

PRIVATE & CONFIDENTIAL

PBA HOLDINGS BHD

Company No: 515119-U
(Incorporated in Malaysia)

Interim Financial Report

30 SEPTEMBER 2013

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Condensed Consolidated Statement of Financial Position
As at 30 September 2013 - unaudited

	Note	30 September 2013 RM'000	31 December 2012 RM'000 (As restated)
Assets			
Property, plant and equipment	5	812,044	785,747
Investment in a jointly controlled entity		1,899	1,296
Other investments		22,798	20,528
Total non-current assets		<u>836,741</u>	<u>807,571</u>
Inventories		11,975	11,696
Trade and other receivables		43,889	36,854
Current tax assets		3,977	6,043
Cash and cash equivalents		59,438	75,269
Total current assets		<u>119,279</u>	<u>129,862</u>
Total assets		<u>956,020</u>	<u>937,433</u>
Equity			
Share capital		165,635	165,635
Reserves		552,207	533,438
Total equity	6	<u>717,842</u>	<u>699,073</u>
Deferred tax liabilities		560	220
Loans and borrowings	18	8,922	6,615
Deferred income	19	34,126	24,319
Deferred liabilities	20	66,736	67,933
Other non-current payables		14,220	14,560
Total non-current liabilities		<u>124,564</u>	<u>113,647</u>
Deferred liabilities	20	1,595	1,595
Trade and other payables		112,019	123,118
Total current liabilities		<u>113,614</u>	<u>124,713</u>
Total liabilities		<u>238,178</u>	<u>238,360</u>
Total equity and liabilities		<u>956,020</u>	<u>937,433</u>

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the nine months ended 30 September 2013 - unaudited

	Note	Three months ended 30 September		Current year-to-date ended 30 September	
		2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Continuing operations					
Revenue		63,541	60,046	189,874	182,310
Cost of sales		(46,268)	(45,235)	(134,761)	(128,622)
Gross profit		<u>17,273</u>	<u>14,811</u>	<u>55,113</u>	<u>53,688</u>
Other operating income		4,952	2,609	10,695	7,712
Administrative expenses		(17,966)	(16,681)	(41,934)	(40,139)
Operating profit		<u>4,259</u>	<u>739</u>	<u>23,874</u>	<u>21,261</u>
Interest income		464	529	1,488	1,545
Share of profit of jointly controlled entity, net of tax		75	(21)	194	107
Profit before tax		<u>4,798</u>	<u>1,247</u>	<u>25,556</u>	<u>22,913</u>
Income tax expense	16	738	1,987	(686)	(971)
Profit for the period		<u>5,536</u>	<u>3,234</u>	<u>24,870</u>	<u>21,942</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operation		539	139	408	(36)
Fair value of available-for-sale financial assets		(1,335)	(301)	325	603
Total other comprehensive income for the period		<u>(796)</u>	<u>(162)</u>	<u>733</u>	<u>567</u>
Total comprehensive income for the period		<u>4,740</u>	<u>3,072</u>	<u>25,603</u>	<u>22,509</u>
Profit for the period attributable to owners of the company		<u>5,536</u>	<u>3,234</u>	<u>24,870</u>	<u>21,942</u>
Total comprehensive income attributable to owners of the company		<u>4,740</u>	<u>3,072</u>	<u>25,603</u>	<u>22,509</u>
Basic earnings per ordinary share (sen) :	23	<u>1.67</u>	<u>0.98</u>	<u>7.51</u>	<u>6.62</u>

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2013 -unaudited

	/-----Non-distributable-----/				Distributable		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Fair value reserve RM'000	Foreign Currency Translation reserve RM'000	Retained earnings RM'000	
At 1 January 2012 - As reported	165,635	(6)	161,944	852	134	352,420	680,979
Prior Year Adjustments							
Amortisation Fair Value Revenue	-	-	-	-	-	12	12
Less : Depreciation	-	-	-	-	-	(12)	(12)
	-	-	-	-	-	-	-
At 1 January 2012 - As restated	165,635	(6)	161,944	852	134	352,420	680,979
Fair value of available-for-sale financial assets	-	-	-	603	(36)	-	567
Total other comprehensive income for the period	-	-	-	603	(36)	-	567
Profit for the period	-	-	-	-	-	21,942	21,942
Total comprehensive income for the period	-	-	-	603	(36)	21,942	22,509
Dividends	-	-	-	-	-	(5,797)	(5,797)
Purchase of treasury shares	-	(1)	-	-	-	-	(1)
At 30 September 2012	165,635	(7)	161,944	1,455	98	368,565	697,690

Condensed Consolidated Statement of Changes in Equity
For the nine months ended 30 September 2013 - unaudited

	/-----Non-distributable-----/				Distributable		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Fair value reserve RM'000	Foreign Currency Translation reserve RM'000	Retained earnings RM'000	
At 1 January 2013 - As reported	165,635	(8)	161,944	1,735	(94)	369,801	699,013
Prior Year Adjustments							
Amortisation Fair Value Revenue	-	-	-	-	-	218	218
Less : Depreciation	-	-	-	-	-	(158)	(158)
	-	-	-	-	-	60	60
At 1 January 2013 - As restated	165,635	(8)	161,944	1,735	(94)	369,861	699,073
Fair value of available-for-sale financial assets	-	-	-	325	-	-	325
Foreign currency translation differences for foreign operation	-	-	-	-	408	-	408
Total other comprehensive income for the period	-	-	-	325	408	-	733
Profit for the period	-	-	-	-	-	24,870	24,870
Total comprehensive income for the period	-	-	-	325	408	24,870	25,603
Dividends	-	-	-	-	-	(6,620)	(6,620)
Purchase of treasury shares	-	(214)	-	-	-	-	(214)
At 30 September 2013	165,635	(222)	161,944	2,060	314	388,111	717,842

Condensed Consolidated Statement of Cash Flows
For the nine months ended 30 September 2013 - unaudited

	Nine months ended 30 September	
	2013	2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	25,556	22,913
	<u>25,556</u>	<u>22,913</u>
Adjustments for :		
Depreciation of property, plant and equipment	34,021	34,821
Impairment of assets	-	2,266
Write back Impairment of quoted shares	(238)	-
Amortisation of deferred liabilities	(1,196)	(1,196)
Amortisation of deferred income	(2,046)	(218)
Gain on disposal of other investments	(1,201)	(251)
Gain on disposal of property, plant and equipment	-	(20)
Property, plant & equipment written off	12	7
Share of profit of jointly controlled entity	(195)	(108)
Dividend income	(510)	(590)
Interest income	(1,674)	(1,734)
Operating profit before changes in working capital changes	<u>52,529</u>	<u>55,890</u>
Inventories	(280)	(98)
Trade and other receivables	(6,988)	(1,524)
Trade and other payables	(3,056)	(19,258)
Cash generated from operations	<u>42,205</u>	<u>35,010</u>
Income tax refunded / (paid)	1,757	(2,097)
Net cash from operating activities	<u>43,962</u>	<u>32,913</u>
Cash flows from investing activities		
Dividends received	473	558
Interest received	1,674	1,734
Proceeds from disposal of other investments	20,333	17,528
Proceeds from disposal of property, plant and equipment	6	22
Purchase of other investments	(20,840)	(18,174)
Purchase of property, plant and equipment	(52,647)	(47,069)
Net cash used in investing activities	<u>(51,001)</u>	<u>(45,401)</u>
Cash flow from financing activities		
Dividend paid	(12,417)	(5,797)
Drawdown of loans	3,838	8,588
Purchase of treasury shares	(214)	(1)
Net cash from financing activities	<u>(8,792)</u>	<u>2,790</u>
Net decrease in cash and cash equivalents	(15,831)	(9,698)
Cash and cash equivalents at 1 January	75,269	78,081
Cash and cash equivalents at 30 September	<u>59,438</u>	<u>68,383</u>

Cash and cash equivalents

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

	Nine months ended 30 September	
	2013	2012
	RM'000	RM'000
Cash and bank balances	3,268	1,803
Short-term deposits with licensed banks	56,170	66,580
	<u>59,438</u>	<u>68,383</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 period ended 30 September 2013 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 2012 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 21 November 2013.

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 2012.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*

Notes to the Condensed Consolidated Interim Financial Statements

- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group.

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 accounting policies adopted are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2012 except for the adoption of IC Interpretation 18 ("IC Int 18") Transfers of Assets from Customers which is effective for financial period beginning on or after 1 January 2011.

IC Int 18 requires that all contributions (assets in the form of property, plant and equipment or cash to acquire such assets) received from customers, when that amount of contributions must be used only to construct or acquire an item of property, plant and equipment, and the item of property, plant and equipment is used to either connect the customer to a network or to provide the customer with ongoing access to supply of goods or services, or to do both, the contributions received are recognised as revenue. Revenue arising from assets received from customers are recognised in the income statement when the performance obligations associated with receiving those customer contributions are met.

The transferred assets which consist of mains and land, are recognised as an item of property, plant and equipment and are measured at their fair values on initial recognition with the corresponding amount recognised as deferred income.

The depreciation of mains and leasehold land and the amortisation of deferred income are recognised over their estimated useful lives ranging from 50 years to 99 years. Freehold land is not depreciated as it has an infinite life and revenue from such assets is recognised immediately in the year of transfer.

Notes to the Condensed Consolidated Interim Financial Statements

The effects arising from the adoption are as below:

RM'000	Previously stated	Effect of adoption of IC Int 18	Restated
<u>Reconciliation as at 1 January 2012</u>			
Statement of Changes in Equity			
Retained earnings	352,420	-	352,420
<u>Reconciliation as at 30 September 2012</u>			
<u>Three months ended 30 September 2012</u>			
Statement of Profit or Loss and Other Comprehensive Income			
Other Operating Income	2,391	218	2,609
Administrative expenses	(16,523)	(158)	(16,681)
Profit before tax	1,187	60	1,247
Profit for the period	3,174	60	3,234
Total comprehensive income	3,012	60	3,072
<u>Current year-to-date 30 September 2012</u>			
Statement of Profit or Loss and Other Comprehensive Income			
Other Operating Income	7,494	218	7,712
Administrative expenses	(39,981)	(158)	(40,139)
Profit before tax	22,853	60	22,913
Profit for the period	21,882	60	21,942
Total comprehensive income	22,449	60	22,509
Statement of Cash Flows			
Cash flow from operating activities			
Depreciation	34,663	158	34,821
Amortisation of deferred income	-	(218)	(218)
Net cash from operating activities	55,890	-	55,890
Statement of Changes in Equity			
Retained earnings	368,505	60	368,565
<u>Reconciliation as at 31 December 2012</u>			
Statement of Financial Position			
Property, plant and equipment	767,753	17,994	785,747
Deferred Income	6,385	17,934	24,319
Statement of Changes in Equity			
Retained earnings	369,801	1,818	371,619

Notes to the Condensed Consolidated Interim Financial Statements

3. Changes in estimates

The preparation of interim financial statements requires management to make judgements, estimations 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 estimating uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2012.

4. Seasonality of operations

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

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

During the period ended 30 September 2013 the Group acquired assets with a cost of RM52.650 million (30 September 2012 : RM47.07 million).

Other assets with carrying amount of RM12,000 were disposed off during the period ended 30 September 2013 (30 September 2012 : RM7,000), resulting in a gain on disposal of RM Nil (30 September 2012 : RM20,000), which is included in other income.

b) Depreciation and amortization

	Three months ended 30 September		Current year to-date ended 30 September	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Charge for the period	11,323	13,555	34,021	34,821

c) Impairment

There is no asset being impaired during the period ended 30 September 2013 (30 September 2012 : RM2.30 million).

d) Capital Commitments

	At 30 September 2013 RM'000	At 31 December 2012 RM'000
Approved Capital Expenditures:-		
i) Contracted but not provided for in the Financial Statements	82,000	118,000
ii) Approved but not contracted for	28,000	44,000

e) Transfer Of Assets From Customers

During the financial period ended 30 September 2013, total assets transferred from Customer amounted to RM28.5 million.

Notes to the Condensed Consolidated Interim Financial Statements

6. Share capital

No additional issuance of share capital as at 30 September 2013 except for the following:

a) Treasury shares

During the period ended 30 September 2013, the Company repurchased 252,900 of its issued ordinary shares from the open market at an average price of RM0.84 per share (30 September 2012 : 1,000 shares at average price of RM0.89 per share). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

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 30 September 2013.

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.

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 30 September 2013 RM'000	At 31 December 2012 RM'000
Corporate guarantee given to a bank in respect of credit facilities granted to a jointly controlled entity	-	25

11. Related parties

There are no significant transactions and changes with a jointly controlled entity, Government related entities and 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 30 September 2013 increased by RM3.5 million or 5.8% as compared to the preceding year corresponding quarter 2012. The increase was mainly due to the increase in consumption of water and trunk main contributions. Group profit before tax of RM3.6 million increased by 284.7% as compared to the preceding year corresponding quarter of RM1.2 million.

13. Variation of results against preceding quarter

Group revenue decreased from RM64.6 million to RM63.5 million as compared to the immediate preceding quarter. Group profit before tax of RM3.6 million was lower by RM7.3 million compared to the immediate preceding quarter of RM12.1 million largely due to higher maintenance and administrative expenses.

14. Current year prospects

Revenue from sales of water has shown improvement and the trend is expected to sustain for the year. Nevertheless, the Board continues with certain measures to mitigate escalating costs.

15. Profit forecast or profit guarantee

Not applicable.

16. Income tax expense

	Three months ended 30 September		Current year to-date ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax				
Malaysian - current year	(338)	63	746	71
Over provision in prior year	(400)	-	(400)	-
	<u>(738)</u>	<u>63</u>	<u>346</u>	<u>71</u>
Deferred Tax				
Origination and reversal of temporary differences	-	(2,050)	340	900
Income tax expense from continuing operations	<u>(738)</u>	<u>(1,987)</u>	<u>686</u>	<u>971</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 a 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:

	30 September 2013 RM'000
Profit before taxation	25,556
Taxation at Malaysian statutory tax rate of 25%	6,389
Income not subject to tax	(781)
Expenses not deductible for tax purposes	495
Deferred tax assets recognised in respect of unutilised reinvestment allowances	(5,357)
Others	(60)
Tax expense for the period	686

As at 30 September 2013, the unutilised reinvestment allowance of the Group available indefinitely for off setting against future taxable profits amounted to RM431 million.

17. Corporate proposals

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

18. Loans and borrowings

The unsecured and interest free term loan was obtained from the State Government of Penang to finance Non Revenue Water (NRW) projects and repayable over 20 years period with effect from 14 September 2016.

As at 30 September 2013, the subsidiary company has drawdown RM16.84 million from a RM20.0 million term loan agreement.

The term loan has been discounted using the prevailing financial rate of 5.5%. The fair value of the term loan was recognised as Deferred Income which will be amortised over 20 years period with effect from 14 September 2016.

	At 30 September 2013 RM'000	At 31 December 2012 RM'000
Non-current		
<i>Unsecured:</i>		
Loans and borrowings	8,922	6,615
Deferred Income (refer to Note 19)	7,918	6,385
Term Loan from State Government of Penang	<u>16,840</u>	<u>13,000</u>

Notes to the Condensed Consolidated Interim Financial Statements

	At 30 September 2013 RM'000	At 31 December 2012 RM'000
Balance brought forward	6,615	-
Add : Additions during the period	1,954	6,615
Add : Notional Interest :- Transfer from Deferred Income	353	-
Balance carried forward	<u>8,922</u>	<u>6,615</u>

19. Deferred Income

	Note	At 30 September 2013 RM'000	At 31 December 2012 RM'000 (Restated)
Government Term Loans	19.1	7,918	6,385
Assets Transferred from Customer	19.2	26,208	17,934
		<u>34,126</u>	<u>24,319</u>

19.1 Deferred Income – Government Term Loans

Deferred income represents the difference between the nominal value of the interest free term loan obtained from the State Government of Penang to finance Non-Revenue Water projects and the fair value of the loan measured on initial recognition. The deferred income is amortised over the useful life of the assets funded which ranged from 25 years to 50 years.

	Note	At 30 September 2013 RM'000	At 31 December 2012 RM'000
Balance brought forward		6,385	-
Add : Additions during the period		1,886	6,385
Less : Notional Interest :- Transfer to Loans & Borrowings		(353)	-
Balance carried forward	19	<u>7,918</u>	<u>6,385</u>

19.2 Deferred Income – Assets Transferred From Customers

The Deferred income from Transfer of Assets from Customers consist of the fair value of the assets transferred to a subsidiary company. The Deferred Income is amortised over the useful life of the transferred assets.

Notes to the Condensed Consolidated Interim Financial Statements

	Note	At 30 September 2013 RM'000	At 31 December 2012 RM'000 (Restated)
Balance brought forward		17,934	6,978
Add : Additions during the period		10,320	11,174
Less : Amortisation	21	(2,046)	(218)
Balance carried forward	19	<u>26,208</u>	<u>17,934</u>

20. Deferred liabilities

	At 30 September 2013 RM'000	At 31 December 2012 RM'000
Non-current	66,736	67,933
Current	1,595	1,595
Total Deferred liabilities	<u>68,331</u>	<u>69,528</u>

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

21. Material litigation

As at 21 November 2013, there was no material litigation against the Group.

22. Dividends

The Board of Directors has declared an interim single tier dividend of 3.5% amounting to RM5,797,000 for the financial year ending 31 December 2013 (30 September 2012 – interim single tier dividend of 3.5% amounting to RM5,797,000).

Notes to the Condensed Consolidated Interim Financial Statements

23. Earnings per ordinary share

Basic earnings per ordinary shareholders

	Three months ended 30 September 2013 Continuing operations RM'000	Three months ended 30 September 2012 Continuing operations RM'000 (Restated)	Current year to-date 30 September 2013 Continuing operations RM'000	Current year to-date 30 September 2012 Continuing operations RM'000 (Restated)
Profit for the year	5,536	3,234	24,870	21,942
	Three months ended 30 September 2013 '000 Shares	Three months ended 30 September 2012 '000 Shares	Current year to-date 30 September 2013 '000 Shares	Current year to-date 30 September 2012 '000 Shares
Issued ordinary shares at 1 January	331,271	331,265	331,271	331,265
Effect of share buyback	(174)	(1)	(174)	(1)
Weighted average number of ordinary shares	331,097	331,264	331,097	331,264
	Three months ended 30 September 2013 Continuing operations Sen	Three months ended 30 September 2012 Continuing operations Sen	Current year to-date 30 September 2013 Continuing operations Sen	Current year to-date 30 September 2012 Continuing operations Sen
Basic earnings per ordinary share	1.67	0.98	7.51	6.62

Notes to the Condensed Consolidated Interim Financial Statements

24. Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group and of the Company as at 30 September 2013, 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 30 September 2013 RM'000	At 31 December 2012 RM'000 (Restated)
Total retained earnings :		
Realised gain	332,187	316,229
Unrealised	560	220
	332,747	316,449
Share of retained earnings of jointly controlled entity		
Realised	1,584	1,390
	334,331	317,839
Add : Consolidation adjustments	53,780	53,780
Total retained earnings	388,111	371,619

25. Auditor's report on preceding annual financial statements

The auditor's report on the audited annual financial statements for the year ended 31 December 2012 was not qualified

26. Notes to the Condensed Statement of Comprehensive Income

	Three months ended 30 September 2013 RM'000	Year to-date 30 September 2013 RM'000
a) Interest Income	464	1,488
b) Other Operating Income	4,952	10,695
c) Interest expense	1	5
d) Depreciation and amortization	11,323	34,021
e) Provision for and write off of receivables	138	(1,708)
f) Gain on disposal of quoted investments	(287)	(1,201)
g) Write-back Impairments of quoted shares	(238)	(238)
h) Water Intake Fees to State Government of Penang	1,349	5,358
i) Leasing charges to Pengurusan Aset Air Berhad (PAAB)	3,241	9,724
j) License Fees to Suruhanjaya Perkhidmatan Air Negara (SPAN)	601	1,782