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PBA HOLDINGS BHD.
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet
At 31 March 2009

	31 March 2009 RM '000	31 December 2008 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	662,329	660,745
Investments in jointly controlled entity	1,305	1,305
Investments	11,089	10,888
Prepaid lease payments	17,233	17,278
Current assets		
Inventories	17,810	17,390
Trade receivables	4,300	12,258
Other receivables	25,702	26,354
Tax recoverable	7,828	8,653
Fixed deposits	74,900	67,900
Cash and bank balances	13,083	12,264
	<u>143,623</u>	<u>144,819</u>
TOTAL ASSETS	<u><u>835,579</u></u>	<u><u>835,035</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	165,603	165,603
Reserves	461,635	458,608
	<u>627,238</u>	<u>624,211</u>
Minority Interest	-	-
Total Equity	<u><u>627,238</u></u>	<u><u>624,211</u></u>
Non-Current Liabilities		
Term loans - unsecured	73,285	78,340
Deferred taxation	5,000	6,000
Provision for retirement benefits	23,142	23,631
	<u>101,428</u>	<u>107,971</u>
Current Liabilities		
Trade payables	2,020	1,133
Other payables	95,284	86,071
Term loans (unsecured)	6,552	6,552
Proposed Dividend	-	7,452
Retirement benefit obligations	3,058	1,645
	<u>106,913</u>	<u>102,853</u>
Total Liabilities	<u>208,341</u>	<u>210,824</u>
TOTAL EQUITY AND LIABILITIES	<u><u>835,579</u></u>	<u><u>835,035</u></u>
Net assets per share (RM)	<u><u>1.89</u></u>	<u><u>1.88</u></u>

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.
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Condensed Consolidated Income Statements
For the period ended 31 March 2009

	3 months ended 31 March 2009 RM'000	3 months ended 31 March 2008 RM'000	3 months ended 31 March 2009 RM'000	3 months ended 31 March 2008 RM'000
Revenue	44,291	48,072	44,291	48,072
Cost of Sales	34,743	33,325	34,743	33,325
Gross Profit	9,548	14,747	9,548	14,747
Other income				
- Interest income	439	811	439	811
- Others	1,622	3,817	1,622	3,817
Administrative expenses	(9,449)	(9,397)	(9,449)	(9,397)
Profit from operations	2,159	9,978	2,159	9,978
Finance Cost				
- Interest expense	(12)	(195)	(12)	(195)
Share of profits of jointly controlled entity	-	-	-	-
Profit before taxation	2,147	9,783	2,147	9,783
Income Tax expense				
Company and subsidiaries	(880)	950	(880)	950
Jointly controlled entity	-	-	-	-
	880	(950)	880	(950)
Profit after taxation	3,027	8,833	3,027	8,833
Minority interest	-	-	-	-
Net Profit for the year	3,027	8,833	3,027	8,833
Earnings per share (sen)				
- Basic	0.91	2.67	0.91	2.67
- Diluted	0.88	2.60	0.88	2.60

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.

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Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2009

	Share capital 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
Total recognised income and expense for the year	-	-	-	3,027	3,027
At 31 March 2009	<u>165,603</u>	<u>161,910</u>	<u>1,269</u>	<u>298,456</u>	<u>627,238</u>
At 1 January 2008	165,603	161,910	405	219,655	547,573
Effect of adopting revised FRS112				<u>60,469</u>	<u>60,469</u>
At 1 January 2008 (Restated)	165,603	161,910	405	280,124	608,042
Total recognised income and expense for the year			-	8,833	8,833
At 31 March 2008	<u>165,603</u>	<u>161,910</u>	<u>405</u>	<u>288,957</u>	<u>616,875</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.

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Condensed Consolidated Cash Flow Statement
For the period ended 31 March 2009

	3 months ended 31 March 2009 RM '000	3 months ended 31 March 2008 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,147	9,783
Adjustments for -		
Depreciation	8,558	9,013
Interest expense	-	194
Interest income	(439)	(905)
Provision for retirement benefits	1,367	1,230
Other miscellaneous	(91)	(1,441)
	<hr/>	<hr/>
Operating profit before working capital changes	11,544	17,874
Net change in current assets	8,151	(24,542)
Net change in current liabilities	10,100	(22,098)
	<hr/>	<hr/>
Cash generated from operations	29,795	(28,766)
Interest paid	-	-
Retirement benefits paid	(443)	(457)
Tax refund /(paid)	719	953
	<hr/>	<hr/>
Net cash from operating activities	30,070	(28,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received (net)	79	132
Interest received	439	905
Proceeds from disposal of property, plant and equipment	40	58
Proceeds from disposal/withdrawal of investments	2,224	19,443
Purchase of property, plant and equipment	(10,203)	(10,530)
Purchase of investments	(2,322)	(9,594)
	<hr/>	<hr/>
Net cash used in investing activities	(9,744)	414
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term revolving credit	-	25,000
Term loans (net)	(5,055)	(5,055)
Dividend paid	(7,452)	-
	<hr/>	<hr/>
Net cash used in financing activities	(12,507)	19,945
Net (decrease) / increase in cash and cash equivalents	7,819	(7,911)
Cash and cash equivalents at 1 January	80,164	108,858
	<hr/>	<hr/>
Cash and cash equivalents at 30 December	87,983	100,947
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at 30 December		
Fixed deposits	74,900	101,400
Cash and bank balances	13,083	(453)
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

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 31 March 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 buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares.

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Notes to the Interim Financial Report

A8. Dividends paid

	Amount		Net dividends per share	
	31-Mar 2009 RM'000	31-Dec 2008 RM'000	31-Mar 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
	-	16,030	-	4.84

The directors recommend a final dividend of 4% less tax at 25% for the financial year ended 31 December 2008 subject to approval of shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial period do not reflect this proposed final dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 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 31 March 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 31 March 2009 except as follows:

	31 March 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 =====

A14. Capital Commitments

	31 March 2009 RM'000	31 December 2008 RM'000
Approved Capital Expenditures: -		
(i) Contracted but not provided for in the Financial Statements	88,000	96,000
(ii) Approved but not contracted for	305,000 =====	308,000 =====

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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 31 March 2009 totalled RM44.3 million, representing a 7.9% decrease over the preceding year corresponding period's revenue of RM48.1 million. The decrease was due to reduction in sales of water and trunk mains contribution in Penang.

The Group recorded a profit before taxation of RM2.1 million for the quarter under review, which is 78.1% lower than the preceding year corresponding quarter's profit before taxation of RM9.8 million. The decrease is due to the reduction in revenue and increases 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 RM2.1 million for the quarter under review as compared to RM5.1 million in the preceding quarter due mainly to higher cost of sales and lower other income in the current quarter.

B3. Commentary on the prospects

The Group entered the year with worsening economic conditions in which the Group operates. Revenue from trade sales of water is expected to decrease. The Board is mindful of these difficulties and is implementing measures to minimize the adverse impact.

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 31 March 2009 RM'000	Current year-to-date ended 31 March 2009 RM'000
Current period tax		
- Company and subsidiaries	120	120
- Jointly controlled entity	-	-
Transfer to deferred taxation account	(1,000)	(1,000)
Total	(880)	(880)

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:

	31 March 2009 RM'000
Profit before taxation	2,147
Taxation at Malaysian statutory tax rate of 25%	537
Income not subject to tax	(103)
Expenses not deductible for tax purposes	322
Deferred tax assets recognised in respect of unutilised reinvestment allowances	(754)
Overprovision of deferred tax in prior years	(882)
Tax expense for the year	(880)

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.

	31 March 2009 RM'000
Unutilised reinvestment allowances	285,541
Unabsorbed capital allowances	11,222

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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 31 March 2009 RM'000	Current year-to-date ended 31 March 2009 RM'000
Balance at 01-01-09	13,008	13,008
Add: Purchase of investments	2,322	2,322
Less : Proceeds from disposal of investments	(2,224)	(2,224)
Loss on disposal of investments	(241)	(241)
Gross Balance 31-3-09	12,865	12,865
Less : Provision for diminution in value of investment	(1,776)	(1,776)
Net Balance at 31-3-09	11,089	11,089

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

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

	31 March 2009 RM'000	31 December 2008 RM'000
Shares quoted in Malaysia, at cost	9,258	9,398
Fixed deposits with licensed banks	462	601
Money market placement	3,145	3,009
Less : Provision for diminution in value of investment	(1,776)	(2,120)
Total	11,089	10,888

Market value of quoted shares	7,482	7,278
	=====	=====

B8. Corporate proposals

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

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Notes to the Interim Financial Report

B9. Borrowing and debt securities

	31 March 2009 RM'000	31 December 2008 RM'000
Short Term Borrowings-Local Currency	6,552	6,552
Long Term Borrowings-Local Currency	73,285	78,340
	79,837	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 recommend a final dividend of 4% less tax at 25% in respect of the financial year ended 31 December 2008 subject to the approval of shareholders at the forthcoming Annual General Meeting (31 December 2007 – final dividend of 7% less tax at 26% amounting to RM8,578,000).

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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 31 March 2009	Current year-to-date ended 31 March 2009
Group's profit after taxation attributable to ordinary shareholders: (RM'000)	3,027	3,027
Weighted average number of ordinary shares in issue: ('000)	331,206	331,206
Basic earnings per share (sen)	0.91	0.91

(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 31 March 2009	Current year-to-date ended 31 March 2009
Group's profit after taxation attributable to ordinary shareholders: (RM'000)	3,027	3,027
Weighted average number of ordinary shares in issue: ('000)	331,206	331,206
Effect of dilution in share option: ('000)	11,623	11,623
Adjusted weighted average number of ordinary shares in issue: ('000)	342,829	342,829
Diluted earnings per share (sen)	0.88	0.88

B14. Authorisation for Issue

On 12 May 2009, the Board of Directors authorised this Interim Financial Report for issue.