

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012
Condensed Consolidated Income Statements

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To date	Corresponding
		3 months ended	Quarter	9 months ended	Period
		30.9.2012	30.9.2011	30.9.2012	30.9.2011
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue	A15(a)	1,030,761	573,856	2,763,030	1,660,268
Other income		43,546	50,955	134,036	115,327
Operating costs		(661,621)	(408,120)	(1,707,114)	(1,133,996)
Construction contract expenses		(94,907)	(47,969)	(212,449)	(133,987)
Depreciation and amortisation expenses		(59,487)	(42,071)	(168,980)	(126,043)
Profit from operations		258,292	126,651	808,523	381,569
Finance costs		(164,423)	(160,889)	(472,899)	(461,161)
Share of results of associates		(4)	8,035	(1)	8,034
Share of results of joint venture		(66)	(153)	(116)	(275)
Profit/(loss) before tax		93,799	(26,356)	335,507	(71,833)
Taxation:-					
- Income taxation		(3,388)	(13,804)	(11,691)	(29,832)
- Deferred taxation		(12,390)	22,021	(86,261)	40,588
	B5	(15,778)	8,217	(97,952)	10,756
Profit/(loss) net of tax		78,021	(18,139)	237,555	(61,077)
Attributable to:					
Owners of the parent		78,219	5,001	225,041	589
Non-controlling interests		(198)	(23,140)	12,514	(61,666)
Profit/(loss) net of tax		78,021	(18,139)	237,555	(61,077)
		sen	sen	sen	sen
Earnings per share attributable to owners of the parent:					
- basic	B12(a)	19.12	1.22	55.01	0.14
- diluted	B12(b)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012
Condensed Consolidated Statements of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 3 months ended 30.9.2012 RM'000 Unaudited	Preceding Year Corresponding Quarter 30.9.2011 RM'000 Unaudited	Current Year To date 9 months ended 30.9.2012 RM'000 Unaudited	Preceding Year Corresponding Period 30.9.2011 RM'000 Unaudited
Profit/(loss) net of tax	78,021	(18,139)	237,555	(61,077)
Other Comprehensive Income/(expenses):				
Foreign currency translation	(104)	3,890	130	2,338
Revaluation of land and building	-	-	1,091	-
Total comprehensive income/(loss) for the period	77,917	(14,249)	238,776	(58,739)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	78,178	8,621	226,167	2,657
Non-controlling interests	(261)	(22,870)	12,609	(61,396)
	77,917	(14,249)	238,776	(58,739)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012
Condensed Consolidated Statement of Financial Position

	Note	As at 30.9.2012 RM'000 Unaudited	As at 31.12.2011 RM'000 (restated)	As at 1.1.2011 RM'000 (restated)
ASSETS				
Non-current assets				
Property, plant & equipment	A11 & A15 (c)	449,807	452,829	245,324
Operating financial assets		7,347	6,585	2,476
Service concession assets	B7	7,676,454	7,677,592	7,685,002
Investment in associates		46	44	40
Investment in joint venture		1,169	1,642	5,635
Debt service reserve account		313,841	306,892	297,271
Goodwill		210,850	210,879	193,259
Trade and other receivables	A15(a)(ii)	2,275,429	1,469,883	284,707
Deferred tax assets		331,021	425,211	399,546
		11,265,964	10,551,557	9,113,260
Current assets				
Inventories		12,930	9,484	9,888
Trade and other receivables		424,214	361,639	1,148,918
Other current assets		121,868	105,841	21,118
Available-for-sales investments		8,937	9,409	-
Tax recoverable		2	639	653
Short term funds		-	36	35
Cash and bank balances		1,387,539	1,268,050	1,215,267
		1,955,490	1,755,098	2,395,879
TOTAL ASSETS		13,221,454	12,306,655	11,509,139
Equity and liabilities				
Equity attributable to equity owners of the parent				
Share capital		411,143	411,143	411,143
Reserves		93,177	(132,990)	(193,621)
Treasury shares		(5,941)	(5,941)	(5,941)
Shareholders' equity		498,379	272,212	211,581
Non-controlling interest		(563,796)	(576,405)	(470,900)
Total equity		(65,417)	(304,193)	(259,319)
Non-current liabilities				
Provision for retirement benefits		32,818	20,476	19,224
Loans and borrowings	B8	4,908,262	5,040,961	4,680,571
Trade and other payables		2,043,790	1,205,761	9,794
Government grant		278,072	285,934	282,626
Service concession obligations		3,891,833	4,024,041	4,170,240
		11,154,775	10,577,173	9,162,455
Current liabilities				
Provision for retirement benefits		2,284	2,283	1,540
Loans and borrowings	B8	685,329	471,168	806,392
Trade & other payables		1,251,819	1,387,292	1,662,609
Other current liabilities		2	-	6,546
Service concession obligations		169,527	145,498	114,760
Tax payable		23,135	27,434	14,156
		2,132,096	2,033,675	2,606,003
Total liabilities		13,286,871	12,610,848	11,768,458
TOTAL EQUITY AND LIABILITIES		13,221,454	12,306,655	11,509,139
Net assets per share attributable to owners of the parent (RM)		1.22	0.67	0.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012
Condensed Consolidated Statement of Changes in Equity

Note	Attributable to Owners of the Parent									
	Non-distributable						Distributable			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Currency Exchange Reserves RM'000	Revaluation Reserves RM'000	Other Reserves RM'000	Retained Earnings / (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
9 months period ended 30 September 2012										
	Opening balance at 1 January 2012 (as previously stated)									
	411,143	102,879	(5,941)	(1,108)	69,088	(19,763)	(449,193)	107,105	(89,683)	17,422
A2	-	-	-	3,095	-	(320,654)	482,666	165,107	(486,722)	(321,615)
	411,143	102,879	(5,941)	1,987	69,088	(340,417)	33,473	272,212	(576,405)	(304,193)
	Total comprehensive income/(loss) for the period									
	-	-	-	344	1,091	(259)	224,991	226,167	12,609	238,776
	Closing balance at 30 September 2012 (Unaudited)									
	411,143	102,879	(5,941)	2,331	70,179	(340,676)	258,464	498,379	(563,796)	(65,417)
9 months period ended 30 September 2011										
	Opening balance at 1 January 2011 (as previously restated)									
	411,143	102,879	(5,941)	(3,095)	-	-	(458,512)	46,474	15,822	62,296
A2	-	-	-	3,095	-	(320,654)	482,666	165,107	(486,722)	(321,615)
	411,143	102,879	(5,941)	-	-	(320,654)	24,154	211,581	(470,900)	(259,319)
	Total comprehensive income/(loss) for the period									
	-	-	-	2,068	-	-	589	2,657	(61,396)	(58,739)
	Closing balance at 30 September 2011 (as restated)									
	411,143	102,879	(5,941)	2,068	-	(320,654)	24,743	214,238	(532,296)	(318,058)

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012
Condensed Consolidated Statement of Cash Flow

	9 months ended 30.9.2012	9 months ended 30.9.2011
Note	RM'000	RM'000
	Unaudited	Unaudited
Operating activities		
Receipts from customers	1,617,371	1,095,631
Other income	56,517	59,766
Payments to water treatment operators	(223,719)	(237,688)
Payments to service concession obligations	(161,571)	(142,821)
Payments for operating expenses	(525,836)	(338,291)
Payments to contractors	(414,812)	(62,980)
Net cash generated from operations	<u>347,950</u>	<u>373,617</u>
Net deposits received	16,230	19,167
Interest paid	(197,044)	(172,580)
Tax paid	(18,104)	(17,026)
Interest received	34,071	33,765
Net cash flows from operation	<u>183,103</u>	<u>236,943</u>
Investing activities		
Acquisition of subsidiaries	-	(97,292)
Acquisition of non-controlling interest	-	(67,529)
Purchase of property, plant and equipment	(22,101)	(10,304)
Additions of Service concession assets	(103,919)	(111,111)
Net advance to associate	(3)	(1)
Net advance to joint venture	1,649	(167)
Proceeds from disposal of property, plant and equipment	79	161
Net cash outflow used in investing activities	<u>(124,295)</u>	<u>(286,243)</u>
Financing activities		
Proceeds from loans and borrowings	169,319	99,181
Repayment of loans and borrowings	(101,692)	(7,017)
Repayment of obligation under finance leases	(2,597)	(3,873)
Net cash inflow from financing activities	<u>65,030</u>	<u>88,291</u>
Net change in cash & cash equivalents	123,838	38,991
Effects of exchange rate on cash and cash equivalents	(460)	943
Cash and cash equivalents at beginning of financial year	1,268,086	1,215,302
Transfer to debt service reserve account	(3,925)	(12,874)
	<u>1,387,539</u>	<u>1,242,362</u>
Deposits held in trust	(204,451)	(188,104)
Cash and cash equivalents at end of financial period	<u>1,183,088</u>	<u>1,054,258</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	1,232,597	1,131,537
Cash and bank balances	154,942	110,789
	<u>1,387,539</u>	<u>1,242,326</u>
Add: Short term funds	-	36
Less: Deposits held in trust	(204,451)	(188,104)
	<u>1,183,088</u>	<u>1,054,258</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Third Quarterly Financial Statements Ended 30 September 2012

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These interim financial statements are the Group's third MFRS interim financial statements for part of the period covered by the Group's first annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes of these 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 2011.

A2. Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these interim financial statements are similar with those of the audited financial statements for the year ended 31 December 2011 except as discussed below :

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition.

The Group has elected to apply MFRS 3 prospectively from the date of business combination of 1 January 2005. In respect of acquisitions on or after 1 January 2005,

(i) The classification of former business combinations and the carrying amount of goodwill recognised under FRS is maintained except for the goodwill recognised on the acquisition of the remaining 17.5% of the ordinary shares of Puncak Niaga (M) Sdn Bhd ("PNSB") in 2008 amounting to RM321,615,000 (30 September 2011: RM321,615,000 ; 31 December 2011: RM321,615,000) were adjusted to other reserve; and

(ii) There is no-remeasurement of original fair values determined at the time of business combination (date of acquisition).

In respect of the Group's acquisitions prior to 1 January 2005 :

(i) The classification of former business combinations under FRS is maintained;

(ii) There is no-remeasurement of original fair values determined at the time of business combination (date of acquisition).

(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation losses of RM3,095,000 (30 September 2011 : RM3,095,000; 31 December 2011: RM3,095,000) were adjusted to retained earnings.

(c) Non-Controlling Interest ("NCI")

According to MFRS 127 - Consolidated and Separate Financial Statement, total comprehensive income is attributable to the owners of the parent and to the NCI even if this results in the NCI having a deficit balance and this shall be applied prospectively from 1 January 2011. However, if the entity elects to apply MFRS 3 - Business Combination for an earlier period, MFRS 127 shall also be applied for that earlier period.

The Group elects to adopt MFRS 3 and MFRS 127 on the business combination date of 1 January 2005 as permitted under the MFRS. Accordingly, the impact of these earlier adoptions had been adjusted to the retained earnings and non-controlling interest as disclosed in the reconciliation below.

Accordingly, at the date of transition to MFRS, the cumulative NCI's share of losses of RM486,722,000 (30 September 2011 : RM486,722,000; 31 December 2011: RM486,722,000) were adjusted to retained earnings.

(d) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect the conditions as at 1 January 2011, the date of transition to MFRS and as at 31 December 2011.

The shareholders' equity as at 31 December 2011 have been restated after taking into account the effects of the adoption of MFRSs as summarised below :

Shareholder's Equity as at 31 December 2011 (audited)	RM'000
	107,105
<u>Add / (Less) : MFRS Adjustments :</u>	
Goodwill on the acquisition of 17.5% of the ordinary shares of PNSB adjusted to other reserves	(321,615)
Cummulative non-controlling interests' share of losses adjusted to retained earnings	486,722
Shareholder's Equity as at 31 December 2011 (restated)	<u>272,212</u>
Total comprehensive income for 9 months ended 30 September 2012	226,167
Shareholder's Equity as at 30 September 2012	<u><u>498,379</u></u>

(e) The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

	FRS as at 1.1.2011 RM'000	Note 2(a) Goodwill RM'000	Note 2(b) Foreign Currency Exchange Reserves RM'000	Note 2(c) Non- controlling interest RM'000	MFRS as at 1.1.2011 RM'000
<u>(i) Reconciliation as at 1 January 2011</u>					
<u>Non-current assets</u>					
Goodwill	514,874	(321,615)	-	-	193,259
<u>Equity :</u>					
Foreign currency translation reserve	(3,095)	-	3,095	-	-
Non-controlling interests	15,822	-	-	(486,722)	(470,900)
(Accumulated losses)/Retained earnings	(458,512)	(961)	(3,095)	486,722	24,154
Other reserve	-	(320,654)	-	-	(320,654)
Shareholder's Equity	46,474	(321,615)	-	486,722	211,581

	FRS as at 30.9.2011 RM'000	Note 2(a) Goodwill RM'000	Note 2(b) Foreign Currency Exchange Reserves RM'000	Note 2(c) Non- controlling interest RM'000	MFRS as at 30.9.2011 RM'000
(ii) <u>Reconciliation as at 30 September 2011</u>					
<u>Non-current assets</u>					
Goodwill	564,103	(321,615)	-	-	242,488
<u>Equity :</u>					
Foreign currency translation reserve	(1,027)	-	3,095	-	2,068
Non-controlling interests	(45,574)	-	-	(486,722)	(532,296)
(Accumulated losses)/Retained earnings	(457,923)	(961)	(3,095)	486,722	24,743
Other reserve	-	(320,654)	-	-	(320,654)
Shareholder's Equity	49,131	(321,615)	-	486,722	214,238

	FRS as at 31.12.2011 RM'000	Note 2(a) Goodwill RM'000	Note 2(b) Foreign Currency Exchange Reserves RM'000	Note 2(c) Non- controlling interest RM'000	MFRS as at 31.12.2011 RM'000
(iii) <u>Reconciliation as at 31 December 2011</u>					
<u>Non-current assets</u>					
Goodwill	532,494	(321,615)	-	-	210,879
<u>Equity :</u>					
Foreign currency translation reserve	(1,108)	-	3,095	-	1,987
Non-controlling interests	(89,683)	-	-	(486,722)	(576,405)
(Accumulated losses)/Retained earnings	(449,193)	(961)	(3,095)	486,722	33,473
Other reserve	(19,763)	(320,654)	-	-	(340,417)
Shareholder's Equity	107,105	(321,615)	-	486,722	272,212

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but are not yet effective and have not been applied by the Group:

		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 1	Government loan	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Board of Directors expects that the adoption of the standards and interpretations above will have no material impact on the financial statements of the Group in the period of initial application, save as disclosed above.

A3 IC Interpretation 12 : Service Concession Arrangements

The Group had adopted IC Interpretation 12 on 1 January 2011. IC Interpretation 12 applies to service concession operators and explains how to account for obligations undertaken and rights received in service concession arrangements. With the adoption of IC Interpretation 12 by the Group, the entire present value of the Annual Charges and Land Use Charges and Fixed Capacity Charges which are payable by the Group's 70% owned subsidiary, Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") to the State Government of Selangor Darul Ehsan ("Selangor State Government") and water treatment operators respectively, during the tenure of the concession are now required to be capitalised as intangible assets and subject to amortisation. A corresponding amount will be credited as service concession obligations and subject to notional interest which is charged to the income statement. The adoption of IC Interpretation 12 is required to be adopted retrospectively from the commencement of the concession agreements. However, there is no change to the business operations and cash flow of the Group.

The Group amortises its intangible asset contained in the concession arrangement by reference to revenue method over the concession period, consistent with the method adopted for the annual financial statements for the financial year ended 31 December 2011. As disclosed in the previous quarter, it has come to the knowledge of the Group that there are differing views within the accounting fraternity regarding the appropriateness of certain methods in amortising intangible asset contained in a concession arrangement, and the deliberation over this matter is still ongoing. Pending the finalisation of any consensus by the accounting fraternity over this matter, the Group continues to amortise its intangible asset contained in the concession arrangement by reference to revenue method. The Group will continue to monitor the progress and outcome of the ongoing deliberation, and will review the appropriateness of the existing amortisation method should such need arise in future.

A4 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

A5 Seasonal or cyclical factors

The business of the Group is not subject to seasonal or cyclical fluctuation.

A6 Unusual items due to their nature, size or incidence

There was no item affecting the assets, liabilities, equity, net income or cash flows of the Group that is unusual because of their nature, size or incidence during the current financial quarter and financial year-to-date.

A7 Changes in estimates

There were no significant changes in the estimates of the amount reported in the interim periods of the prior financial years that have a material effect in the current financial quarter and financial year-to-date results.

A8 Debt and equity securities

There were no other significant issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial quarter and financial year-to-date.

A9 Dividend paid

There was no dividend paid during the current financial quarter and financial year-to-date. (1.1.2011 to 30.9.2011 : Nil)

A10 Segment revenue and results

The segmental analysis for the Group for the current financial quarter and financial year-to-date are as follows:

a)	Water Distribution RM'000	Water Treatment RM'000	Holding Company RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group Total RM'000
Results for 3 months ended 30 September 2012								
Operating Revenue								
Sales to external customers	658,015	-	-	277,251	95,421	74	-	1,030,761
Inter-segment sales	-	139,923	-	-	-	-	(139,923)	-
	658,015	139,923	-	277,251	95,421	74	(139,923)	1,030,761
Other income	35,531	38,647	(19)	-	-	171	(30,784)	43,546
	693,546	178,570	(19)	277,251	95,421	245	(170,707)	1,074,307
Operating expenses	(462,485)	(80,777)	(460)	(261,563)	(94,907)	682	142,982	(756,528)
Share of results of associates	-	-	-	-	-	(4)	-	(4)
Share of results of joint venture	-	-	-	-	-	(66)	-	(66)
Amortisation and depreciation	(54,496)	(3,561)	(101)	(1,189)	-	(140)	-	(59,487)
Segment results	176,565	94,232	(580)	14,499	514	717	(27,725)	258,222
Finance costs								(164,423)
Profit before tax								93,799
Results for 3 months ended 30 September 2011								
Operating Revenue								
Sales to external customers	508,545	-	-	8,935	56,376	-	-	573,856
Inter-segment sales	-	129,176	-	-	54	-	(129,230)	-
	508,545	129,176	-	8,935	56,430	-	(129,230)	573,856
Other income	25,668	34,334	25,760	16,498	-	51	(51,356)	50,955
	534,213	163,510	25,760	25,433	56,430	51	(180,586)	624,811
Operating expenses	(448,114)	(74,562)	(3,060)	(6,705)	(48,024)	(7,555)	131,931	(456,089)
Share of results of associates	-	-	-	8,035	-	-	-	8,035
Share of results of joint venture	-	-	-	-	-	(153)	-	(153)
Amortisation and depreciation	(38,110)	(3,564)	(183)	(153)	-	(61)	-	(42,071)
Segment results	47,989	85,384	22,517	26,610	8,406	(7,718)	(48,655)	134,533
Finance costs								(160,889)
Loss before tax								(26,356)

	Water Distribution RM'000	Water Treatment RM'000	Holding Company RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group Total RM'000
Results for 9 months ended 30 September 2012								
Operating Revenue								
Sales to external customers	1,962,978	-	-	564,004	235,803	245	-	2,763,030
Inter-segment sales	-	417,717	-	-	-	-	(417,717)	-
	1,962,978	417,717	-	564,004	235,803	245	(417,717)	2,763,030
Other income	112,415	106,339	11,616	1	-	718	(97,053)	134,036
	2,075,393	524,056	11,616	564,005	235,803	963	(514,770)	2,897,066
Operating expenses	(1,373,456)	(235,078)	(2,192)	(504,467)	(212,449)	(13,804)	421,883	(1,919,563)
Share of results of associates	-	-	-	-	-	(1)	-	(1)
Share of results of joint venture	-	-	-	-	-	(116)	-	(116)
Amortisation and depreciation	(154,146)	(10,677)	(468)	(3,289)	-	(400)	-	(168,980)
Segment results	547,791	278,301	8,956	56,249	23,354	(13,358)	(92,887)	808,406
Finance costs								(472,899)
Profit before tax								335,507
Results for 9 months ended 30 September 2011								
Operating Revenue								
Sales to external customers	1,499,925	-	-	8,935	151,408	-	-	1,660,268
Inter-segment sales	-	393,628	-	-	198	-	(393,826)	-
	1,499,925	393,628	-	8,935	151,606	-	(393,826)	1,660,268
Other income	73,585	108,685	64,079	16,498	-	145	(147,665)	115,327
	1,573,510	502,313	64,079	25,433	151,606	145	(541,491)	1,775,595
Operating expenses	(1,297,916)	(206,988)	(6,372)	(12,651)	(134,186)	(12,714)	402,844	(1,267,983)
Share of results of associates	-	-	-	8,035	-	(1)	-	8,034
Share of results of joint venture	-	-	-	-	-	(275)	-	(275)
Amortisation and depreciation	(114,471)	(10,560)	(591)	(161)	-	(260)	-	(126,043)
Segment results	161,123	284,765	57,116	20,656	17,420	(13,105)	(138,647)	389,328
Finance costs								(461,161)
Loss before tax								(71,833)

b)	Water Distribution RM'000	Water Treatment RM'000	Holding Company RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Group Total RM'000
Assets and Liabilities								
As at 30 September 2012								
Investment in associates	-	-	46	-	-	-	-	46
Segment assets	11,137,427	3,495,463	1,194,346	440,793	-	34,358	(3,412,002)	12,890,385
	11,137,427	3,495,463	1,194,392	440,793	-	34,358	(3,412,002)	12,890,431
Unallocated assets								331,023
Total assets								13,221,454
Segment liabilities	13,563,413	1,827,009	214,600	408,389	-	211,008	(2,960,683)	13,263,736
Unallocated liabilities								23,135
Total liabilities								13,286,871
Assets and Liabilities								
As at 30 September 2011								
Investment in associates	-	-	40	-	-	-	-	40
Segment assets	10,222,278	3,176,318	1,324,457	466,704	-	32,513	(2,845,894)	12,376,376
	10,222,278	3,176,318	1,324,497	466,704	-	32,513	(2,845,894)	12,376,416
Unallocated assets								576,383
Total assets								12,952,799
Segment liabilities	12,495,259	1,945,889	354,989	435,746	-	193,253	(2,687,474)	12,737,662
Unallocated liabilities								213,555
Total liabilities								12,951,217

A11 Valuation of property, plant and equipment

The valuations of certain property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

A12 Subsequent events

Subsequent to the current financial quarter:-

(a) On 27 September 2012, the Company announced the following :

- (i) Proposed issue of up to 40,910,609 free warrants in PNHB ("Warrants") on the basis of 1 Warrant for every 10 existing ordinary shares of RM1.00 each in PNHB held ("Proposed Free Warrants Issue"); and
- (ii) Proposed issue of a 5-year Redeemable Convertible Secured Sukuk Ijarah of up to RM165.0 million in nominal value ("Proposed Convertible Sukuk Ijarah").

The Proposed Free Warrants Issue and Proposed Convertible Sukuk Ijarah are inter-conditional upon the relevant approvals being obtained for each other.

On 8 October 2012, the Company has submitted the following applications to :

- (i) The Securities Commission Malaysia for the Proposed Convertible Sukuk Issue;
- (ii) Bank Negara Malaysia for the issuance of Warrants to non-resident shareholders of the Company; and
- (iii) Bursa Malaysia Securities Berhad ("Bursa Securities") for the following:
 - (a) admission of the Warrants to the Official List of Bursa Securities; and
 - (b) the listing of and quotation for the Warrants to be issued pursuant to the Proposed Free Warrants Issue and the new PNHB Shares to be issued arising from the exercise of the Warrants and conversion of the Convertible Sukuk.

On 18 October 2012, Bank Negara Malaysia had, via its letter dated 16 October 2012 which was received on 18 October 2012, approved PNHB's application for the issuance of Warrants to non-resident shareholders of the Company.

- (b) On 25 October 2012, OCBC Bank (Malaysia) Berhad and Hong Leong Bank Berhad ("the Lenders") had approved an extension of the tenor for KGL Ltd's USD36.0 million Syndicated Term Loan Facility for four and a half (4.5) years up to 29 April 2017.
- (c) Luwei (Pingdingshan) Water Co Ltd became a 91.94% owned subsidiary of Sino Water Pte Ltd on 6 Nov 2012 with a total investment of RMB5,332,500.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in the financial statements of the Group for the current financial quarter and financial year-to-date. However, there are material litigations as disclosed in Note B10 below.

A13 Changes in the composition of the Group

- a) Luancheng Dayu Water Supply Co Ltd became a 83.99% owned subsidiary of Sino Water Pte Ltd on 25 June 2012 with a total investment of RMB5,246,000.

Save as disclosed above, there were no other changes in the composition of the Group during the current financial quarter and financial year-to-date.

A14 Contingent liabilities and contingent assets

As at the date of this report, the Group provided bank guarantees to various parties amounting to RM171,345,009 (31 December 2011: RM172,517,108) in the ordinary course of business.

No contingent assets had arisen since 31 December 2011.

A15 Other material disclosures

a) Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 3 months ended 30.9.2012 RM'000	Preceding Year Corresponding Quarter 30.9.2011 RM'000	Current Year To date 9 months ended 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
Supply and distribution of treated water to consumers (Note i)	658,015	508,545	1,962,978	1,499,925
Oil and gas revenue	277,251	8,935	564,004	8,935
Construction revenue	95,421	56,376	235,803	151,408
Others	74	-	245	-
	1,030,761	573,856	2,763,030	1,660,268

Notes

- (i) Included in the water revenue is an amount of RM770.3 million being water tariff compensation for the third quarter of 2012 (9 months) (2011 : RM342.9 million) arising from the delay in water tariff revision which should have taken effect on 1 January 2009 and 1 January 2012. The amount is based on SYABAS Management's best estimate of the water tariff compensation as provided under the terms of the Concession Agreement dated 15 December 2004 ("Concession Agreement") signed between SYABAS, the Federal Government and the Selangor State Government.
- (ii) The claim for water tariff compensation had been included as amount owing by the Selangor State Government under long-term trade receivables as at 30 September 2012.
- (iii) As disclosed in Note B10 (e), SYABAS had commenced legal proceedings against the Selangor State Government for the payment of the tariff compensation amounting to RM471.6 million for the period from 1 January 2009 to 31 December 2009 and at the case management held on 28 June 2011, the High Court allowed SYABAS' application to withdraw with liberty to file afresh by way of a writ of summons with no order as to costs. As disclosed in Note B10(f), on 8 September 2011, SYABAS filed a Writ and Statement of Claim at the Kuala Lumpur High Court for RM1,054.2 million being compensation from 1 January 2009 to 31 March 2011. Total water tariff compensation claims submitted to the Selangor State Government up to the period ended 30 June 2012 is RM1,928.6 million.

b) Commitments

	As at 30.9.2012 RM'000
Capital expenditures:	
Contracts approved and contracted for	<u>19,231</u>
Commitment under the terms of the Concession Agreement	
- Concession fee	22,000
- Contracts approved and contracted for	<u>243,199</u>
	<u>265,199</u>

c) Acquisition and disposal of property, plant and equipment

	9 months ended 30.9.2012		
	At cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Acquisition at cost	22,459	786	21,673
Disposal at cost	(9,442)	(9,187)	(255)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA

B1 Review of performance

For the current financial quarter, the Group registered higher revenue of RM1,030.8 million compared to RM573.9 million reported in the preceding year's corresponding financial quarter, representing an increase of RM456.9 million or 79.6%.

For the current financial year-to-date, the Group registered higher revenue of RM2,763.0 million compared to RM1,660.3 million reported in the preceding year's corresponding period, representing an increase of RM1,102.7 million or 66.4%.

The increase in revenue in the current financial quarter and current financial year-to-date is mainly due to higher water tariff compensation arising from the scheduled tariff hike which should have been gazetted on 1 January 2012 and revenue contribution from the Oil and Gas segment.

Consequently, the Group reported profit before tax ("PBT") of RM93.8 million for the current financial quarter and RM335.5 million for the current financial year-to-date compared to a loss before tax ("LBT") of RM26.4 million recorded in the preceding year's corresponding quarter and RM71.8 million for the preceding year's corresponding financial year-to-date, representing an increase of RM120.2 million and RM407.3 million respectively.

The review of the Group's performance by each segment is as follows:

(a) Water Distribution :

For the current financial quarter, the Water Distribution segment reported higher Profit Before Interest and Tax (segment "PBIT") of RM176.6 million compared to RM48.0 million reported in the preceding year's corresponding financial quarter, representing an increase of RM128.6 million or 267.9%. The water distribution segment PBIT for the current financial year-to-date was RM547.8 million compared to RM161.1 million reported in the preceding year's corresponding financial year-to-date, representing an increase of RM386.7 million or 240.0%. The significant increase in segment PBIT for the current financial quarter and year-to-date was mainly due to higher water tariff compensation arising from the scheduled tariff hike which should have been gazetted on 1 January 2012.

(b) Water Treatment :

The Water Treatment segment reported a higher PBIT of RM94.2 million in the current financial quarter compared to RM85.4 million in the preceding year's corresponding financial quarter representing an increase of RM8.8 million or 10.3%. The increase in PBIT for the current financial quarter was mainly due to higher water revenue reported for the current quarter. For the financial year-to-date, the water treatment segment reported a lower PBIT of RM278.3 million compared to RM284.8 million in the preceding year's corresponding financial year-to-date representing a decrease of RM6.5 million or 2.3%. Despite higher revenue reported, the PBIT for the current financial year-to-date was lower mainly due to higher operating cost.

(c) Oil and Gas :

For the current financial quarter, the Oil and Gas Division reported a lower PBIT of RM14.5 million compared to RM26.6 million reported in the preceding year's corresponding financial quarter, representing a decrease of RM12.1 million or 45.5%. The higher segment PBIT for the preceding year's corresponding financial quarter was mainly due to the recognition of other income of RM16.5 million attributed to recognition of the excess of net assets of KGL over the purchase consideration. The Oil and Gas Division reported a higher segment PBIT of RM56.2 million for the current financial year-to-date compared to RM20.7 million reported in the preceding year, representing an increase of RM35.5 million or 171.5%. Higher segment PBIT reported for the current financial year-to-date was mainly due to higher profit contribution from GOM Resources which was acquired during the second half of the previous financial year.

(d) Construction :

The Construction Division reported a lower segment PBIT of RM0.5 million in the current financial quarter as compared to a segment PBIT of RM8.4 million in the preceding year's corresponding financial quarter, representing a decrease of RM7.9 million or 94.0% due to additional construction cost incurred to remedy the works of non-performing sub-contractor. For the current financial year-to-date, the Construction segment reported a higher segment PBIT of RM23.4 million compared to RM17.4 million reported in the preceding year's corresponding financial year-to-date, representing an increase of RM6.0 million or 34.5%. The higher segment PBIT for the current financial year-to-date was mainly due to improved progress of its current projects.

B2 Comparison of profit before taxation with the immediate preceding financial quarter

The Group reported a lower PBT of RM93.8 million for the current financial quarter compared to RM135.8 million registered in the immediate preceding financial quarter, representing a decrease of RM42.0 million or 30.9%. The lower PBT reported in the current financial quarter was mainly due to higher operating cost and construction cost.

B3 Prospects

On the water sector, the Group is hopeful and remains committed to supporting an imminent resolution to the restructuring of the water services sector in Selangor, Federal Territories of Kuala Lumpur and Putrajaya by the Government as this matter has been long outstanding since 2008. The Group is actively looking into proposals to provide solutions to the Federal Government under the Private Finance Initiatives, to improve the existing water infrastructure and to increase the supply of treated water in the rural areas throughout the country. On the environmental sector, the Group is actively looking into the provision of solutions to the sewerage and solid waste sectors in Malaysia and overseas under the Private Finance Initiatives.

Meanwhile, the foray into the oil and gas arena augurs well for the Group's future. The Group is hopeful to clinch more oil and gas projects and to invest or acquire other oil and gas assets to further expand the oil and gas business in line with the Group's vision to become a significant player in the oil and gas sector.

Looking ahead, the Group is determined to continue in its quest to achieve sustainable long-term growth.

B4 Variances from profit forecast and profit guarantee

The disclosure requirements for explanatory notes for variances from profit forecast or profit guarantee are not applicable.

B5 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	3 months ended 30.9.2012	30.9.2011	9 months ended 30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
In respect of current year:-				
- income tax	(2,075)	(9,064)	(10,335)	(28,168)
- foreign income tax	(19)	(53)	(52)	(83)
- deferred tax	(12,390)	22,021	(86,261)	40,588
	(14,484)	12,904	(96,648)	12,337
In respect of prior year:-				
- (under)/over provision of income tax	(1,294)	(4,687)	(1,304)	(1,581)
	(15,778)	8,217	(97,952)	10,756

The effective tax rate of the Group (excluding the result of associates and joint venture which were equity accounted net of tax) for the current financial quarter was lower than the statutory tax rate mainly due to income not subject to tax. The effective tax rate of the Group (excluding the result of associates and joint venture which were equity accounted net of tax) for the current financial year-to-date was higher than the statutory tax rate mainly due to the certain expenses which were not deductible for tax purposes.

B6 Status of corporate proposals announced but not completed

There are no corporate proposals which were announced but not completed prior to the issuance of this interim financial statements save as disclosed in Note A(12)(a) above.

B7 Service concession assets

Included in the service concession assets are the annual charge and land use charge, fixed capacity charge and post concession infrastructure works less amortisation.

B8 Loans and borrowings

Details of the Group's borrowings and debt securities as at 30 September 2012 are as follows:-

	Current RM'000	Non-current RM'000
Secured		
Bai' Bithaman Ajil Bonds	360,000	656,838
Bai' Bithaman Ajil Medium Term Notes	310,000	1,747,516
Government Support Loan	7,444	32,077
Term Loan	-	770,081
Government loan - RM320 mil	-	320,800
Government loan - RM110 mil	-	66,749
Obligation Under Finance Leases	6,785	9,325
Redeemable Cumulative Preference Shares	-	616,721
	<hr/>	<hr/>
	684,229	4,220,107
Unsecured		
Redeemable Convertible Unsecured Loan Stocks	-	23,820
Redeemable Unsecured Bonds	-	473,359
Redeemable Unconvertible Junior Notes	-	181,917
Lushan MOF Novated World Bank Loan	1,100	9,059
	<hr/>	<hr/>
	685,329	4,908,262

All loans and borrowings are denominated in Ringgit Malaysia except for Lushan MOF Novated World Bank Loan and KGL's term loan which are denominated in United States Dollar ("USD") totalling USD3.3 million and USD36.0 million respectively.

B9 Off balance sheet financial instruments

As at the latest practicable date prior to the issuance of this interim financial statements, the Group has not entered into any financial instruments with off balance sheet risk.

B10 Material litigation**a) Kris Heavy Engineering & Construction Sdn Bhd ("KHEC")****1) The First Arbitration Proceedings**

KHEC, a sub-contractor for the Chennai Water Supply Augmentation Project 1 - Package III ("Chennai Project"), has initially referred certain disputed claims totalling Rs8,44,26,981 (equivalent to approximately RM6.75 million) against PNHB-LANCO-KHEC JV ("the Consortium"), a jointly controlled entity in India of the Company.

Arising from the arbitration proceedings initiated by KHEC, both KHEC and the Consortium have each appointed a qualified civil engineer as their arbitrator respectively, and both arbitrators have selected a retired Judge of the High Court in Chennai, India as the third arbitrator who will also act as the presiding arbitrator of the arbitral tribunal. The arbitral tribunal was officially constituted on 24 September 2005. On 28 September 2005, the Company was informed that the arbitral tribunal has fixed the following dates for the filing of the arbitration cause papers as part of the preliminary procedural formalities:-

- i) claim by the claimant, KHEC to be filed before 4 October 2005;
- ii) rejoinder by the respondent, the Consortium to be filed before 18 November 2005; and
- iii) reply rejoinder by the claimant, KHEC to be filed before 5 December 2005.

The Consortium had on 2 January 2006, filed its counter-claim amounting to Rs13,61,61,931 (equivalent to approximately RM10.89 million) against KHEC's claim of Rs8,44,26,981 (equivalent to approximately RM6.75 million) to the arbitral tribunal in India.

The Statement of Claim lodged by KHEC had subsequently been revised from Rs8,44,26,981 (equivalent to approximately RM6.75 million) to Rs9,84,58,245 (equivalent to approximately RM7.88 million) whilst the counter-claim submitted by the Consortium, had also been revised as per the rejoinder, from Rs13,61,61,931 (equivalent to approximately RM10.89 million) to Rs13,63,39,505 (equivalent to approximately RM10.91 million).

The Company was notified on 4 March 2009 by solicitors acting on behalf of Consortium that the Arbitration Panel had at its meeting held on 26 February 2009 accepted the letter of withdrawal from the Arbitration Panel dated 18 February 2009 from the arbitrator nominated by KHEC. As such, the date for further meeting of the Arbitration Panel was to be communicated after the appointment of the substitute arbitrator to be nominated by KHEC under Section 15(2) of the Arbitration and Conciliation Act, 1996 of India.

The Company was notified on 25 June 2009 that the first sitting of the newly formed Arbitration Panel for the First Arbitration Proceedings comprising the Presiding Arbitrator, the arbitrator nominated by the Consortium and the substitute arbitrator nominated by KHEC was held on 20 June 2009.

The Arbitration proceedings is currently ongoing in India whereby the recent hearing dates scheduled on 26 and 27 October 2012 was postponed and the Arbitration Panel has yet to schedule the new hearing dates.

Based on legal advice, the Consortium is of the view that the claim by KHEC is not sustainable.

2) **The Second Arbitration Proceedings**

KHEC had commenced a second arbitration proceedings against the PNHB-Lanco members of the Consortium ("the Second Arbitration") on the basis of the terms of the Joint Venture Agreement dated 13 February 2003 and the Supplemental Agreement to the Joint Venture Agreement dated 26 March 2003 respectively, entered into between the Company, Lanco Infratech Limited and KHEC whereby KHEC is claiming for loss of profit (inclusive of interest and other cost) amounting to Rs5,44,32,916 (equivalent to approximately RM4.35 million) as they allege that they, despite being a 10% shareowner, received only 4.31% out of the total value of the contract works of the Chennai Project. Subsequently, KHEC had filed in an amended claim for damages and lost of profit from Rs5,44,32,916 to Rs55,44,32,916 (equivalent to approximately RM44.3 million). PNHB-Lanco's counsel had filed an interim application to dismiss the claim of Rs50,00,00,000 (equivalent to approximately RM39.9 million) for compensation for loss of opportunity on the basis that it is frivolous and unreasonable.

The Second Arbitration is being heard by a single arbitrator.

The Second Arbitration proceedings is currently ongoing in India whereby parties have completed the oral submissions and PNHB-Lanco's counsel is ready with the written submissions but has yet to submit the same as the counsel for KHEC had sought an extension of time until 30 November 2012 to submit their written submission.

Based on legal advice, PNHB-Lanco members of the Consortium are of the view that it has a good case of defending the claim.

b) **JAKS-KDEB Consortium Sdn Bhd**

Kuala Lumpur High Court Suit No. D4-22-1452-2006

Both PUAS Berhad and SYABAS had been served with:-

- i) A Writ of Summons and Statement of Claim dated 6 October 2006;
- ii) Ex-Parte Summons-in-Chambers dated 6 October 2006 ("Ex-Parte SIC") and its supporting Affidavit affirmed on 6 October 2006;
- iii) Amended Statement of Claim filed on 18 October 2006; and
- iv) An Ex-Parte Injunction Order dated 18 October 2006 ("Ex-Parte Order");

(hereinafter referred to as "the Suit") in respect of the Suit, by the solicitors of JAKS-KDEB Consortium Sdn Bhd (the "Plaintiff" or "JAKS-KDEB") on 19 October 2006.

JAKS-KDEB had commenced legal action against PUAS Berhad and SYABAS in respect of an agreement dated 25 October 2001 entered into between JAKS-KDEB and the State Government of Selangor ("State Government") pertaining to the supply of pipes and fittings in the State of Selangor Darul Ehsan and the Federal Territories of Kuala Lumpur and Putrajaya.

Vide the Ex-Parte SIC, the Plaintiff prayed for the following:

- i) An order to immediately restrain PUAS Berhad and/or SYABAS whether by themselves, their agents, servants, directors, contractors, nominees and/or all related parties to PUAS Berhad and/or SYABAS and/or assignees and/or successors-in-title or otherwise howsoever by injunction, be restrained from purchasing and/or obtaining and/or being given and/or dealing with and/or receiving all its requirements for the pipes (which includes straight pipes whether whole or in cut lengths of any material including but not limited to mild steel pipes) and fittings (which includes tees, bends, tapes, tapers, collars, flange adaptors, blank flanges, mechanical joints and similar accessories) in respect of all water projects being carried out or to be carried out in the State of Selangor including the Federal Territories of Kuala Lumpur and Putrajaya from any other entities except from the Plaintiff until the disposal of the Plaintiff's inter-parte application for an injunction;
- ii) An order to immediately restrain PUAS Berhad and/or SYABAS whether by themselves, their agents, servants, directors, contractors, nominees and/or all related parties to PUAS Berhad and/or SYABAS and/or assignees and/or successors-in-title or otherwise howsoever by injunction, be restrained from taking any further steps in supplying and/or dealing with all of the above pipes and fittings and/or including negotiations and/or award of contracts with any other entities arising out of and in connection with the purchasing and/or obtaining and/or being given and/or receiving all of its requirements for pipes and fittings in respect of all water projects being carried out or to be carried out in the State of Selangor including the Federal Territories of Kuala Lumpur and Putrajaya until the disposal of the Plaintiff's inter-parte application for an injunction;
- iii) Costs to be costs in the cause;
- iv) That a date be fixed for the inter-partes hearing of the Plaintiff's application therein within 21 days from the date of the Ex-Parte Order; and
- v) Such further and other relief as the High Court deems fit.

The above prayers were allowed by the High Court on the application of the Plaintiff's Ex-Parte SIC in the absence of PUAS Berhad and SYABAS or their Solicitors being present in High Court on 18 October 2006. The Plaintiff's Ex-Parte Order was effective for a period of twenty-one (21) days from 18 October 2006 until the date of the inter-partes hearing which has been fixed on 7 November 2006.

PUAS Berhad and SYABAS deny and refute all allegations raised by the Plaintiff in the Suit and have instructed their Solicitors to file an application vide Summons in Chambers dated 1 November 2006 to set aside the Ex-Parte Order and to vigorously defend themselves against the Plaintiff's claim on the day of the inter-partes hearing fixed on 7 November 2006.

At the hearing on 7 November 2006 (the "Hearing"), the High Court on the application of the Plaintiff's Solicitors, allowed an adjournment of the Hearing to 17 November 2006 to enable the Plaintiff to prepare a reply affidavit to the affidavit filed by the State Government, the 3rd Defendant to the Suit. Subsequently, the Hearing was adjourned to 20 November 2006.

At the hearing on 20 November 2006, the High Court fixed 22 November 2006 as the date to give its decision on the Inter-Partes application for injunction. The High Court also ordered that no ad-interim order extending the Ex-Parte injunction would be granted for the period from 20 November until 22 November 2006. This means that for this period, SYABAS was free to obtain its pipe supply from any source.

At the hearing on 22 November 2006, the High Court did not grant the injunction order applied for by JAKS-KDEB and instead proceeded to fix a date for the Case Management on 15 January 2007. However, the High Court had postponed the Case Management to 13 February 2007 and subsequently to 22 March 2007.

On 22 March 2007, the High Court fixed the Case Management for mention on 4 April 2007. The application by JAKS-KDEB for Discovery against PUAS Berhad and SYABAS and Inspection of SYABAS Concession Agreement was also heard on 22 March 2007 and a decision was fixed for hearing on 4 April 2007. At the hearing on 4 April 2007, the High Court allowed the application for Discovery by JAKS-KDEB against PUAS Berhad and SYABAS and accordingly, ordered the discovery and inspection of SYABAS Concession Agreement.

Upon consultation with its solicitors on the prospect of filing an appeal, SYABAS has instructed its solicitors to proceed to file an appeal with the Court of Appeal. The appeal was subsequently filed in the Court of Appeal on 3 May 2007. At the hearing on 15 July 2008 at the Court of Appeal, the Court of Appeal has dismissed SYABAS' appeal against the Order for Discovery by the High Court dated 4 April 2007 ordering disclosure of the Concession Agreement with costs. SYABAS had instructed its solicitors not to proceed with further appeal to the Federal Court. The decision was based primarily on the fact that the Federal Government and State Government did not object to the disclosure of the Concession Agreement at the High Court.

At the hearing on 3 October 2007, the High Court had allowed the application to amend the Statement of Defence, with costs and ancillary costs to be borne by PUAS Berhad and SYABAS.

In view of the dissolution of Jabatan Kawalselia Air Selangor ("JKAS") previously being the recipient of the written notification and written report as stated in High Court Order dated 22 November 2006, SYABAS had instructed its solicitors to file an application in the High Court to amend the said Order by replacing JKAS as the recipient with Suruhanjaya Perkhidmatan Air Negara ("SPAN") and the said application which was fixed for Hearing on 20 April 2009 was subsequently postponed to 19 May 2009 and 25 June 2009.

The High Court had on 6 July 2009 fixed the Hearing of the First and Second Defendants' application to amend the High Court Order dated 22 November 2006 to 22 July 2009. The High Court had directed the Plaintiff to file a further Affidavit to state that the Plaintiff intends to add the Selangor State Government in the Order in view that the application is only in respect of amending the entity to SPAN.

On 22 July 2009, the High Court had at the Hearing of the First and Second Defendants' application to amend the High Court Order dated 22 November 2006 allowed the addition of the words "dan/atau Kerajaan Negeri Selangor" to be added in the Order together with the word "SPAN". The addition was requested by the Plaintiff and consented by the Selangor State Legal Advisor, representing the 3rd Defendant.

The High Court had subsequently adjourned the matter for Hearing on 30 October 2009 as the 3rd Defendant intends to oppose the Plaintiff's application to amend the Statement of Claim. The Hearing was adjourned to 12 November 2009 to enable the 3rd Defendant to file its Affidavit in Reply to the Plaintiff's Affidavit in Reply. At the Hearing held on 12 November 2009 for the Plaintiff's application to amend the Statement of Claim, the High Court had fixed the matter for decision on 18 November 2009. At the Case Management held on 18 November 2009, the High Court had allowed the Plaintiff's application to amend the Statement of Claim and fixed the matter for further Case Management on 12 January 2010. In response, SYABAS has then filed the Amended Statement of Defence on 22 January 2010 and the matter was fixed for further Case Management on 25 March 2010.

At the Case Management held on 25 March 2010, the High Court adjourned the matter to 5 April 2010 for mention to ascertain whether the matter can proceed by the way of mediation. On 5 April 2010, the High Court had adjourned the matter to 10 May 2010 for Case Management to enable the parties to comply with the High Court's directions and to fix the matter for trial since the parties were not agreeable to mediate. Further Case Management was held on 4 June 2010 and 4 August 2010 and the next Case Management is fixed on 29 September 2010. The High Court had subsequently adjourned the matter for Hearing on 12 October 2010. At the Case Management held on 12 October 2010, the High Court had fixed the trial dates on 16 December 2010, 17 December 2010, 20 January 2011 and 21 January 2011. The oral submissions will be heard on 24 January 2011 and 25 January 2011.

At the hearing on 17 December 2010, the High Court had vacated the trial date on 20 January 2011 and fixed new trial dates on 28 March 2011 to 31 March 2011. The trial date fixed on 21 January 2011 and the oral submissions dates fixed on 24 January 2011 and 25 January 2011 remain unchanged.

At the trial held on 21 January 2011, the High Court had vacated the dates previously fixed for the oral submissions on 24 January 2011 and 25 January 2011 and fixed additional dates for continued trials on 24 January 2011, 25 January 2011 and 26 January 2011. The trial dates previously fixed on 28 March 2011 to 31 March 2011 remain unchanged. At the trial held on 28 March 2011, the High Court vacated the dates on 30 March 2011 and 31 March 2011. The trial dates on 28 March 2011 and 29 March 2011 remain unchanged. The matter was fixed for further full trial on 5 May 2011, 6 May 2011, 20 May 2011, 8 June 2011, 9 June 2011 and 10 June 2011. Since the trial concluded on 9 June 2011, the trial fixed for 10 June 2011 was vacated and the matter was fixed for decision on 12 September 2011.

The High Court had on 12 September 2011 postponed the decision date for the matter to 5 October 2011 as post-trial submissions only closed on 9 September 2011. On 5 October 2011, the High Court had dismissed the plaintiff's claim against the Defendants which include PUAS and SYABAS. On 3 November 2011, JAKS-KDEB had filed a Notice of Appeal to the Court of Appeal against the decision by the High Court on 5 October 2011.

c) ADP-PJI Joint Venture ("ADP-PJI JV")

On 27 February 2009, PNSB was notified by its solicitors on the Points of Claim dated 25 February 2009 served by ADP-PJI JV on 26 February 2009 for arbitration proceedings against PNSB.

The details of the arbitration are as follows:-

- i) By way of a Letter of Award dated 5 August 2004, PNSB awarded the design, construction, completion and commissioning of a water treatment plant ("the Works") for the "Projek Pembinaan Loji/Kolam Takungan dan Paip Utama Telipok dan Telipok, Sabah" ("Sabah Project") to an unincorporated joint venture known as ADP-PJI JV for a fixed price lump sum of RM65,161,515.
- ii) On 26 December 2007, upon the advice of its solicitors, PNSB issued a notice determining the employment of ADP-PJI JV for, inter alia, a failure to proceed regularly and diligently with the Works. ADP-PJI JV disputed the termination and referred the matter to the Superintending Officer ('S.O.') under the contract for a decision. Following the reference to the S.O. for a decision and being dissatisfied with the same, ADP-PJI JV had referred the disputes surrounding the termination of their employment to arbitration.
- iii) ADP-PJI JV via its solicitors had served a Points of Claim dated 25 February 2009 in the arbitration against PNSB via PNSB's solicitors on 26 February 2009.

- iv) The Points of Claim seeks various reliefs arising from the alleged wrongful determination of ADP-PJI JV's employment. ADP-PJI JV is claiming for the sum of RM10,080,201.31 for loss, expense and damages, disruption to progress of employment works, failure to pay the amounts certified and for works completed which have not been certified and other breaches of contract or such other sum as ADP-PJI JV may be found entitled to recover from PNSB arising from the alleged wrongful determination of ADP-PJI JV's employment.
- v) On 27 April 2009, PNSB had served its Points of Defence and Counter Claim in the arbitration stating, among others, that PNSB has rightfully determined the employment of ADP-PJI JV due to ADP-PJI JV's breaches of the contract for the "Projek Pembinaan Loji/Kolam Takungan dan Paip Utama Telibong dan Telipok, Sabah" and the failure to meet the completion date for the Sabah Project.

PNSB's Counter Claim involves amongst others, the additional costs incurred in completing the works for the Sabah Project ("Works"), additional costs in respect of the maintenance obligations, management and staff costs, damages, liquidated or general damages by reason of the delay in completion of the Works and overtime claim by the engineers for the purposes of construction supervision.

- vi) PNSB was notified on 1 June 2009 by its solicitors that the latter had been served with ADP-PJI JV's Reply and Defence to Counterclaim dated 28 May 2009 by the solicitors acting for ADP-PJI JV, which in substance joins issue with PNSB's Points of Defence and Counterclaim dated 27 April 2009 and reiterates ADP-PJI JV's earlier position vide its Points of Claim dated 25 February 2009.
- vii) The Respondent had on 4 November 2010 closed their case and the Arbitrator had directed for written submissions to be filed by the Claimant and Respondent by 29 January 2011 and 1 April 2011 respectively and reply, if any, by 2 May 2011.
- viii) The Arbitrator had subsequently allowed PNSB's solicitors to file in their written submission by 3 May 2011 and correspondingly, ADP-PJI JV's solicitors is required to submit their reply by 3 June 2011.
- ix) The Respondent's written submission had been filed with the Arbitrator on 3 May 2011.
- x) The award has yet to be released by the Arbitrator as of to date.

d) Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH")

Kuala Lumpur High Court Civil Suit No. D-22NC -398-2009

On 19 November 2009, SYABAS was served with a Writ and Statement of Claim ("Statement of Claim") dated 30 October 2009 from the solicitors acting for SPLASH.

SPLASH's claim is for alleged outstanding amount due and owing in respect of the Supply Charge and Capacity Charge from SYABAS under the Privatisation Agreement dated 24 January 2000, Supplemental Agreement dated 3 February 2005 and the Novation Agreement dated 3 February 2005.

In the Statement of Claim, SPLASH sought for, inter alia, the following: -

- i) The sum of RM196,343,723.99 being payment for the invoices;
- ii) Interest on the sum of RM22,495,131.18 which is the Capacity Charge for the month of October 2008 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 February 2009 until the date of full realisation;
- iii) Interest on the sum of RM23,103,687.43 which is the Capacity Charge for the month of November 2008 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 March 2009 until the date of full realisation;
- iv) Interest on the sum of RM19,387,068.61 which is the Capacity Charge for the month of December 2008 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 April 2009 until the date of full realisation;
- v) Interest on the sum of RM28,283,988.12 which is the Capacity Charge for the month of January 2009 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 May 2009 until the date of full realisation;

- vi) Interest on the sum of RM26,653,975.96 which is the Capacity Charge for the month of February 2009 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 June 2009 until the date of full realisation;
- vii) Interest on the sum of RM27,268,760.61 which is the Capacity Charge for the month of March 2009 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 July 2009 until the date of full realisation;
- viii) Interest on the sum of RM24,797,813.57 which is the Capacity Charge for the month of April 2009 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 August 2009 until the date of full realisation;
- iv) Interest on the sum of RM24,353,298.51 which is the Capacity Charge for the month of May 2009 at the rate of one percent (1%) per annum plus the Base Lending Rate of Malayan Banking Berhad on a daily basis from 1 September 2009 until the date of full realisation; and
- x) Costs.

SYABAS had instructed its solicitors to defend the above claims. The solicitors of SYABAS had on 6 January 2010, filed and served SYABAS' Defence to the claim filed by SPLASH dated 30 October 2009. The High Court had on 26 January 2010 fixed the case for mention on 22 February 2010 and for further case management on 25 March 2010 for SPLASH to amend the Statement of Claim. The High Court had on 30 April 2010 allowed the Plaintiff's application to amend their Writ of Summons and Statement of Claim by consent. The solicitors of SYABAS had on 18 May 2010 filed and served the Amended Defence dated 18 May 2010.

On 20 August 2010, the High Court adjourned the hearing to 29 September 2010 and allowed the parties to exchange affidavits in the meantime. At the hearing on 29 September 2010, the High Court postponed the hearing for SPLASH's application under Order 33 Rule 2 for the High Court to determine preliminary issues on the construction of the proportionate payment clauses in the Novation Agreement with SYABAS, to 29 October 2010 whilst SYABAS' application to reamend the Amended Defence was allowed with costs.

At the hearing on 29 October 2010, the High Court had reserved decision of SPLASH's application to 12 November 2010.

SPLASH's application under Order 33 Rule 2 to hear the preliminary issues were allowed by the High Court on 12 November 2010 and the matter was fixed for Hearing on 10 January 2011.

At the hearing held on 29 November 2010 of the Plaintiff's application to reamend the Amended Writ of Summons and the Statement of Claim, the High Court has fixed the matter for decision on 3 December 2010. The hearing date of the Writ of Summons and the preliminary issues under SYABAS' application under Order 33 Rule 2 which was originally fixed on 10 January 2011 has been vacated and the matter was fixed for hearing on 7 January 2011. The solicitors of SYABAS had filed a notice of appeal against the decision of the High Court dated 12 November 2010 which allowed SPLASH's Application under Order 33 Rule 2 for the preliminary issues to be heard. At the hearing on 3 December 2010, the High Court had allowed the Application by the Plaintiff to reamend the Amended Statement of Claim and the matter was fixed for hearing on 7 January 2011.

At the hearing held on 7 January 2011 on the Writ of Summons and preliminary issues (Order 33 Rule 2 of the High Court), the High Court had fixed the matter for decision on 16 February 2011 and subsequently fixed for decision on 21 February 2011. The Court of Appeal had fixed the appeal for case management on 17 February 2011. The case management originally fixed on 17 February 2011 by the Court of Appeal for the appeal had been postponed to be fixed on 25 February 2011 upon application by SYABAS' solicitors pending decision by the High Court on the plaintiff's claim which had been fixed on 21 February 2011.

The SYABAS' appeal against the Order of the High Court on the Plaintiff's application pursuant to Order 33 of the Rules of the High Court 1980 for the hearing of the preliminary issues had been fixed for Case Management on 22 March 2011. The High Court had brought forward the hearing date of the oral application for stay of the order pending appeal from 6 April 2011 to 29 March 2011. SYABAS' appeal against the Order of the High Court on the Plaintiff's application pursuant to Order 33 of the Rules of the High Court 1980 had been adjourned to 5 April 2011.

On 30 June 2011, the Court of Appeal decided in respect of SYABAS' appeal as follows:

- i) Order of the High Court dated 11 December 2010 allowing the Plaintiff's application pursuant to Order 33 of the Rules of the High Court 1980 ("1st Appeal") was not allowed; and
- ii) SYABAS' appeal against the Order of the High Court SYABAS' dated 21 February 2011 (Civil Appeal W-02 (NCC) 504-2011) ("2nd Appeal") was allowed in part.

At the hearing of SYABAS' application for a stay of execution of the Order of the High Court dated 21 February 2011 ("Order") on 29 March 2011, the High Court extended the order for stay of execution of the Order (excluding the taking of accounts) until the disposal of the appeal. SPLASH was granted liberty by consent to apply to set aside the stay should there be any delay in the disposal of the appeal beyond 7 May 2011. The stay of execution does not prevent SPLASH from applying for accounts of all payments due before the Registrar as there is no stay of the proceedings.

The High Court had on 21 February 2011 declared that SYABAS must pay in full and not proportionately and subsequently ordered an account of all payments due to SPLASH in respect of invoices issued after the date of the writ to be taken before the Deputy Registrar of the New Commercial Court on a date to be fixed. The High Court had ordered SYABAS to pay lump sum costs of RM30,000.00 in respect of the Reamended Writ of Summons and the Statement of Claim in lieu of taxation to the plaintiff and also granted SYABAS an interim stay on enforcement of the Judgement until 6 April 2011 pending full argument on stay on merits. The solicitors of SYABAS had filed a Notice of Appeal on 22 February 2011 at the Court of Appeal against the Decision of the High Court dated 21 February 2011.

The matter which came up for Case Management on 25 February 2011 at the Court of Appeal, was fixed for further Case Management on 22 March 2011, pending the filing of the Records of Appeal for the appeal dated 22 February 2011 against the Decision of the High Court dated 21 February 2011. The appeal against the Decision of the High Court on 21 February 2011 fixed for Case Management on 29 March 2011 was subsequently adjourned to 5 April 2011. The Court of Appeal had fixed the hearing of SYABAS' appeals against the Orders of the Rules of High Court and the decision of the High Court on 21 February 2011, on 30 May 2011 and the written submissions to be filed by 16 May 2011. The written submissions date was changed from 16 May 2011 to 14 June 2011.

The earlier hearing date fixed on 30 May 2011 was vacated.

On 27 May 2011, a sealed copy of the Plaintiff's Summons in Chambers for the hearing of the taking of the accounts pursuant to the Decision of the High Court dated 21 February 2011 was served on Syabas's solicitors and the matter was fixed for hearing on 9 June 2011. On 8 June 2011, SYABAS' solicitors was informed by the Plaintiff's solicitors that the High Court had approved the Plaintiff's application to adjourn the hearing for the taking of accounts pursuant to the Decision of the High Court of 21 February 2011 to 24 June 2011. The original hearing date fixed on 9 June 2011 was vacated. The hearing for the taking of accounts pursuant to the Decision of the High Court of 21 February 2011 was adjourned to 1 July 2011 for continuation of hearing. At the High Court hearing held on 1 July 2011 of the Plaintiff's application for the taking of accounts of all payments due from the Defendant on all invoices issued after the date of the amended Writ of Summons, the Plaintiff's application was withdrawn with no order as to costs in view of the decision of the Court of Appeal on 30 June 2011.

At the mention on 15 July 2011 at the High Court, the Plaintiff withdrew the application to remove the stay of execution of the Order dated 21 February 2011 with no order as to costs. In respect of the application for interim payment, after hearing counsel for both parties, the Judge fixed the said application and any other application that may be filed for hearing on 22 July 2011. On 20 July 2011, SYABAS' solicitors was served with a Summons in Chambers dated 19 July 2011 ("SIC") by the Plaintiff's solicitors, an application by the Plaintiff for a consequential order for the taking of accounts pursuant to the Decision of the High Court of 21 February 2011. SYABAS had on 21 July 2011 filed its Affidavit pursuant to the SIC. At the hearing held on 22 July 2011, the High Court fixed the mention on 19 August 2011 for the parties to seek clarification from the Court of Appeal on the Court of Appeal's decision dated 30 June 2011.

The matter was fixed for further mention on 20 September 2011 pending the disposal of the motion of SPLASH to the Court of Appeal (filed on 2 August 2011) for clarification of the Order of the Court of Appeal dated 30 June 2011. On 28 July 2011, SYABAS' solicitors were notified by SPLASH's solicitors that the latter intend to file a Notice of Motion for leave to appeal to the Federal Court against the part of decision of the Court of Appeal which was not in their favour. Counsels have perused the Notice of Motion have filed the affidavit to oppose SPLASH's application. At the case management on SPLASH's Notice of Motion held on 11 August 2011, the Federal Court fixed the matter for hearing on 17 October 2011. The hearing of SPLASH's application for leave to appeal to the Federal Court against the decision of the Court of Appeal of 30 June 2011 which was fixed for 17 October 2011 was vacated. The court has fixed the application for case management on 3 November 2011. At the case management held on 3 November 2011 and upon the request of SPLASH's solicitors, the Federal Court had fixed the next case management on 6 December 2011 pending the hearing and disposal of the two (2) motions of SPLASH in the Court of Appeal (for clarification and to amend the Order dated 30 June 2011).

The Federal Court had at the case management held on 6 December 2011 fixed the matter for further case management on 30 January 2012 pending the hearing and disposal of the two (2) motions of SPLASH in the Court of Appeal (for clarification and to amend the Order dated 30 June 2011).

At the case management held on 30 January 2012, the Federal Court had fixed the matter for further case management on 23 February 2012 pending the hearing and disposal of the two (2) motions of SPLASH in the Court of Appeal (for clarification and to amend the Order dated 30 June 2011).

On 13 February 2011, the Plaintiff's solicitors informed the Court of Appeal that the Plaintiff's applications for motion for clarification and to amend the Order of the Court of Appeal dated 30 June 2011 was fixed for hearing on 20 February 2012.

At the hearing held on 20 February 2012 on the Plaintiff's applications for motion for clarification and to amend the Order of the Court of Appeal dated 30 June 2011 ("Order"), the Court of Appeal had :-

i) allowed the Order to be amended so that the relevant parts of the Order will read as :-

"Appeal is allowed in part. Order of the High Court is set aside except the declaration in paragraph 1 of the Order is affirmed subject to the deletion of the words "tanpa mengambil kira keupayaan Defendan untuk membayar kepada Plaintiff jumlah secara penuh", with no order as to costs".

ii) not made any Order on the Motion by SPLASH for clarification.

At the hearing held on 21 February 2012 on the Plaintiff's two (2) Motions namely, the applications for Interim Payment and Consequential Orders, the Plaintiff had withdrawn their motion for the Interim Payment. The High Court had fixed the hearing for the Consequential Order on 29 March 2012.

At the hearing held on 29 March 2012, the High Court had allowed the plaintiff to withdraw its application and ordered for the application to be struck out with cost of RM15,000 to be awarded to the Company.

On 29 August 2011, SYABAS' solicitors served a sealed copy of SPLASH'S Notice of Motion and Affidavit in Support which was affirmed on 3 August 2011. The motion for clarification of the decision of the Court of Appeal on 30 June 2011 fixed for hearing on 22 September 2011 has been adjourned to 27 October 2011, pending the clarification at the Court of Appeal and hearing of the notice of motion for leave to appeal to the Federal Court. The matter was fixed for mention on 27 October 2011. The Kuala Lumpur High Court allowed the application by Splash to adjourn the hearing on 27 October 2011, pending the clarification at the Court of Appeal and hearing of the notice of motion for leave to appeal to the Federal Court. The applications by SPLASH's for Consequential Orders and Interim Payment was fixed for hearing on 27 October 2011. On 27 October 2011, the Court has fixed both SPLASH's application for Consequential Orders and Interim Payment for Mention on 31 October 2011 to fix a new hearing date. SPLASH's applications for Consequential Orders and Interim Payment came up for Mention on 31 October 2011 and is now fixed for Hearing on 21 February 2012.

On 21 November 2011, SYABAS' solicitors informed that the Court of Appeal had fixed the Case Management for the motion for clarification and to amend the Order of the Court of Appeal and Decision dated 30 June 2011 on 22 November 2011. At the Case Management held on 22 November 2011 for the Plaintiff's application on the motion for clarification and to amend the Order of the Court of Appeal and Decision dated 30 June 2011, the Court of Appeal had informed that the Court will write to the parties once the hearing date is fixed.

At the case management held on 23 February 2012 pursuant to the motion by SPLASH for leave to appeal to the Federal Court, the Federal Court had fixed the matter for hearing on 10 May 2012.

At the hearing held on 29 March 2012 on the Plaintiff's application for a Consequential Order, the High Court had allowed the Plaintiff to withdraw its application and order for the application with loss of RM15,000 to be awarded to SYABAS.

On 10 May 2012, the Federal Court has postponed the hearing of SPLASH's motion for leave to appeal to the Federal Court to 9 August 2012.

The hearing scheduled to be held on 9 August 2012 for SPLASH's motion for leave to appeal to the Federal Court had been adjourned as the Court of Appeal has not provided the written grounds of Judgement. The Federal Court will write to the parties to fix the matter for Case Management and, subject to the availability of the written grounds of Judgement, another date would be fixed to hear the motion.

At the case management held on 22 October 2012, the Federal Court had fixed the Motion for Leave to appeal for Hearing on 28 February 2013.

e) Kerajaan Negeri Selangor (" State Government")

Kuala Lumpur High Court Originating Summons No D-24NCC-388-2010 - SYABAS vs Kerajaan Negeri Selangor

On 10 November 2010, SYABAS instituted legal proceedings against Kerajaan Negeri Selangor ("State Government") at the High Court in Kuala Lumpur vide Originating Summons No: D-24NCC-388-2010 which was supported by an affidavit in support dated 9 November 2010. In the said Originating Summons, SYABAS is seeking the following relief:-

- i) A declaration that upon a true construction of the Concession Agreement dated 15 December 2004, there is a sum of RM471,642,916.00 due and owing from the State Government to SYABAS for the period from 1 January 2009 to 31 December 2009;
- ii) That the State Government do pay the said sum of RM471,642,916.00 to SYABAS forthwith upon making of this Order;
- iii) Costs of the action to be paid by the State Government to SYABAS in any event; and
- iv) Such further or other relief or remedy as the Court shall deem just.

On 18 November 2010, the Originating Summons and the affidavit in support were served on the State Government. On 25 November 2010, the State Government's solicitors entered appearance on behalf of the State Government. The matter came up for case management on 2 December 2010 where the High Court allowed the State Government's solicitors' request for a 2 week extension of time to file the State Government's affidavit in reply and thereafter adjourned the matter for further case management on 16 December 2010. On the case management date 16 December 2010, the State Government's affidavit in reply dated 15 December 2010 was served on SYABAS' solicitors. The High Court then directed SYABAS to file its affidavit in reply by 31 December 2010 and further fixed the matter for Hearing on 11 February 2011. The High Court also directed parties to file their respective submissions by 8 February 2011. The High Court also informed that parties may agree between themselves any extension of time for filing of affidavits provided that the hearing date is not affected. In this regard, the State Government's solicitors agreed to SYABAS filing the affidavit in reply by 10 January 2011.

On 10 January 2011, SYABAS' solicitors filed SYABAS' affidavit in reply dated 10 January 2011 in the High Court and served a copy of the same on the State Government's solicitors. On 24 January 2011, the State Government's affidavit in reply dated 24 January 2011 was served on SYABAS' solicitors. On 2 February 2011, SYABAS' solicitors filed SYABAS' affidavit (3) dated 28 January 2011 in the High Court and served a copy of the same on the State Government's solicitors. On 7 February 2011, the State Government's solicitors served on SYABAS' solicitors a summons in chambers dated 7 February 2011 ("State Government's application") for inter alia, an Order to convert the Originating Summons into a writ action or alternatively that the State Government be given leave to cross-examine the deponent of SYABAS' affidavits, which was fixed for hearing on 11 February 2011. On 8 February 2011, SYABAS' solicitors filed the written submission for the Originating Summons. On 10 February 2011, SYABAS' solicitors filed SYABAS' affidavit dated 10 February 2011 in Court and served a copy of the same on the State Government's solicitors to oppose the State Government's application. On 23 February 2011, the State Government filed their Affidavit in Reply dated 23 February 2011 and served a copy of the same on Syabas' solicitors, in reply to Syabas' Affidavit dated 10 February 2011 in relation to the State Government's application.

On 11 February 2011, the High Court decided to hear the State Government's application first and fixed it for clarification/decision on 28 February 2011. As for the Originating Summons, the High Court fixed the matter for case management on 28 February 2011 immediately after the clarification and/or decision in respect of the State Government's application.

On 28 February 2011, the High Court allowed the State Government's application to convert the Originating Summons into a writ action. The matter was fixed for case management on 16 March 2011. The matter was fixed for further Case Management on 30 March 2011 pending the State Government's official response on its stand in respect of SYABAS' claim for compensation and tariff adjustment. The current judge for the case had recused himself from hearing the case any further. The matter was fixed for case management before a new judge on 11 April 2011 which subsequently upon written request by SYABAS's solicitors, was rescheduled to 12 April 2011.

The matter came up for Case Management for the first time before NCCI High Court Judge on 12 April 2011. The parties informed the learned Judge that they are working out the mechanics of the proposed hearing. The learned Judge then fixed a further case management date on 6 May 2011.

The Court has fixed the matter for further case management on 10 May 2011 to enable the defendant's leading counsel to attend the same. The Court has further fixed the case management on 27 May 2011 pending the defendant's filing of an application to join the Federal Government as a party to the proceedings. As the defendant had decided not to bring in the Federal Government as a party to the proceedings, the case management on 27 May 2011 was fixed for further case management on 28 June 2011 for Syabas to take instruction on the mode of action and pleadings.

At the case management held on 28 June 2011, the High Court allowed SYABAS' application to withdraw with liberty to file afresh by way of a writ of summons with no order as to costs. The withdrawal of the suit by SYABAS with liberty to file afresh with no order as to costs are for the following reasons:-

- i) It was the defendant's application to convert the originating summons to a writ;
- ii) It will be more appropriate in the circumstances to have proper pleadings rather than the present affidavit form;
- iii) The plaintiff still intend to proceed with the claim by way of a fresh writ action.

f) Kerajaan Negeri Selangor (" State Government")

Kuala Lumpur High Court Suit No: 22NCC-1478-09/2011 - SYABAS vs State Government

On 8 September 2011, SYABAS has instituted legal proceedings against the State Government via the filing of a Writ and Statement of Claim at the High Court for a sum of RM1,054,208,382 being compensation from 1 January 2009 to 31 March 2011 from the State Government under the term of the Concession Agreement dated 15 December 2004 between SYABAS, the Federal Government and the State Government.

In the Statement of Claim, SYABAS is praying for the following Orders:-

- i) A declaration that upon a true construction of the Concession Agreement dated 15 December 2004, there is a sum of RM1,054,208,382.00 due and owing from the State Government to SYABAS for the period from 1 January 2009 to 31 March 2011;
- ii) That the State Government do pay the said sum of RM1,054,208,382.00 to SYABAS forthwith upon making of the Order;
- iii) Costs of the action be paid by the State Government to SYABAS in any event; and
- iv) Such further or other relief or remedy as the Court shall deem just.

At the case management held on 10 October 2011, the State Government's solicitors informed the High Court that the Memorandum of Appearance was filed on 30 September 2011 and an application for leave to file Defence was filed in the Kuala Lumpur High Court on 10 October 2011. The Court then fixed a further case management on 4 November 2011 for further directions. On 14 October 2011, the Court allowed the defendant to file the Defence latest by 4 November 2011 and the plaintiff to file the Reply latest by 18 November 2011. The Court maintained the case management scheduled on 4 November 2011 to monitor the progress of the suit. On 4 November 2011, the State Government's solicitors informed the Court that the Defence was filed on 4 November 2011. The Court directed Syabas to file the notice to attend pre-trial case management after filing the Reply by 18 November 2011. The Court fixed the next case management on 29 November 2011.

On 21 November 2011, SYABAS' Reply had been filed in the High Court and served on the defendant's solicitors on 18 November 2011.

At the case management held on 29 November 2011, the High Court had fixed a further case management on 14 December 2011 for SYABAS to file the notice to attend pre-trial case management upon the close of pleadings and for the State Government to apply for leave to issue a third party notice against the Federal Government.

The matter which came up for case management on 14 December 2011 was fixed for mention on 23 December 2011 in order to fix a hearing date for the defendant's application for leave to issue a Third Party Notice against the Federal Government, which was filed in Court on 14 December 2011.

At the mention held on 23 December 2011, the Federal Government had objected to the defendant's application for leave to issue a Third Party Notice against the Federal Government. The High Court had fixed the matter for another case management on 26 January 2012 and hearing on 16 February 2012.

At the case management held on 26 January 2012 for the defendant's application to issue a third party notice (in Enclosure 13), the High Court had fixed 8 February 2012 for the plaintiff to file in an affidavit in reply to the defendant's affidavit dated 25 January 2012 and further fixed 13 February 2012 for parties to file their respective submissions simultaneously. The hearing date previously fixed on 16 February 2012 was maintained.

At the hearing held on 16 February 2012, the Defendant's application for leave to issue a Third Party Notice against the Federal Government ("Application"), the High Court had allowed the Defendant's Application with no order as to cost and had further fixed the matter for case management for Third Party Direction on 5 March 2012, and Trial of the main Suit on 29 May 2012 and 30 May 2012, respectively.

On 5 March 2012, the Kuala Lumpur High Court had fixed the matter for case management on 28 March 2012 to allow the State Government and the Federal Government to file and serve their respective pleadings in the third party proceedings.

On 28 March 2012, the Kuala Lumpur High Court had fixed the matter for further case management on 17 April 2012 to allow the parties to finalise the issues to be tried, bundle of documents and list of witnesses. The High Court had also fixed two (2) further trial dates for the matter on 14 and 15 June 2012 in addition to the 29 and 30 May 2012 which had been fixed earlier. The High Court had rescheduled the case management for application of the Defendant to 27 April 2012 which was subsequently adjourned to 30 April 2012.

The Kuala Lumpur High Court had fixed the matter for further case management on 8 May 2012 and 15 May 2012.

At the case management held on 15 May 2012 which was heard together with the hearing fixed for the application to amend the Statement of Claim filed by SYABAS on 14 May 2012, the Kuala Lumpur High Court had fixed a further hearing date on 22 May 2012 to allow the parties to file and serve their respective affidavits. The case management is also fixed on the same date.

At the case management held on 22 May 2012 evening on the application to amend the Statement of Claim filed by SYABAS, the High Court had adjourned the matter to 25 May 2012 for decision.

On 25 May 2012, the High Court had adjourned the decision on the application to amend the Statement of Claim filed by SYABAS to 29 May 2012 to allow the parties to further deliberate and submit on the matter. The trial dates fixed on 29 May 2012 and 30 May 2012 as announced earlier are now vacated for the aforementioned purpose. The trial dates fixed on 14 June 2012 and 15 June 2012 remain unchanged.

On 29 May 2012, the High Court had allowed the application to amend the Statement of Claim filed by SYABAS and further fixed the matter for case management on 14 June 2012. The trial dates of 14 June 2012 and 15 June 2012 as announced previously have been vacated.

The High Court has further fixed 4 September 2012, 6 September 2012 and 7 September 2012 as the new trial dates.

At the case management held on 14 June 2012, in addition to the existing trial dates fixed on 4 September 2012, 6 September 2012 and 7 September 2012, the High Court had fixed three (3) additional trial dates on 30 October 2012, 31 October 2012 and 1 November 2012 respectively. The High Court had further directed the parties to file additional bundle of documents (if any) and the issues to be tried on or before 31 July 2012, and their respective witness statements one (1) week before the trial.

On 22 June 2012, the Defendant has filed an appeal to the Court of Appeal against the Order dated 29 May 2012 of the High Court allowing the Plaintiff's application to amend the Statement of Claim.

On 28 June 2012, the Court of Appeal had fixed the Defendant's appeal against the Order dated 29 May 2012 of the High Court allowing SYABAS' application to amend the Statement of Claim, for Case Management on 12 July 2012.

At the case management held on 12 July 2012 for the Defendant's appeal against the Order dated 29 May 2012 of the High Court allowing SYABAS' application to amend the Statement of Claim, the Court of Appeal had fixed the matter for further case management on 14 August 2012 for further direction.

The Court of Appeal had also directed the Defendant to file in the Record of Appeal by 9 August 2012.

On 14 August 2012, the Court of Appeal had fixed the hearing for the Defendant's appeal against the Order dated 29 May 2012 of the Kuala Lumpur High Court allowing SYABAS' application to amend the Statement of Claim on 8 October 2012. The Court of Appeal also directed the parties to file their respective written submission on or before 24 September 2012.

The Kuala Lumpur High Court had via letter dated 13 August 2012 fixed the matter for case management on 16 August 2012.

At the case management held on 16 August 2012, the solicitors for the Defendant had requested for the trial dates on 4 September 2012, 6 September 2012 and 7 September 2012 to be vacated pending disposal of the Defendant's appeal against the Order dated 29 May 2012 of the Kuala Lumpur High Court allowing SYABAS' application to amend the Statement of Claim ("Appeal"). The Appeal is fixed for hearing at the Court of Appeal on 8 October 2012, as previously announced by the Company on 14 August 2012.

The High Court agreed to vacate the trial dates on 4 September 2012 and 7 September 2012. The witness for SYABAS will give evidence in chief on 6 September 2012. The trial will continue on 30 October 2012, 31 October 2012, and 1 November 2012 respectively. The parties are to file their respective witness statements one (1) week before the commencement of the trial.

The trial held on 6 September 2012 had been adjourned to 30 October 2012, 31 October 2012 and 1 November 2012, the trial dates previously fixed and announced on 17 August 2012, pending the Plaintiff and the Third Party to file in their respective supplementary/fresh witness statements.

At the hearing held on 8 October 2012 for the State Government's appeal against the Order dated 29 May 2012 of the High Court allowing SYABAS' application to amend the Statement of Claim ("Appeal"), the Court of Appeal had allowed the Appeal with costs.

On 15 October 2012, SYABAS' solicitors had filed a motion for leave at the Federal Court to appeal the decision made by the Court of Appeal dated 8 October 2012. The Federal Court had also fixed the motion for hearing on 23 October 2012.

At the hearing held on 23 October 2012, the Federal Court had granted leave to SYABAS to appeal to the Federal Court on the decision made by the Court of Appeal dated 8 October 2012 ("Appeal"). The Federal Court had also directed for an early date to be fixed for the hearing of the Appeal. Pursuant to the leave granted by the Federal Court, SYABAS will instruct its solicitors to proceed with the filing of the relevant notice of appeal and appeal record.

In view of the fact that the Federal Court had on 23 October 2012 granted leave to SYABAS to appeal to the Federal Court against the decision dated 8 October 2012 of the Court of Appeal (which allowed the defendant's appeal against the decision of the High Court on 29 May 2012 granting leave to SYABAS to amend its claim), the High Court had on 30 October 2012 adjourned the trial fixed for 30 October 2012, 31 October 2012 and 1 November 2012 pending the outcome of SYABAS' appeal to the Federal Court. The High Court had fixed new trial dates on 11 January 2013, 13 February 2013, 14 February 2013 and 15 February 2013 and also fixed case management on 17 December 2012 for the parties to inform the Kuala Lumpur High Court on the outcome of SYABAS' appeal to the Federal Court.

On 20 November 2012, the Federal Court had fixed SYABAS' appeal to the Federal Court against the decision made by the Court of Appeal dated 8 October 2012, for case management on 22 November 2012.

At the case management held on 22 November 2012, the Federal Court had fixed 10 December 2012 for further case management pending the extraction of the notes of evidence and the grounds of judgment delivered by the Court of Appeal on 8 October 2012.

g) Konsortium ABASS Sdn Bhd ("Konsortium ABASS")

Kuala Lumpur High Court Writ Summons No: 22NCC-543-2011

SYABAS had been served with a Writ and Statement of Claim ("Statement of Claim") dated 28 March 2011 from the solicitors acting for Abass on 30 March 2011.

In the Statement of Claim, ABASS is claiming against SYABAS for, inter alia, the following:-

- i) A declaration that SYABAS is liable to make full payment on all invoices issued by ABASS pursuant to the Privatization Cum Concession Agreement dated 9 December 2000, the Supplemental Agreements dated 10 February 2001, 28 August 2001 and 15 February 2005 and the Novation Agreement dated 15 February 2005 particularly in accordance to Section 4.04 (c) of the Novation Agreement and that SYABAS's liability to make payment in full is not in any way diminished or mitigated by reason of its right to make proportionate payment to the water concessionaires;
- ii) Judgment for the sum of RM149,478,553.02;
- iii) An account of all payments due to ABASS in respect of invoices issued after the date of the Writ herein be taken by the Honourable Court and an order that SYABAS do pay ABASS all such sums found to be due on the taking of such account;
- iv) Interest on the outstanding amount of the invoices for the months from January 2010 to October 2010 at the rate of 1 % per annum plus the base lending rate of Malayan Banking Berhad calculated on daily basis until the date of full payment by SYABAS;
- v) Interest on the outstanding amount of the previous outstanding invoices for the months from June 2006 to December 2009 in the sum of RM6,218,522.57;
- vi) Alternative to prayers (3) and (4) above, interest at the rate of 8 % per annum on the outstanding amount of each of the outstanding invoices to be calculated from the respective due date until the date of full payment by SYABAS;
- vi) Damages for breach of contract; and
- vii) Costs

SYABAS was required to enter appearance within 8 days from 30 March 2011 and the Court fixed the matter for Case Management on 12 April 2011.

SYABAS' solicitors filed the Memorandum of Appearance in relation to the Suit on 4 April 2011 and the same had been served on the Plaintiff's solicitors on 5 April 2011.

The High Court fixed the matter for Case Management on 12 April 2011. At the Case Management on 12 April 2011, the High Court fixed a further Case Management on 30 May 2011 in order for SYABAS to file its Defence latest by 6 May 2011 and for ABASS to file its reply (if any).

SYABAS' Defence and Counterclaim had been filed in Court and a copy thereof served on the solicitors of Konsortium Abass respectively, on 6 May 2011.

The matter came up for Case Management on 30 May 2011 and the Court has fixed 7 July 2011 for Mention pending SYABAS' reply to the Plaintiff's Reply & Defence to counterclaim.

At the Case Management held on 7 July 2011, the Court fixed the next Case Management on 29 July 2011 for the defendant to file a reply affidavit to the plaintiff's application pursuant to Order 33 Rule 2 Rules of the High Court 1980 for certain preliminary issues to be heard before the trial of other questions or issues in the action, and also for the defendant to serve the application for leave to issue a third party notice on the relevant parties.

At the Case Management on 29 July 2011 the High Court fixed a further Case Management date on 26 August 2011 to fix a hearing date for the plaintiff's application pursuant to Order 33 Rule 2 Rules of the High Court 1980 for certain preliminary issues to be heard before the trial of other questions or issues in the action, and also for the defendant's application for leave to issue a third party notice on the relevant parties.

On 29 July 2011, SYABAS had filed a reply affidavit to the plaintiff's application pursuant to Order 33 Rule 2 Rules of the High Court 1980 for certain preliminary issues to be heard before the trial of other questions or issues in the action, and had served the application for leave to issue a Third Party Notice on the relevant parties.

The High Court has further fixed 19 August 2011 for the plaintiff to file a reply affidavit and for SYABAS to reply, if any, on 26 August 2011. The High Court has also fixed a further Case Management date on 26 August 2011 for the High Court to fix a hearing date and on 11 August 2011, the High Court also fixed 26 August 2011 for the plaintiff to file its reply affidavit in respect of the plaintiff's application pursuant to Order 33 Rule 2 and also the defendant's application for leave to issue a third party notice. On the same case management date, the defendant is to inform the High Court whether it wishes to file any further affidavits in respect of the three applications.

At the case management held on 26 August 2011, the High Court has fixed the next case management on 26 September 2011 for the defendant to file its reply affidavits and for the parties to exhaust all their affidavits in respect of the plaintiff's application pursuant to Order 33 Rule 2, the defendant's application for leave to issue a third party notice and also the defendant's application to amend the Defence and Counterclaim.

At the case management held on 26 September 2011, the High Court has fixed the next case management on 5 October 2011 to fix a hearing date in respect of the plaintiff's application pursuant to Order 33 Rule 2, the defendant's application for leave to issue a third party notice and also the defendant's application to amend the Defence and Counterclaim.

At the case management held on 5 October 2011, the High Court has fixed the hearing on 21 October 2011 in respect of the defendant's application for leave to issue a third party notice and also the defendant's application to amend the Defence and Counterclaim and further fixed the hearing on 21 November 2011 in respect of the plaintiff's application pursuant to Order 33 Rule 2.

On 21 October 2011, the High Court has fixed 31 October 2011 for Decision in respect of the defendant's application for leave to issue a third party notice and the defendant's application to amend the Defence and Counterclaim. On 31 October 2011, the Court was postponed the Decision in respect of the defendant's applications for leave to issue a third party notice and the application to amend the Defence and Counterclaim to 3 November 2011. The High Court had on 3 November 2011 allowed both the defendant's application for leave to issue a third party notice and the application to amend the Defence and counterclaim. The High Court fixed a further case management date on 17 November 2011 to enable the defendant to serve the third party notice on the State Government of Selangor and to deliver the Amended Defence and Counterclaim. The plaintiff had appealed to the Judge in chambers against the decisions of the High Court to allow SYABAS' application for leave to issue a third party notice and application to amend the Defence and counterclaim. The Court has fixed both appeals for hearing on 23 November 2011.

Pursuant to the Third Party (Selangor State Government) filing the memorandum of appearance on 17 November 2011, the matter is now fixed for further case management on 23 November 2011 for SYABAS to file the Summons for Third Party Directions. On 21 November 2011, the High Court had adjourned the hearing for the Plaintiff's application pursuant to Order 33 Rule 2 to 13 January 2012.

At the hearing held on 13 January 2012, pursuant to the Plaintiff's application for trial of the preliminary issues pursuant to Order 33 Rule 2, the High Court had adjourned the matter pending the disposal of the hearing of the motion for clarification by SPLASH at the Court of Appeal and the leave to appeal at the Federal Court. The case was fixed for mention on 13 February 2012.

The plaintiff's Notices of Appeal to the Judge in chambers against the decisions of the High Court on 3 November 2011 came up for hearing on 23 November 2011. After hearing submission from the counsel, the High Court adjourned the matter for decision on 8 December 2011. At the case management held on 23 November 2011, the High Court was informed that the Summons for Third Party Directions was filed on 23 November 2011 and the matter was fixed for hearing on 30 November 2011.

At the hearing held on 30 November 2011, for the Summons for Third Party Directions, the Kuala Lumpur High Court ordered that:-

- i) The defendant serve its Statement of Claim on the Third Party within fourteen (14) days from 30 November 2011, who shall plead thereto within fourteen (14) days;
- ii) The Third Party be at liberty to appear at the trial of this action and take such part as the Judge shall direct, and be bound by the result of the trial;
- iii) The question of liability of the Third Party to indemnify the defendant be tried at the trial of this action, but subsequent thereto; and
- iv) The costs of this application be costs in the cause and in the Third Party proceedings.

The High Court had fixed a further case management on 5 January 2012.

On 8 December 2011, the High Court had dismissed the plaintiff's Notices of Appeal against the decisions dated 3 November 2011 in allowing the defendant's application to issue a third party notice and to amend the Defence and counterclaim, with costs awarded to the defendant.

SYABAS' Statement of Claim on the Third Party was filed in Court and served on the plaintiff's and Third Party's solicitors on 14 December 2011.

At the case management held on 5 January 2012, the Court had fixed the next case management on 20 January 2012 for the defendant to file a reply to the Third Party's defence.

At the case management held on 20 January 2012, the High Court had fixed the trial dates tentatively on 19 March 2012 to 21 March 2012. The High Court also fixed the case management for the matter on 13 February 2012, 5 March 2012 and 12 March 2012, pending the outcome of the Plaintiff's application for trial of preliminary issues pursuant to Order 33 Rule 2 which was fixed for mention on 13 February 2012.

The Defendant had been served with a sealed copy of the State Government's application to set aside the Third Party notice and statement of claim by the Defendant on 2 February 2012. The application was fixed for case management on 13 February 2012.

At the case management held on 13 February 2012 in relation to the State Government's application to set aside the Third Party notice and Statement of Claim by the Defendant, the High Court had fixed the matter for further case management on 5 March 2012.

At the case management held on 13 February 2012 in relation to the State Government of Selangor's application to set aside the Third Party notice and Statement of Claim by the Defendant, the High Court had fixed the matter for further case management on 5 March 2012. At the case management held on 5 March 2012, as the Judge had recused himself, the High Court would transfer the matter to another court and inform the Parties once new dates are fixed for the said matter. The Company's solicitors had on 15 March 2012 informed that the High Court had by way of letter dated 14 March 2012 informed the Parties that the case would be heard by a new Judge and the matter was fixed for case management on 16 March 2012. At the case management held on 16 March 2012, the High Court had fixed the matter for further case management on 20 April 2012.

In the PNHB's earlier separate announcements on the SPLASH case (KL High Court Civil Suit No. D-22NCC-398-2009), the Court of Appeal had fixed 20 February 2012 for clarification of its decision dated 30 June 2011 and that the application for leave by SPLASH to appeal to the Federal Court arising from the decision of the Court of Appeal dated 30 June 2011 had been fixed for case management on 23 February 2012 at the Federal Court.

At the mention held on 13 February 2012, the High Court had adjourned the matter in relation to the Plaintiff's application for trial of preliminary issues pursuant to Order 33 Rule 2 to 5 March 2012, pending the clarification at the Court of Appeal and the case management at the Federal Court in the SPLASH case. On 5 March 2012, the learned Judge recused himself from hearing the matter in relation to the Plaintiff's application for trial of preliminary issues pursuant to Order 33 Rule 2. Accordingly, the case will be referred for transfer to another court and a new date to be advised by the High court Registry in due course. The trial dates tentatively fixed from 19 to 21 March 2012 had been vacated.

The High Court had by way of a letter dated 14 March 2012 informed the Parties that the case would be heard by a new Judge and the matter is fixed for Case Management on 16 March 2012 which was subsequently further fixed to 20 April 2012.

On 20 April 2012, the parties informed the Court that they have no objection that the learned Judge is hearing the matter. The Court directed as follows:

- a) The application by the Third Party Notice and the Statement of Claim against the Third Party is fixed for Hearing on 28 June 2012 with submissions in reply (if any) to be filed on or before 15 June 2012; and
- b) The Plaintiff's application for Trial of Preliminary Issues pursuant to Order 33 Rule 2 is fixed for Hearing on 10 August 2012.

The Plaintiff's application for Interim Payment is fixed for Mention on 10 August 2012.

On 28 June 2012, the High Court had fixed the application by the Third Party to set aside the Third Party Notice and the Statement of Claim against the Third Party for further hearing on 3 July 2012.

At the hearing held on 3 July 2012 in relation to the application by the Third Party to set aside the Third Party Notice and the Statement of Claim against the Third Party, the High Court had adjourned the matter to 31 July 2012 for decision.

On 31 July 2012, the High Court had allowed the Third Party's application to set aside the Third Party Notice and the Statement of Claim issued against the Third Party by the Defendant with costs of RM10,000.00 and SYABAS is currently taking legal advice on whether to appeal the decision to the Court of Appeal.

SYABAS' solicitors had on 2 August 2012 filed the Notice of Appeal at the Court of Appeal against the decision by the High Court on 31 July 2012 to allow the Third Party's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the Third Party.

At the hearing held on 10 August 2012 on the plaintiff's application for Trial of Preliminary Issues pursuant to Order 33 Rule 2 ("Application"), the High Court had adjourned the Application for continued hearing on 23 August 2012 and had also fixed the Application for decision on 3 September 2012.

The High Court had also at the mention held on 10 August 2012 on the plaintiff's application for Interim Payment, fixed the next mention on 3 September 2012.

On 3 September 2012, the High Court had allowed the plaintiff's application for Trial of Preliminary Issues pursuant to Order 33 Rule 2 ("Application") with costs in the cause with directions. The Kuala Lumpur High Court had further fixed the matter for case management on 5 September 2012 to fix trial dates.

The High Court had at the mention held on 3 September 2012 on the plaintiff's application for Interim Payment, fixed the matter for case management on 5 September 2012.

At the case management held on 5 September 2012 on the plaintiff's application for Trial of Preliminary Issues pursuant to Order 33 Rule 2, SYABAS' solicitors informed the Kuala Lumpur High Court that by a Notice of Assignment dated 15 August 2012, SYABAS was informed by the plaintiff that by a Deed of Assignment dated 10 August 2012, the plaintiff had assigned to Maybank Investment Bank Berhad its rights title and interest under the Novation Agreement dated 15 February 2005 and in view of this latest development, SYABAS will be making an application to re-amend its defence and counterclaim.

The High Court had adjourned the case management of the action and the plaintiff's application for Interim Payment to 2 October 2012, pending filing of SYABAS' application to re-amend its defence and counterclaim.

At the case management held on 13 September 2012, the Court of Appeal had fixed the matter in relation to the appeal made by SYABAS against the decision by the Kuala Lumpur High Court on 31 July 2012 allowing the Third Party's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the Third Party, for hearing on 27 November 2012. The Court of Appeal also directed that the appeal record be filed on or before 27 September 2012.

On 2 October 2012, the High Court had fixed 8 November 2012 for hearing of SYABAS' application to re-amend its defence and counterclaim to enable parties to exhaust the filing of affidavits and fixed the next case management of the action and the plaintiff's application for Interim Payment on 8 November 2012.

On 8 November 2012, the High Court had allowed SYABAS' application to re-amend its defence and counterclaim with costs in the cause. The High Court had directed SYABAS to re-amend its defence and counterclaim within seven (7) days from today. The High Court had given the plaintiff the liberty to make consequential amendments to its amended reply to defence and defence to counterclaim within fourteen (14) days from the date of service of SYABAS' re-amended defence and counterclaim.

The High Court also fixed the trial dates on 22 April 2013, 23 April 2013 and 24 April 2013 and case management of the action and the plaintiff's application for Interim Payment on 30 November 2012.

On 26 November 2012, following the application made by the counsel of Selangor State Government to the Court of Appeal on 20 November 2012, SYABAS' solicitors were informed by the counsel of Selangor State Government vide a letter dated 23 November 2012 that the Court of Appeal had granted adjournment and vacated the hearing fixed on 27 November 2012 in relation to the appeal made by SYABAS against the decision by the High Court on 31 July 2012 allowing the Third Party's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the Third Party, to a date to be fixed by the Court of Appeal in due course.

h) Shah Alam High Court Civil Suit No : 21NCVC-34-2011 - SPLASH vs State Government

On 28 October 2011, the Company's 70% owned subsidiary, Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") received a Third Party Notice issued by the Selangor Government.

In the suit, SPLASH had commenced action against the Selangor Government for the sum of RM563,732,669.62 together with costs and interest. The Selangor Government claims against SYABAS in the event of the Selangor Government's liability to SPLASH, an indemnity for the said sum together with costs and interest. SYABAS is required to enter appearance to the Third Party Notice within twelve (12) days of the service of the Notice and has appointed solicitors to act on its behalf in the matter.

On 1 November 2011, SYABAS' solicitors had filed the memorandum of appearance to the Third Party Notice at the Shah Alam High Court and served on the Selangor Government's solicitor.

SPLASH had withdrawn the Writ of Summons dated 8 March 2012 with liberty to file afresh. As such, the Third Party Notice dated 3 October 2011 filed by the Defendant against SYABAS to join SYABAS as third party in the main suit is now rendered academic.

i) Kuala Lumpur High Court Civil Suit No : 22NCC-1336-08/2012 - PNSB vs SYABAS

On 30 August 2012, Puncak Niaga (M) Sdn Bhd ("PNSB") had instituted legal proceedings against Puncak Niaga Holdings Berhad's 70% owned subsidiary, SYABAS via the filing of a Writ of Summons and Statement of Claim dated 30 August 2012 at the High Court for amount due for payment as of 30 April 2012 for the supply and purchase of treated water. ("Amount Due as of 30 April 2012").

In the Statement of Claim, PNSB is claiming the following:-

- i) The Amount Due For Payment of RM1,211,156,583.09 being the unpaid due amount accrued as of 30 April 2012; in the alternative, the Amount Due For Payment of RM1,072,725,761.32 being the unpaid due amount accrued as of 30 April 2012;
- ii) Alternatively, such other sum or sums as may be assessed by the Honourable Court to be due to the Plaintiff from the Defendant as at 30 April 2012;
- iii) Further, all sums arising and due to the Plaintiff from the Defendant under the provisions of the Water Supply Agreements accruing after 30 April 2012 until the date of Judgment;
- iv) Costs;
- v) Interest;
- vi) Such further and alternative reliefs as the Honourable Court deems fit and proper.

The solicitors of PNSB had on 4 September 2012 served on SYABAS the Writ of Summons and Statement of Claim dated 30 August 2012 for Amount Due as of 30 April 2012.

The High Court has fixed the matter for case management on 21 September 2012.

SYABAS' solicitors had filed a Memorandum of Appearance on behalf of SYABAS on 14 September 2012 and the said Memorandum of Appearance was served on PNSB's solicitors on 18 September 2012. At the Case Management of this matter held on 21 September 2012, a further Case Management date of 8 November 2012 was fixed pending SYABAS' filing of its Statement of Defence. SYABAS filed its Statement of Defence on 17 October 2012 and had subsequently filed the Amended Statement of Defence dated 25 October 2012.

On 8 November 2012, the High Court had directed the Plaintiff to file its Reply to the Defendant's Amended Defence dated 25 October 2012 by 22 November 2012. The High Court had also fixed the next case management date on 3 December 2012.

Save as disclosed above, there are no other pending material litigations and arbitrations as at the latest practicable date prior to the issuance of this interim financial statements.

B11 Dividend

No dividend has been proposed or declared under the current financial quarter and financial year-to-date under review (1.1.2011 to 31.12.2011 : Nil).

B12 Earnings per share ("EPS")**a) Basic EPS**

Basic EPS are calculated by dividing the profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 3 months ended 30.9.2012	Preceding Year Corresponding Quarter 30.9.2011	Current Year to date 9 months ended 30.9.2012	Preceding Year Corresponding Period 30.9.2011
Profit net of tax attributable to owners of the parent	(RM'000)	78,219	5,001	225,041	589
Weighted average number of ordinary shares in issue	('000)	409,106	409,106	409,106	409,106
Basic EPS	(sen)	19.12	1.22	55.01	0.14

b) Diluted EPS

Not applicable.

B13 Retained profit

	As at 30.9.2012 RM'000	As at 31.12.2011 RM'000 (Restated)
Total retained profit/(accumulated losses)		
- Realised	40,015	(264,359)
- Unrealised	(474,227)	(395,177)
	(434,212)	(659,536)
Total share of accumulated losses from associated companies:		
- Realised	(2)	(1)
Total share of retained profit from joint venture:		
- Realised	1,136	1,252
	(433,078)	(658,285)
Less : Consolidation adjustments	691,542	691,758
Total group retained profit as per consolidated accounts	258,464	33,473

By Order of the Board

TAN BEE LIAN (MAICSA 7006285)
LIM YEW HEANG (MAICSA 7007653)
Secretaries

Shah Alam
27 November 2012