7)	-
Purchase of property, plant and equipment	(51,742)	(46,303)
Purchase of investments	(18,500)	(16,874)
Net cash used in investing activities	(50,106)	(33,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	60	-
Treasury Shares	(1)	-
Term loans (net)	(5,677)	(5,677)
Dividend paid	(12,420)	(8,578)
Net cash used in financing activities	(18,038)	(14,255)
Net (decrease) / increase in cash and cash equivalents	(8,421)	(30,630)
Cash and cash equivalents at 1 January	80,163	108,858
Cash and cash equivalents at 30 September	71,743	78,228
Cash and cash equivalents at 30 September		
Fixed deposits	61,900	69,900
Cash and bank balances	9,843	8,328
	71,743	78,228

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

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Notes to the Interim Financial Report

PART A – Notes Pursuant to FRS 134

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Chapter 9 Part K of the Listing Requirement of Bursa Malaysia Securities Berhad (BMSB).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008. 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 year ended 31 December 2008.

A2. Changes in Accounting Policies and Effects Arising from Adoption of Revised Financial Reporting Standards (FRSs)

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008 except for the following new FRSs and interpretations have been issued but are not yet effective and have not been applied by the Group and the company:-

FRSs and interpretations	Effective for financial periods beginning on or after
FRS 7: Financial Instruments : Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

The other new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in the disclosure arising from adoption of FRS 8.

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Notes to the Interim Financial Report

A3. Auditors' report on preceding annual financial statements

The audit report of the audited financial statements for the year ended 31 December 2008 was not subject to any qualification.

A4. Comments about seasonal or cyclical factors

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

A5. Unusual items due to their nature, size or incidence

There is no unusual item in the current quarter and current financial year to-date ended 30 September 2009.

A6. Significant Accounting Estimates and Judgments

There is no change in estimates that has had a material effect on the current quarter and current financial year to-date results.

A7. Debt and equity securities

There is no issuance and repayment of debt and equity securities, share cancellations, and resale of treasury shares except for the following

(a) Treasury Shares

During the current financial year-to-date 30 September 2009, the Company repurchased 1,000 of its issued ordinary shares from the open market at an average price of RM1.00 per share. The total consideration paid for the repurchase was RM1,041, comprising of consideration paid to amounting RM1,000 and transaction costs of RM41. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 331,271,000 issued and fully paid ordinary shares as at 30 September 2009, 1,000 are held as treasury shares by the Company. As at 30 September 2009, the number of outstanding ordinary shares in issue after setoff is therefore 331,270,000 ordinary shares of RM0.50 each.

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Notes to the Interim Financial Report

A8. Dividends paid

	Amount		Net dividends per share	
	30-Sep 2009 RM'000	31-Dec 2008 RM'000	30-Sep 2009 Sen	31-Dec 2008 Sen
In respect of financial year ended 31 December 2007:				
Final dividend of 7% less tax at 26 % paid on 25 July 2008	-	8,578	-	2.59
In respect of financial year ended 31 December 2008:				
Interim dividend of 6% less tax at 25% paid on 9 January 2009	-	7,452	-	2.25
Final dividend of 4% less tax at 25 % paid on 17 July 2009	4,968		1.50	
	4,968	16,030	1.50	4.84

A final dividend of 4% less tax at 25% amounting to RM4,968,000 for the financial year ended 31 December 2008 as reported in the directors' report of that year was paid on 17 July 2009.

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Notes to the Interim Financial Report

A9. Segmental information

Currently, there is only one business segment in the PBA Holdings Bhd's Group operating within the State of Penang to undertake the business of a water supplier involved in the abstraction of raw water, treatment of water, supply and sale of treated water to consumers.

A10. Carrying amount of property, plant and equipment

The property, plant and equipment have not been revalued and are stated at cost less accumulated depreciation since the previous financial year-end.

A11. Subsequent events

There are no material events subsequent to the balance sheet date up to the date of the issue of this report.

A12. 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 30 September 2009.

A13. Changes in contingent liabilities and contingent assets

There are no material contingent liabilities or contingent assets since the last financial statements for the year ended 30 September 2009 except as follows:

	30 September 2009 RM'000	31 December 2008 RM'000
Corporate Guarantee given to a bank in respect of credit facilities granted to a jointly controlled entity	479	479
	<u>479</u>	<u>479</u>

A14. Capital Commitments

	30 September 2009 RM'000	31 December 2008 RM'000
Approved Capital Expenditures: -		
(i) Contracted but not provided for in the Financial Statements	63,000	96,000
(ii) Approved but not contracted for	289,000	308,000
	<u>289,000</u>	<u>308,000</u>

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Notes to the Interim Financial Report

PART B – Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

B1. Performance Review

The Group's revenue for the current quarter and current financial year to-date ended 30 September 2009 totalled RM47.4 million and RM137.3 million, representing a 1.5% and 3.7% decrease over the preceding year corresponding periods' revenue of RM48.1 million and RM142.6 million respectively. The decrease was due to reduction in sales of water and trunk mains contribution in Penang.

The Group recorded a profit before taxation of RM8.2 million for the quarter under review, which is 82.2% higher than the preceding year corresponding quarter's profit before taxation of RM4.5 million. The increase is due to the reduction in cost of sales and administrative expenses.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

The Group recorded a profit before taxation of RM8.2 million for the quarter under review as compared to RM3.2 million in the preceding quarter due mainly to higher revenue and lower cost of sales in the current quarter.

B3. Commentary on the prospects

The Board expects the Group to achieve satisfactorily results for year ending 31 December 2009. Nevertheless the Board will continue with the measures implemented to mitigate escalating costs and the economic conditions of the Company.

B4. Profit forecast or profit guarantee

Not applicable.

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Notes to the Interim Financial Report

B5. Taxation

The Group tax provision includes the following:

	Current quarter ended 30 September 2009 RM'000	Current year-to-date ended 30 September 2009 RM'000
Current period tax		
- Company and subsidiaries	116	379
- Jointly controlled entity	-	-
Transfer to deferred taxation account	1,300	300
Total	1,416	679

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

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:

	30 September 2009 RM'000
Profit before taxation	13,545
Taxation at Malaysian statutory tax rate of 25%	3,386
Income not subject to tax	(692)
Expenses not deductible for tax purposes	259
Deferred tax assets recognised in respect of unutilised reinvestment allowances	(1,392)
Overprovision of deferred tax in prior years	(882)
Tax expense for the year	679

The unutilised reinvestment allowances and unabsorbed capital allowances of the Group are available indefinitely for off setting against future taxable profits subject to no substantial changes in shareholdings of the individual subsidiaries under the Income Tax Act 1967, and guidelines issued by the tax authority.

	30 September 2009 RM'000
Unutilised reinvestment allowances	288,056
Unabsorbed capital allowances	22,212

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Notes to the Interim Financial Report

B6. Sale of unquoted investments and properties

There is no sale of unquoted investments and / or properties for the current quarter and current financial year to-date.

B7. Quoted securities

(a) The total purchase consideration and sale proceeds of investments for the current quarter and current financial year to-date and gain/loss arising there from are as follows:

	Current quarter ended 30 September 2009 RM'000	Current year-to-date ended 30 September 2009 RM'000
Balance at 01-07-09/01-01-09	13,667	13,008
Add: Purchase of investments	6,661	18,500
Less : Proceeds from disposal of investments	(6,583)	(18,241)
Gain on disposal of investments	168	646
Gross Balance 30-9-09	13,913	13,913
Less : Provision for diminution in value of investment	-	-
Net Balance at 30-9-09	13,913	13,913

(b) These investments are managed by external fund management companies in accordance with the terms of the investment management mandate.

As at 30 September 2009 and 31 December 2008, the funds were invested as follows:

	30 September 2009 RM'000	31 December 2008 RM'000
Shares quoted in Malaysia, at cost	10,542	9,398
Fixed deposits with licensed banks	956	601
Money market placement	2,415	3,009
Less : Provision for diminution in value of investment	-	(2,120)
Total	13,913	10,888

Market value of quoted shares

11,822

7,278

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Notes to the Interim Financial Report

B8. Corporate proposals

There are no corporate proposals which have been announced for the current quarter and current financial year to-date except for the proposed purchase by the Company of its own Shares. On 9 June 2009, the shareholders of the Company has approved the proposed purchase and/or hold its own Shares of up to maximum of ten (10%) of the issued and paid-up share capital of the Company at any point in time subject to compliance with Section 67A of the Companies Act, 1965, Part IIIA of the Companies Regulations 1966, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities. The purchase of the Company's own Shares will be carried out on Bursa Securities through appointed stockbrokers.

B9. Borrowing and debt securities

	30 September 2009 RM'000	31 December 2008 RM'000
Short Term Borrowings-Local Currency	6,552	6,552
Long Term Borrowings-Local Currency	72,663	78,340
	79,215	84,892

The unsecured term loans were obtained to finance major water projects.

The term loans are repayable over a period of 9 to 14 years by yearly installments ranging between RM14,800 and RM2,940,000 per annum.

B10. Off balance sheet financial instruments

During the financial year to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

B11. Changes in material litigation

There is no pending material litigation as at the date of the issue of this report.

B12. Dividend payable

The Board of Directors has declared an interim tax exempt dividend of 2% amounting to approximately RM3,312,000 in respect of the financial year ending 31 December 2009 for the current quarter ended 30 September 2009 (30 September 2008 – interim dividend of 6% less tax at 25%).

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Notes to the Interim Financial Report

B13. Earnings per share (sen)

(a) Basic

The calculation of basic earnings per share for the quarter/year-to-date is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding as follows:

	Current quarter ended 30 September 2009	Current year-to-date ended 30 September 2009
Group's profit after taxation attributable to ordinary shareholders: (RM'000)	6,800	12,866
Weighted average number of ordinary shares in issue: ('000)	331,218	331,218
Basic earnings per share (sen)	2.05	3.88

(b) Diluted

The calculation of diluted earnings per share for the quarter/year-to-date is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding as follows:

	Current quarter ended 30 September 2009	Current year-to-date ended 30 September 2009
Group's profit after taxation attributable to ordinary shareholders: (RM'000)	6,800	12,866
Weighted average number of ordinary shares in issue: ('000)	331,218	331,218
Effect of dilution in share option: ('000)	11,558	11,558
Adjusted weighted average number of ordinary shares in issue: ('000)	342,776	342,776
Diluted earnings per share (sen)	1.98	3.75

B14. Authorisation for Issue

On 30 October 2009, the Board of Directors authorised this Interim Financial Report for issue.