

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014
Condensed Consolidated Statement of Profit or Loss

	<i>Note</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	To date	Corresponding
		3 months ended	Quarter	12 months ended	Period
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations					
Revenue	<i>A15(a)</i>	241,649	144,022	606,635	514,348
Other income		14,017	28,552	36,113	51,897
Operating costs		(222,532)	(203,469)	(622,359)	(624,339)
Depreciation and amortisation expenses		(3,150)	(3,016)	(11,161)	(10,084)
Profit/(loss) from operations		29,984	(33,911)	9,228	(68,178)
Finance costs		(3,339)	(5,460)	(18,067)	(11,075)
Share of results of associates		-	(2)	(1)	(2)
Share of results of joint venture		-	73	(44)	(246)
Profit/(loss) before tax		26,645	(39,300)	(8,884)	(79,501)
Taxation:-					
- Income taxation		208	(12,421)	154	(8,822)
- Deferred taxation		(4,284)	16,263	1,505	13,724
	<i>B5</i>	(4,076)	3,842	1,659	4,902
Profit/(loss) net of tax from continuing operations		22,569	(35,458)	(7,225)	(74,599)
Discontinued operations					
Profit net of tax from discontinued operations	<i>A16</i>	58,842	57,911	255,177	274,400
Profit net of tax		81,411	22,453	247,952	199,801
Attributable to:					
Owners of the parent		81,700	22,625	248,383	200,551
Non-controlling interests		(289)	(172)	(431)	(750)
Profit net of tax		81,411	22,453	247,952	199,801
		sen	sen	sen	sen
Earnings/(loss) per share attributable to owners of the parent:					
- basic	<i>B11</i>				
continuing operations		5.53	(8.62)	(1.66)	(18.05)
discontinued operations		14.23	14.15	62.17	67.07
		19.76	5.53	60.51	49.02

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014
Condensed Consolidated Statement of Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To date	Corresponding
	3 months ended	Quarter	12 months ended	Period
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Profit net of tax	81,411	22,453	247,952	199,801
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation	(8,199)	632	(5,453)	6,069
Net fair value difference of short-term investment	33	(1,758)	213	(632)
Item that may not be subsequently reclassified to profit or loss				
Revaluation of land and building, net of tax	50,631	-	50,631	-
Total comprehensive income	123,876	21,327	293,343	205,238
Total comprehensive income/(loss) attributable to:				
Owners of the parent	124,045	21,506	293,103	205,876
Non-controlling interests	(169)	(179)	240	(638)
	123,876	21,327	293,343	205,238

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014
Condensed Consolidated Statement of Financial Position

	Note	As at 31.12.2014 RM'000 Unaudited	As at 31.12.2013 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	A10	244,416	426,219
Investment properties	A10	181,495	-
Operating financial assets		-	743,771
Service concession assets		64,512	84,562
Investment in associates		46	45
Investment in joint venture		814	858
Goodwill		26,351	26,254
Trade and other receivables	A11	-	1,841,450
Deferred tax assets		18,227	14,966
		<hr/> 535,861	<hr/> 3,138,125
Current assets			
Inventories		1,209	5,318
Trade and other receivables		239,318	596,230
Operating financial assets		-	98,088
Short-term investments		10,269	50,029
Tax recoverable		6,799	86,659
Cash and bank balances		446,347	671,906
		<hr/> 703,942	<hr/> 1,508,230
Assets classified as held for sale	A16	3,618,099	-
		<hr/> 4,322,041	<hr/> 1,508,230
TOTAL ASSETS		<hr/> 4,857,902	<hr/> 4,646,355
Equity and liabilities			
Equity attributable to equity owners of the parent			
Share capital		415,960	411,261
Reserves		1,665,929	1,371,436
Treasury shares		(5,941)	(5,941)
Shareholders' equity		<hr/> 2,075,948	<hr/> 1,776,756
Non-controlling interest		(1,967)	(2,207)
Total equity		<hr/> 2,073,981	<hr/> 1,774,549
Non-current liabilities			
Provision for retirement benefits		-	2,052
Loans and borrowings	B7	191,380	1,933,031
Trade and other payables		150	5,252
Deferred tax liabilities		21,235	475,236
		<hr/> 212,765	<hr/> 2,415,571
Current liabilities			
Loans and borrowings	B7	29,981	120,720
Trade and other payables		269,518	335,028
Tax payable		306	487
		<hr/> 299,805	<hr/> 456,235
Liabilities classified as held for sale	A16	2,271,351	-
		<hr/> 2,571,156	<hr/> 456,235
Total liabilities		<hr/> 2,783,921	<hr/> 2,871,806
TOTAL EQUITY AND LIABILITIES		<hr/> 4,857,902	<hr/> 4,646,355
Net assets per share attributable to owners of the parent (RM)		<hr/> 5.02	<hr/> 4.34

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014
Condensed Consolidated Statement of Changes in Equity

Note	Attributable to Owners of the Parent											
	Non-distributable							Distributable				
	Share Capital	Share Premium	Treasury Shares	Foreign Currency Exchange Reserves	Revaluation Reserves	Equity Component of RCSSI	Other Reserves	Available-for-sale Reserves	Retained Earnings	Total	Non-controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months period ended 31 December 2014												
At 1 January 2014	411,261	102,879	(5,941)	5,387	69,088	6,770	(340,943)	29	1,528,226	1,776,756	(2,207)	1,774,549
Profit/(loss) for the year	-	-	-	-	-	-	-	-	248,383	248,383	(431)	247,952
Total other comprehensive income/(expenses) :												
Foreign currency translation	-	-	-	(6,308)	-	-	184	-	-	(6,124)	671	(5,453)
Fair value gain on short-term investment	-	-	-	-	-	-	-	213	-	213	-	213
Revaluation of land and building, net of tax	-	-	-	-	50,631	-	-	-	-	50,631	-	50,631
	-	-	-	(6,308)	50,631	-	184	213	-	44,720	671	45,391
Total comprehensive income/(expenses)	-	-	-	(6,308)	50,631	-	184	213	248,383	293,103	240	293,343
Contribution by and distributions to owners of the Company :												
Exercise of warrants	2,949	-	-	-	-	-	-	-	-	2,949	-	2,949
Conversion of Redeemable Convertible Secured Sukuk Ijarah	1,750	1,750	-	-	-	(360)	-	-	-	3,140	-	3,140
Total transactions with owners of the Company	4,699	1,750	-	-	-	(360)	-	-	-	6,089	-	6,089
At 31 December 2014	415,960	104,629	(5,941)	(921)	119,719	6,410	(340,759)	242	1,776,609	2,075,948	(1,967)	2,073,981
12 months period ended 31 December 2013												
At 1 January 2013	411,143	102,879	(5,941)	(570)	69,088	-	(340,943)	661	1,348,130	1,584,447	(1,569)	1,582,878
Profit/(loss) for the year	-	-	-	-	-	-	-	-	200,551	200,551	(750)	199,801
Total other comprehensive income/(expenses) :												
Foreign currency translation	-	-	-	5,957	-	-	-	-	-	5,957	112	6,069
Fair value gain on short-term investment	-	-	-	-	-	-	-	(632)	-	(632)	-	(632)
	-	-	-	5,957	-	-	-	(632)	-	5,325	112	5,437
Total comprehensive income/(expenses)	-	-	-	5,957	-	-	-	(632)	200,551	205,876	(638)	205,238
Contribution by and distributions to owners of the Company :												
Issuance of Redeemable Convertible Secured Sukuk Ijarah	-	-	-	-	-	6,770	-	-	-	6,770	-	6,770
Exercise of warrants	118	-	-	-	-	-	-	-	-	118	-	118
Final single tier dividend for financial year ended 31 December 2012	-	-	-	-	-	-	-	-	(20,455)	(20,455)	-	(20,455)
Total transactions with owners of the Company	118	-	-	-	-	6,770	-	-	(20,455)	(13,567)	-	(13,567)
At 31 December 2013	411,261	102,879	(5,941)	5,387	69,088	6,770	(340,943)	29	1,528,226	1,776,756	(2,207)	1,774,549

(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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014
Condensed Consolidated Statement of Cash Flow

	12 months ended 31.12.2014	12 months ended 31.12.2013
Note	RM'000	RM'000
	Unaudited	Unaudited
Cash flow from operating activities		
Receipts from customers	1,100,697	1,010,876
Other income	6,449	43,156
Payments for operating expenses	(425,998)	(394,279)
Payments to contractors	(533,194)	(546,634)
Net cash from operations	<u>147,954</u>	<u>113,119</u>
Tax paid	(290)	(17,677)
Interest received	15,472	11,454
Net cash from operating activities	<u>163,136</u>	<u>106,896</u>
Cash flow from investing activities		
Acquisition of subsidiaries	(55)	(1,700)
Purchase of property, plant and equipment	(14,851)	(16,520)
Additions of service concession assets	(464)	(16,957)
Net advance to associate	(2)	(1)
Net advance to joint venture	(179)	34
Proceeds from disposal of investment in subsidiary	111	-
Proceeds from disposal of short-term investment	40,529	2,067
Proceeds from disposal of property, plant and equipment	55	142
Net cash from/(used in) investing activities	<u>25,144</u>	<u>(32,935)</u>
Cash flow from financing activities		
Proceeds from loans and borrowings	160,114	432,893
Repayment of loans and borrowings	(272,791)	(467,066)
Repayment of obligation under finance leases	(5,297)	(5,789)
Issuance of Redeemable Convertible Secured Sukuk Ijarah	-	144,137
Conversion of warrants 2013/2018	2,949	118
Dividend paid	-	(20,455)
Decrease/(Increase) in pledged deposits	6,864	(67,620)
Interest paid	(136,314)	(129,922)
Net cash used in financing activities	<u>(244,475)</u>	<u>(113,704)</u>
Net decrease in cash and cash equivalents	(56,195)	(39,743)
Effects of exchange rate on cash and cash equivalents	5,261	3,699
Cash and cash equivalents at beginning of financial year	538,912	383,865
Transfer from debt service reserve account	-	191,091
Cash and cash equivalents at end of financial year	<u>487,978</u>	<u>538,912</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	433,493	546,457
Cash and bank balances	180,615	125,449
	<u>614,108</u>	<u>671,906</u>
Less : pledged deposits	(126,130)	(132,994)
	<u>487,978</u>	<u>538,912</u>
(a) The cash and cash equivalents are as follows:		
Deposits with licensed banks	397,918	546,457
Cash and bank balances	48,429	125,449
	<u>446,347</u>	<u>671,906</u>
Assets held for sale	167,761	-
	<u>614,108</u>	<u>671,906</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

Puncak Niaga Holdings Berhad (416087-U)
Unaudited Fourth Quarterly Financial Statements Ended 31 December 2014

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting in Malaysia, IAS 34 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

A2. Significant Accounting Policies

In the preparation of this interim financial statements, the accounting policies and the method of computation of the most recent annual financial statements were followed except as disclosed below:-

(a) Change of accounting policy for investment properties

During the current financial year, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost model to fair value model to provide more relevant presentation and to be in line with the revaluation policy on property, plant and equipment. The initial difference arising between the carrying amount and its fair value is recognised directly in equity and any changes in fair value for subsequent measurement is recognised in profit or loss.

(b) Adoption of Standards, Amendments and IC Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:

Description		Effective for annual periods beginning on or after
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities issued by IASB in March 2004)	1 January 2014
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation	
	- Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets	
	- Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	
	- Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

The adoption of the above standards and interpretations have no material impact on the financial statements in the period of initial application.

(c) Standards 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:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle) 1 July 2014
Amendments to MFRS 2	Share-based Payment (Annual Improvements 2010-2012 Cycle) 1 July 2014
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRSs 2010 - 2012 Cycle) 1 July 2014
	(Annual Improvements to MFRSs 2011 - 2013 Cycle) 1 July 2014
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle) 1 July 2014
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2011-2013 Cycle) 1 July 2014
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle) 1 July 2014
Amendments to MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions 1 July 2014
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle) 1 July 2014
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle) 1 July 2014
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle) 1 July 2014
Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle) 1 January 2016
Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle) 1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception 1 January 2016
Amendments to MFRS 11	Joint Arrangements Accounting for Acquisitions of Interests in Joint Operations 1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure Initiative 1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation 1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants 1 January 2016
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012-2014 Cycle) 1 January 2016
Amendments to MFRS 127	Separate Financial Statements – Equity Method in Separate Financial Statements 1 January 2016
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012-2014 Cycle) 1 January 2016
MFRS 14	Regulatory Deferral Accounts 1 January 2016
MFRS 15	Revenue from Contracts with Customers 1 January 2017
MFRS 9	Financial Instruments (2014) 1 January 2018

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

A4 Seasonal or cyclical factors

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

A5 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 except as disclosed in Notes A2(a), A10 and A16.

A6 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.

A7 Debt and equity securities

Other than as disclosed below, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial quarter and financial year-to-date.

(a) Share Capital

During the quarter ended 31 December 2014, the issued and paid-up share capital of the Company increased from 413,339,611 ordinary shares of RM1.00 each to 415,959,777 ordinary shares of RM1.00 each by the issuance of 870,166 new ordinary shares of RM1.00 each pursuant to the conversion of warrants and issuance of 1,750,000 new ordinary shares of RM1.00 each pursuant to the conversion of Redeemable Convertible Secured Sukuk Ijarah ("RCSSI").

During the year ended 31 December 2014, the issued and paid-up share capital of the Company increased from 411,260,838 ordinary shares of RM1.00 each to 415,959,777 ordinary shares of RM1.00 each by the issuance of 2,948,939 new ordinary shares of RM1.00 each pursuant to the conversion of warrants and issuance of 1,750,000 new ordinary shares of RM1.00 each pursuant to the conversion of RCSSI.

A8 Dividend paid

There was no dividend paid during the current financial quarter and financial year-to-date (1.1.2013 to 31.12.2013 : RM20,455,305).

A9 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 and Wastewater RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Results for 3 months ended 31 December 2014								
Operating Revenue								
Sales to external customers	140	162,208	78,877	424	-	241,649	136,168	377,817
Finance income	8	1,525	152	9,916	-	11,601	56,832	68,433
Other income	5,497	2,928	3	(4,870)	(1,142)	2,416	443	2,859
	5,645	166,661	79,032	5,470	(1,142)	255,666	193,443	449,109
Operating expenses								
Rental expenses on project equipment	(1,275)	(107,662)	(63,059)	(20,559)	5,939	(186,616)	(76,923)	(263,539)
Impairment of trade receivables	-	(29,030)	-	-	-	(29,030)	-	(29,030)
Impairment of service concession assets	-	-	-	-	-	-	(9,388)	(9,388)
Share of results of joint venture	(6,887)	-	-	1	-	(6,886)	-	(6,886)
Amortisation and depreciation	-	-	-	-	-	-	(3,843)	(3,843)
	(824)	(2,142)	(26)	(158)	-	(3,150)	(3,948)	(7,098)
Segment results	(3,341)	27,827	15,947	(15,246)	4,797	29,984	99,341	129,325
Finance costs						(3,339)	(33,193)	(36,532)
Profit before tax						26,645	66,148	92,793
Results for 3 months ended 31 December 2013								
Operating Revenue								
Sales to external customers	168	86,789	57,501	(436)	-	144,022	150,903	294,925
Finance income	2	301	2	5,208	-	5,513	50,925	56,438
Other income	(923)	27,892	-	(3,703)	(227)	23,039	9,262	32,301
	(753)	114,982	57,503	1,069	(227)	172,574	211,090	383,664
Operating expenses								
Rental expenses on project equipment	(815)	(107,560)	(74,197)	189	221	(182,162)	(136,272)	(318,434)
Share of results of associates	-	(21,307)	-	-	-	(21,307)	-	(21,307)
Share of results of joint venture	-	-	-	(2)	-	(2)	-	(2)
Amortisation and depreciation	-	-	-	73	-	73	(3,552)	(3,479)
	(884)	(1,892)	(33)	(207)	-	(3,016)	(3,824)	(6,840)
Segment results	(2,452)	(15,777)	(16,727)	1,122	(6)	(33,840)	67,442	33,602
Finance costs						(5,460)	(33,030)	(38,490)
(Loss)/profit before tax						(39,300)	34,412	(4,888)

	Water and Wastewater RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Results for 12 months ended 31 December 2014								
Operating Revenue								
Sales to external customers	581	476,525	128,815	714	-	606,635	562,734	1,169,369
Finance income	8	1,851	152	24,116	-	26,127	219,700	245,827
Other income	6,524	5,052	6	227	(1,823)	9,986	5,708	15,694
	7,113	483,428	128,973	25,057	(1,823)	642,748	788,142	1,430,890
Operating expenses	(7,622)	(330,326)	(120,296)	(46,732)	9,866	(495,110)	(277,498)	(772,608)
Rental expenses on project equipment	-	(120,362)	-	-	-	(120,362)	-	(120,362)
Impairment of trade receivables	-	-	-	-	-	-	(46,677)	(46,677)
Impairment of service concession assets	(6,887)	-	-	-	-	(6,887)	-	(6,887)
Share of results of associates	-	-	-	(1)	-	(1)	-	(1)
Share of results of joint venture	-	-	-	(44)	-	(44)	(14,950)	(14,994)
Amortisation and depreciation	(1,994)	(8,466)	(99)	(602)	-	(11,161)	(15,086)	(26,247)
Segment results	(9,390)	24,274	8,578	(22,322)	8,043	9,183	433,931	443,114
Finance costs						(18,067)	(131,577)	(149,644)
(Loss)/profit before tax						(8,884)	302,354	293,470
Results for 12 months ended 31 December 2013								
Operating Revenue								
Sales to external customers	699	454,936	58,474	239	-	514,348	632,356	1,146,704
Finance income	6	480	2	19,364	-	19,852	186,859	206,711
Other income	1,714	27,549	-	3,674	(892)	32,045	11,683	43,728
	2,419	482,965	58,476	23,277	(892)	566,245	830,898	1,397,143
Operating expenses	(6,011)	(433,650)	(75,234)	(35,260)	892	(549,263)	(310,879)	(860,142)
Rental expenses on project equipment	-	(72,055)	-	-	-	(72,055)	-	(72,055)
Impairment of trade receivables	-	-	-	(3,021)	-	(3,021)	(49,376)	(52,397)
Share of results of associates	-	-	-	(2)	-	(2)	-	(2)
Share of results of joint venture	-	-	-	(246)	-	(246)	(13,818)	(14,064)
Amortisation and depreciation	(1,706)	(7,615)	(36)	(727)	-	(10,084)	(14,662)	(24,746)
Segment results	(5,298)	(30,355)	(16,794)	(15,979)	-	(68,426)	442,163	373,737
Finance costs						(11,075)	(126,298)	(137,373)
(Loss)/profit before tax						(79,501)	315,865	236,364

b)	Water and Wastewater RM'000	Oil and Gas RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Assets and Liabilities								
As at 31 December 2014								
Segment assets	89,570	402,402	79,114	2,027,235	(1,383,544)	1,214,777	3,537,926	4,752,703
Unallocated assets						25,026	80,173	105,199
Total assets						1,239,803	3,618,099	4,857,902
Segment liabilities	25,243	342,259	78,429	601,619	(556,521)	491,029	1,779,547	2,270,576
Unallocated liabilities						21,541	491,804	513,345
Total liabilities						512,570	2,271,351	2,783,921
Assets and Liabilities								
As at 31 December 2013								
Segment assets	3,824,559	526,850	-	1,429,078	(1,235,757)	4,544,730	-	4,544,730
Unallocated assets						101,625	-	101,625
Total assets						4,646,355	-	4,646,355
Segment liabilities	1,814,052	491,273	-	502,922	(412,164)	2,396,083	-	2,396,083
Unallocated liabilities						475,723	-	475,723
Total liabilities						2,871,806	-	2,871,806

A10 Valuation of property, plant and equipment and investment properties

The carrying value of land and buildings and investment properties are based on a valuation carried out in the current financial year-to-date by independent qualified valuers using the comparison and cost or contractor's method to reflect the fair value.

A11 Impairment and re-measurement of financial instruments

The amount of long term receivables were expected to be receivable after more than one year. The long term receivables were impaired and interest income was accreted as required by MFRS 139. The long term receivables are classified as asset held for sale in the current year.

A12 Subsequent events

(1) On 7 January 2015, the shareholders of the Company had at the Company's Extraordinary General Meeting ("EGM") approved the resolutions in relation to the following:

- (i) Proposed disposal by the Company of the entire equity interest and cumulative convertible redeemable preference shares held in PNSB to Pengurusan Air Selangor Sdn Bhd (formerly known as Temasek Tiasa Sdn Bhd) ("Air Selangor") ("Proposed PNSB Disposal"); and
- (ii) Proposed disposal by the Company of 70% equity interest held in SYABAS and RM212.0 million nominal value of redeemable convertible unsecured loan stocks to Air Selangor ("Proposed SYABAS Disposal").

Collectively referred to as the "Proposed Disposals".

(2) On 13 January 2015, the Board of Directors of the Company announced that the conditions precedent stipulated in the conditional sale and purchase agreement dated 11 November 2014 between the Company and Air Selangor have not been fully met and that the Company was discussing with Air Selangor on a mutually agreed date for the extension of the date of fulfilment of the conditions precedent.

On 14 January 2015, the Company and Air Selangor mutually agreed to an extension until 9 February 2015 for the fulfilment of the conditions precedent stated in the conditional sale and purchase agreement dated 11 November 2014.

On 10 February 2015, upon the written request of Air Selangor, the Company and Air Selangor had mutually agreed to a second extension until 9 March 2015 for the fulfilment of the conditions precedent stated in the conditional sale and purchase agreement dated 11 November 2014.

(3) The Company had on 14 January 2015 received a letter from KDEB granting PNSB the rights to extract water from the water source at the New Bernam River Headworks, KM15, Jalan Sungai Besar, Selangor ("Water Source") for a further period of three (3) months, commencing from 1 February 2015 until 30 April 2015 in accordance with the terms and conditions as stipulated in the agreement which remain valid and applicable to the extended period specified above.

(4) The 98.65% owned subsidiary in Singapore, Sino Water Pte Ltd had invested an additional USD1,020,000 in Luwei (Pingdingshan) Water Co. Ltd ("Luwei"), a 92.84% owned limited liability subsidiary incorporated in Lushan County, Henan Province, in the People's Republic of China under the China Company Law.

As at 6 February 2015, the paid up registered capital of Luwei increased from USD6,530,000 to USD7,550,000, thereby resulting in Luwei becoming a 93.81% owned subsidiary of Sino Water with a total investment of USD7,082,500.

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. However, there are material litigations as disclosed in Note B9 below.

A13 Changes in the composition of the Group

- a) The Company was notified on 6 January 2014 that the Company Registration office in the Ministry of National Planning and Economic Development in the The Republic of the Union of Myanmar had issued the Form of Permit (Temporary) and Certificate of Incorporation (Temporary) both dated 31 December 2013 for the establishment of a branch office in The Republic of the Union of Myanmar, namely Puncak Niaga Holdings Berhad (Myanmar Branch) ("PNHB (Myanmar Branch)").

PNHB (Myanmar Branch) was established to facilitate PNHB Group to explore potential water and wastewater related business opportunities in Myanmar.

The Permanent Form of Permit and Permanent Form of Certificate of Incorporation both dated 31 December 2013 were issued to PNHB (Myanmar Branch) on 17 March 2014. The Permanent Form of Permit is valid from 31 December 2013 to 30 December 2018.

- b) On 21 February 2014, the Company was notified by Luancheng Dayu Water Supply Co Ltd ("Luancheng Co Ltd") that the regulatory authority in the People's Republic of China had on 20 February 2014 issued the Enterprise Legal Representative Business License approving the transfer of the Company's subsidiary, Sino Water Pte Ltd's 83.99% equity interest in Luancheng Co Ltd to Luancheng County Water Supply Station.

As such, effective 20 February 2014, Luancheng Co Ltd ceased to be a subsidiary of Sino Water Pte Ltd.

- c) On 14 March 2014, the Company had acquired a shelf company, namely Magnum Nature Sdn Bhd ("Magnum Nature"), comprising two (2) ordinary shares of RM1.00 each, representing 100% of the total issued and paid up share capital of Magnum Nature at a total cash consideration of Ringgit Malaysia Two (RM2.00) only (the "Acquisition").

The Acquisition is to facilitate the Group's business expansion plans. Magnum Nature is currently dormant for the time being.

- d) On 18 March 2014, the 98.65% owned subsidiary in Singapore, Sino Water Pte Ltd ("Sino") had invested an additional amount of USD350,000 in Luwei (Pingdingshan) Water Co. Ltd ("Luwei"), a 91.94% owned limited liability subsidiary incorporated in Lushan County, Henan Province, in the People's Republic of China under the China Company Law.

Sino was notified on 18 March 2014 by Luwei that the regulatory authorities of the People's Republic of China had issued the "Business Licence" dated 17 March 2014 approving the increase of the registered capital limit of Luwei from USD5,800,000 to USD7,550,000 and the lodgement of increase in the paid up registered capital of Luwei from USD5,800,000 to USD6,150,000, thereby resulting in Luwei becoming a 92.40% owned subsidiary of Sino with a total investment of USD5,682,500.

On 10 October 2014, Sino had invested an additional USD380,000 in Luwei, a 92.40% owned limited liability subsidiary incorporated in Lushan County, Henan Province, in the People's Republic of China under the China Company Law and the paid up registered capital of Luwei increased from USD6,150,000 to USD6,530,000, thereby resulting in Luwei becoming a 92.84% owned subsidiary of Sino with a total investment of USD6,062,500.

- e) The 98.65% owned subsidiary in Singapore, Sino Water Pte Ltd had invested an additional USD200,000 in Xinnuo (Binzhou) Co. Ltd. ("Xinnuo"), a wholly owned subsidiary incorporated in Yangxin County, Shandong Province in the People's Republic of China.

As at 14 April 2014, the paid up registered capital of Xinnuo stood at USD4,900,000.

- f) On 30 April 2014, the Company was notified that the Registrar of Companies, Brunei Darussalam had issued a Certificate of Registration of Company Incorporated Outside Brunei Darussalam dated 28 April 2014 for the Company's establishment of a branch office in Brunei Darussalam.

Brunei Branch was established to facilitate business development efforts for PNHB Group in Brunei Darussalam.

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

There is no contingent liability as at 31 December 2014 except for the following:

Tax penalty - PNSB (Discontinued operations)

PNSB recognised all the invoices issued to SYABAS in its income statement for the supply of treated water as revenue.

PNSB had appealed to the Inland Revenue Board of Malaysia ("IRB") to revise the tax computations for YA2009 to YA2011 to take into account the following tax adjustments:

- i. To claim a deduction under Section 34(2) of the Income Tax Act 1967 ("the Act") in respect of the amount owing from SYABAS for treated water supplied which was not collectible as at end of the basis period for YA2009 to YA2011 respectively; and
- ii. To include as gross income and subject to tax on the bad and doubtful debts claimed as tax deduction under item (i) above which was recovered from SYABAS in the subsequent years of assessment pursuant to Section 30(1) of the Act, i.e. when the payment is received from SYABAS, it will become taxable.

PNSB had fully paid all the tax installments for YA2009, YA2010 and YA2011 and is appealing for tax refund from IRB.

IRB had replied to PNSB's petition of appeal on 5 August 2013 wherein IRB had requested PNSB to prove that the amount owing by SYABAS is bad debts pursuant to Section 34 (2) of the Act.

PNSB had submitted a RM Nil tax payable for YA2012 and estimated the tax payable for YA2013 and YA2014 based on the same approach as the tax appeal above. Nevertheless, deferred tax liabilities have been provided accordingly.

In the event that IRB does not grant approval to PNSB to claim a deduction under Section 34(2) of the Act in respect of amount owing from SYABAS for treated water supplied, PNSB will be exposed to a potential tax penalty under Section 107C(10) of the Act for YA2012 in respect of late payment of tax. PNSB had expressed its awareness on the matter and the final outcome will be based on IRB's decision on the matter.

As at the reporting date, there is a potential tax penalty, which is pending the outcome of PNSB's appeal to the Special Commissioners of Income Tax fixed for hearing on 7, 8 and 9 April 2015.

No contingent assets had arisen since 31 December 2014.

A15 Other material disclosures

a) Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	3 months ended 31.12.2014	3 months ended 31.12.2013	12 months ended 31.12.2014	12 months ended 31.12.2013
	RM'000	RM'000	RM'000	RM'000
Water and wastewater	140	168	581	699
Oil and gas construction revenue	162,208	86,789	476,525	454,936
Other construction revenue	78,877	57,501	128,815	58,474
Others	424	(436)	714	239
	241,649	144,022	606,635	514,348

b) Commitments

	As at 31.12.2014 RM'000
Capital expenditures: Contracts approved and contracted for	<u>289</u>

c) Acquisition and disposal of property, plant and equipment

	12 months ended 31.12.2014		
	At cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
Acquisition	14,851	2,676	12,175
Disposal	(703)	(599)	(104)

A16 Discontinued operations

On 11 November 2014, the Company entered into a conditional sale and purchase agreement with Pengurusan Air Selangor Sdn Bhd (formerly known as Temasek Tiasa Sdn Bhd) ("Air Selangor"), a wholly owned subsidiary of Kumpulan Darul Ehsan Berhad ("KDEB") for the proposed disposal by the Company of the entire equity interest and cumulative convertible redeemable preference shares held in Puncak Niaga (M) Sdn Bhd ("PNSB") and the proposed disposal by the Company of 70% equity interest and RM212.0 million nominal value of redeemable convertible unsecured loan stocks held in Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") for a total cash consideration of RM1,555.3 million (collectively referred to as the "Proposed Disposals").

The Proposed Disposals are expected to be completed by the first quarter of the current financial year ending 31 December 2015. As at 31 December 2014, PNSB and SYABAS were classified as held for sale and as discontinued operations. The comparative consolidated statements of profit or loss and comprehensive income have been re-presented to show the discontinued operations separately from the continuing operations.

Profit net of tax from discontinued operations were as follows :

	31.12.2014	31.12.2013
	RM'000	RM'000
Revenue	562,734	632,356
Other income	225,408	198,542
Operating expenses	(324,175)	(360,253)
Depreciation and amortisation expenses	(15,086)	(14,663)
Finance costs	(131,577)	(126,298)
Share of results of joint venture	(14,950)	(13,819)
	<u>302,354</u>	<u>315,865</u>
Taxation	(47,177)	(41,465)
Profit net of tax from discontinued operations	<u>255,177</u>	<u>274,400</u>

Assets and liabilities classified as held for sale as at 31 December 2014 are as follows:

	31.12.2014
	RM'000
Assets classified as held for sale	
Property, plant and equipment	2,595
Service concession assets	14,330
Operating Financial assets	780,059
Trade and other receivables	2,567,323
Inventories	5,858
Tax recoverable	80,173
Cash and bank balances	167,761
	<u>3,618,099</u>
Liabilities classified as held for sale	
Loans and borrowings	1,725,899
Trade and other payables	53,648
Deferred tax liabilities	491,804
	<u>2,271,351</u>

The net cash flow incurred by PNSB as at 31 December 2014 are as follows:

	31.12.2014
	RM'000
Net cash from operating activities	120,700
Net cash used in investing activities	(13,002)
Net cash used in financing activities	(240,686)
Net cash outflow	<u>(132,988)</u>

Commitments

	31.12.2014
	RM'000
Capital expenditures:	
Contracts approved and contracted for	<u>12,425</u>

A17 Financial instruments

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments.

The following are the analysis of the carrying amount and fair value of those financial instruments not carried at fair value. These fair values are categorised under Level 3 of the fair value hierarchy.

	Carrying amount 31.12.2014 RM'000	Fair value 31.12.2014 RM'000	Carrying amount 31.12.2013 RM'000	Fair value 31.12.2013 RM'000
Financial liabilities :				
Loans and borrowings	<u>(221,361)</u>	<u>(227,142)</u>	<u>(2,053,751)</u>	<u>(2,058,161)</u>

Short-term investment of the Group and of the Company amounted to RM10,269,000 (31.12.2013: RM50,029,000) which is carried at fair value is categorised under Level 2 of the fair value hierarchy.

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities using discounted cash flow method.

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

B1 Review of performance

Continuing operations

For the current financial quarter, the Group registered higher revenue of RM241.6 million compared to RM144.0 million reported in the preceding year's corresponding financial quarter, representing an increase of RM97.6 million or 67.8%.

For the current financial year-to-date, the Group registered higher revenue of RM606.6 million compared to RM514.3 million reported in the preceding year's corresponding period, representing an increase of RM92.3 million or 17.9%.

The increase in revenue in the current financial quarter and financial year-to-date is mainly due to higher revenue contribution from the Oil and Gas and Construction segments.

For the current financial quarter, the Group reported a profit before tax ("PBT") of RM26.6 million compared to a loss before tax ("LBT") of RM39.3 million reported in the preceding year's corresponding financial quarter, representing a favourable variance of RM65.9 million or 167.7%.

The Group reported lower LBT of RM8.9 million for the current financial year-to-date compared to RM79.5 million recorded in the preceding year's corresponding financial year-to-date, representing a favourable variance of RM70.6 million or 88.8%. The lower LBT reported in the current financial year-to-date was mainly due to higher revenue contribution from Oil and Gas segment and construction segment and lower operating cost.

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

(a) Water and wastewater :

The Water and wastewater segment reported a higher Loss Before Interest and Tax ("LBIT") of RM3.3 million and RM9.4 million in the current financial quarter and financial year-to-date respectively compared to RM2.5 million and RM5.3 million in the preceding year's corresponding financial quarter and financial year-to-date respectively, representing an increase of RM0.8 million or 32.0% and RM4.1 million or 77.4% respectively. The LBIT in the current financial quarter and financial year-to-date was mainly due to impairment loss on service concession assets.

(b) Oil and Gas :

For the current financial quarter and financial year-to-date, the Oil and Gas segment reported a PBIT of RM27.8 million and RM24.3 million respectively compared to a LBIT of RM15.8 million and RM30.4 million reported in the preceding year's corresponding financial quarter and financial year-to-date, representing a favourable variance of RM43.6 million or 275.9% and RM54.7 million or 179.9%. The favourable results were mainly due to higher value of work done for Transportation and Installation works and lower operating cost.

(c) Construction :

The Construction segment reported a PBIT of RM15.9 million in the current financial quarter and RM8.6 million for the financial year-to-date as compared to a LBIT of RM16.7 million and RM16.8 million in the preceding year's corresponding financial quarter and financial year-to-date, representing a favourable variance of RM32.6 million or 195.2% and RM25.4 million or 151.2% respectively. The segment PBIT reported in the current financial quarter and financial year-to-date was mainly due to higher profit contribution from the new construction projects which were secured in year 2014.

(d) Discontinued operations

The Water segment was separately disclosed as discontinued operations as disclosed in Notes A16 in the current financial quarter and financial year to-date. The Water segment reported a higher PBIT of RM99.3 million in the current financial quarter compared to RM67.4 million in the preceding year's corresponding financial quarter representing a favourable variance of RM31.9 million or 47.3% mainly due to lower operating expenses. For the current financial year-to-date, the Water segment reported a lower PBIT of RM433.9 million in the current financial year-to-date compared to RM442.2 million in the preceding year representing a decrease of RM8.3 million or 1.9%. The lower PBIT in the current financial year-to-date was mainly due to lower revenue and higher operating expenses.

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

The Group reported a PBT of RM26.6 million for the current financial quarter compared to LBT of RM26.2 million registered in the immediate preceding financial quarter, representing a favourable variance of RM52.8 million or 201.3%. The PBT reported in the current financial quarter was mainly due to higher revenue contribution from the Oil and Gas segment and Construction segment and lower operating cost.

B3 Prospects

The Company had on 11 November 2014 entered into a conditional sale and purchase agreement with Pengurusan Air Selangor Sdn Bhd (formerly known as Temasek Tiasa Sdn Bhd) ("Air Selangor"), a wholly owned subsidiary of Kumpulan Darul Ehsan Berhad ("KDEB") for the proposed disposal by PNH of the entire equity interest and cumulative convertible redeemable preference shares held in Puncak Niaga (M) Sdn Bhd ("PNSB") and the proposed disposal by the Company of 70% equity interest and RM212.0 million nominal value of redeemable convertible unsecured loan stocks held in Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") ("SPA") for a total cash consideration of RM1,555.3 million ("Disposal Consideration") (as disclosed in Note A16 and B6).

With this latest development, the Group is hopeful that the Proposed Disposals will be completed by the first quarter of the current financial year ending 31 December 2015 as part of the Government's efforts to restructure the water services sector in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

Notwithstanding the Proposed Disposals, the Group will continue to be involved in the construction of water related facilities in addition to the sewerage and solid waste sectors. Currently, the Group has several water projects in Sarawak, namely Sarikei and Pakan and a sewerage project in Kuala Lumpur. The Group is also currently involved in several ongoing construction and/or concession tenders where some of these tenders are participated jointly with international companies. These tenders are in the water and environmental sectors throughout Malaysia.

On the Oil and Gas sector, the Group is undertaking the ongoing Pan Malaysia Package B secured with Petronas and will also intensify its effort to secure more oil and gas projects.

Going forward, the Group is looking to continuously expand its operations in areas related to its core business both locally and abroad as well as exploring opportunities in new business sectors such as oil palm plantation sector.

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	3 months ended	12 months ended	12 months ended
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
In respect of current year:-				
- income tax	(360)	(13,284)	(375)	(8,768)
- foreign income tax	(73)	32	(132)	(54)
- deferred tax	(4,284)	16,263	1,505	13,724
	(4,717)	3,011	998	4,902
In respect of prior year:-				
- over provision of income tax	641	831	661	-
	(4,076)	3,842	1,659	4,902
<u>Discontinued operations</u>				
- deferred tax	(7,306)	23,499	(47,177)	(41,465)
	(11,382)	27,341	(45,518)	(36,563)

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 and financial year ended 31 December 2014 was lower than the Malaysian statutory tax rate mainly due to effect of reduction in Malaysian income tax rate, unabsorbed tax losses and income subject to lower tax rate in certain jurisdiction.

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 except as disclosed below:

- (1) The Company had on 11 November 2014 entered into a conditional sale and purchase agreement with Pengurusan Air Selangor Sdn Bhd (formerly known as Temasek Tiasa Sdn Bhd) ("Air Selangor"), a wholly owned subsidiary of Kumpulan Darul Ehsan Berhad ("KDEB") for the proposed disposal by PNHB of the entire equity interest and cumulative convertible redeemable preference shares held in Puncak Niaga (M) Sdn Bhd ("PNSB") and the proposed disposal by the Company of 70% equity interest and RM212.0 million nominal value of redeemable convertible unsecured loan stocks held in Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") ("SPA") for a total cash consideration of RM1,555.3 million (collectively referred to as the "Proposed Disposals").

The Proposed Disposals involved the disposals of the following by the Company to Air Selangor:

- (i) the entire equity interest in PNSB comprising 10,000,000 ordinary shares of RM1.00 each in PNSB ("PNSB Shares") and 48,000,000 cumulative convertible redeemable preference shares of RM0.10 each in PNSB ("PNSB CCRPS") for a total cash consideration of RM1,117.5 million, which represents a discount of between 14.1% and 24.8% to the indicative valuation of between RM1,301.0 million and RM1,486.0 million; and
- (ii) 70% equity interest held in SYABAS comprising 45,500,000 ordinary shares of RM1.00 each in SYABAS ("SYABAS Shares") for a cash consideration of RM225.8 million and RM212.0 million nominal value of redeemable convertible unsecured loan stocks ("SYABAS RCULS") for a cash consideration of RM212.0 million. The disposal of the SYABAS shares represents a discount of between 65.2% and 69.5% to the indicative valuation of between RM648.0 million and RM740.0 million.

The terms of the Proposed Disposals are as follows:

- (i) Air Selangor will assume all the CA (as explained in Note 1 below) related business (including all CA related assets and liabilities), PNSB's CA related employees, SYABAS' employees and employees of Perbadanan Urus Air Selangor Berhad ("PUAS") upon completion of the Proposed Disposals:

- (ii) The Company shall cause and procure PNSB to effect the following on the date falling 7 days after the date on which the last of the special covenants and the conditions precedent (which have not been otherwise waived by Air Selangor) have been fulfilled and satisfied ("Completion Date"):
 - (a) the transfer by PNSB of all of the shares in Unggul Raya (M) Sdn Bhd and Ideal Water Resources Sdn Bhd to the Company and/or its subsidiaries;
 - (b) the transfer of PNSB's non-CA related real properties ("Properties"), the non-CA related assets and the non-CA related motor vehicles by PNSB to the Company and/or its subsidiaries;
 - (c) the novation of the non-CA related contracts and the specified non-CA contract to the Company and/or its subsidiaries together with all liabilities and/or receivables arising therefrom;
 - (d) the novation of all non-CA related liabilities to the Company and/or its subsidiaries
 - (e) the transfer of PNSB's non-CA related employees to the Company and/or its subsidiaries;
 - (f) the cancellation of PNSB's non-CA related performance bonds issued by RHB Bank Berhad and United Overseas Bank Berhad and termination of the facility granted by United Overseas Bank (Malaysia) Berhad to PNSB;
 - (g) the transfer and/or novation of PNSB's non-CA related tenders submitted by PNSB prior to the date of the SPA, and all contracts arising from the acceptance of such tenders by the relevant counterparties to the Company and/or its subsidiaries; and
 - (h) the waiver by PNSB of a sum not exceeding RM350.0 million due and owing by the Company and its subsidiaries to PNSB.

The Proposed Disposals are conditional upon the following conditions precedent being fulfilled not later than 2 months from the date of the SPA, or any other extended date as the parties may mutually agree in writing:

- (i) the unconditional approval of the Government of Malaysia ("Federal Government") through Unit Kerjasama Awam Swasta at the Prime Minister's Department ("UKAS") (in satisfaction of the approval required for the EGM);
- (ii) the unconditional approval of State Government through Unit Perancang Ekonomi Negeri ("UPEN") which was obtained on 1 December 2014;
- (iii) the unconditional approvals of ACQUA SPV Bhd and the respective trustees of the bonds issued by PNSB and SYABAS which was obtained on 18 December 2014;
- (iv) the unconditional approval of Minister of Finance pursuant to SYABAS concession agreement which was obtained on 24 December 2014.
- (v) the unconditional approvals of RHB Bank Berhad which was obtained on 5 January 2015 and Bank Pembangunan Malaysia Berhad which was obtained on 8 January 2015;
- (vi) the unconditional approval of SPAN which was obtained on 6 January 2015;
- (vii) the approval of the shareholders of the Company which was obtained at the EGM held on 7 January 2015;
- (viii) (1) the approval of the holders of the RM165,000,000 nominal value of 5-year redeemable convertible secured Sukuk Ijarah issued by the Company which was obtained on 8 January 2015; and
 - (2) the release and discharge of the existing charge over 2,500,000 of the PNSB Shares and 16,800,000 of the SYABAS Shares in favour of PB Trustee Services Berhad ("Charge") and in connection thereto, the approval of PB Trustee Services Berhad which was obtained on 8 January 2015;
- (ix) the execution of each of
 - (1) the agreement between the State Government and Air Selangor for the transfer of water-supply related assets to Air Selangor;
 - (2) the master agreement executed by Air Selangor, Pengurusan Aset Air Berhad ("PAAB"), the State Government and the Federal Government for the transfer to PAAB of water-supply related assets ("Master Agreement"); and
 - (3) the lease agreement and facility agreement between Air Selangor and PAAB for the leaseback of the water-supply related assets acquired by PAAB (collectively, the "Transfer Agreements");
- (x) the receipt by Air Selangor of (1) a written waiver by Kumpulan Perangsang Selangor Berhad ("KPS") of its pre-emption rights under the shareholders agreement dated 31 December 2004 entered into between the Company, KDEB and SYABAS as supplemented by the supplemental shareholders' agreement dated 20 February 2009 entered into between the Company, KDEB, SYABAS and KPS ("Shareholders Agreement"); and (2) KPS' written consent to terminate the Shareholders Agreement effective on the Completion Date;
- (xi) the due receipt by Air Selangor a sum not less than the Disposal Consideration paid by PAAB to Air Selangor under the Master Agreement ("PAAB Sum"); and

- (xii) the receipt by Air Selangor of a confirmation from PAAB that it is satisfied with the results of the due diligence inquiry carried out on PNSB, SYABAS and PUAS.

Note 1:

The operations and business carried on by PNSB in connection with the following agreements entered into between PNSB and the State Government of Selangor Darul Ehsan ("State Government") (including all amendments and supplementary agreements mutually agreed to in writing):

- (i) Privatisation Cum Concession Agreement dated 22 September 1994;
- (ii) Wangsa Maju Water Treatment Plant Concession Agreement dated 31 December 2004;
- (iii) Construction Cum Operation Agreement dated 22 March 1995;
- (iv) Sg Sireh Water Treatment Plant Operation & Maintenance Agreement dated 7 March 2008; and
- (v) Sg Lolo Water Treatment Plant (Extension) Operation & Maintenance Agreement dated 16 August 2007;

and including all rights connected to the Bernam River Headworks (Baru) water treatment plant as granted by Suruhanjaya Perkhidmatan Air Negara or any other public authority (hereinafter collectively referred to as "CA").

On 7 January 2015, the shareholders of the Company had at the Company's Extraordinary General Meeting ("EGM") approved the resolutions for the Proposed Disposals and the Proposed Distribution as set out in the Notice of EGM dated 16 December 2014.

(1) Special Resolution 1

Proposed Disposal by the Company of the following:

- (i) the entire equity interest and cumulative convertible redeemable preference shares held in PNSB to Pengurusan Air Selangor Sdn Bhd (formerly known as Temasek Tiasa Sdn Bhd) ("Air Selangor"); and
- (ii) 70% equity interest held in SYABAS and RM212.0 million nominal value of redeemable convertible unsecured loan stocks to Air Selangor

for a total cash consideration of RM1,555.3 million ("Disposal consideration")(collectively referred to as the "Proposed Disposal").

(2) Ordinary Resolution 1

Proposed Distribution of a minimum amount of RM1.00 per ordinary share of RM1.00 each in the issued and paid -up share capital of the Company up to a maximum distribution of RM534.3 million only via a special cash dividend payment to the entitled shareholders of the Company at an entitlement date to be determined and announced at a later date by the Board of Directors of the Company ("Proposed Distribution").

On 13 January 2015, the Board of Directors of the Company announced that the conditions precedent stipulated in the conditional sale and purchase agreement dated 11 November 2014 between the Company and Air Selangor have not been fully met and that the Company was discussing with Air Selangor on a mutually agreed date for the extension of the date of fulfilment of the conditions precedent.

On 14 January 2015, the Company and Air Selangor mutually agreed to an extension until 9 February 2015 for the fulfilment of the conditions precedent stated in the conditional sale and purchase agreement dated 11 November 2014.

On 10 February 2015, upon the written request of Air Selangor, the Company and Air Selangor had mutually agreed to a second extension until 9 March 2015 for the fulfilment of the conditions precedent stated in the conditional sale and purchase agreement dated 11 November 2014.

Subject to all requisite approvals being obtained, the Proposed Disposal are expected to be completed by the first quarter of the financial year ending 31 December 2015.

B7 Loans and borrowings

Details of the Group's borrowings and debt securities as at 31 December 2014 are as follows:-

	Current RM'000	Non-current RM'000
Secured		
Term loans	-	4,970
USD36 million term loan	27,972	34,965
Redeemable Convertible Secured Sukuk Ijarah ("RCSSI")	-	138,548
Obligation Under Finance Leases	1,216	2,361
	<hr/> 29,188	<hr/> 180,844
Unsecured		
Lushan MOF Novated World Bank Loan	793	10,536
	<hr/> 29,981	<hr/> 191,380

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 USD3.4 million and USD18.0 million respectively.

B8 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.

B9 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 continued hearing date for the First Arbitration Proceedings were fixed on 31 August 2013, 28 September 2013 and 29 September 2013, 9 November 2013 and 10 November 2013.

At the hearing held on 10 November 2013, the Arbitration Panel has tentatively fixed the continued hearing of the First Arbitration Proceedings on 4 January 2014 and 5 January 2014.

The continued hearing tentatively scheduled on 4 January 2014 and 5 January 2014 did not proceed as scheduled.

On 29 January 2014, the Arbitration Panel had fixed the continued hearing of the First Arbitration Proceedings on 8 February 2014 and 9 February 2014, respectively.

The continued hearing proceeded on 8 February 2014 but the hearing date of 9 February 2014 was vacated due to non-availability of the Chief Arbitrator. The Arbitration Panel has fixed the continued hearing dates for the First Arbitration Proceedings on 29 May 2014 and 30 May 2014.

The hearing for the First Arbitration Proceedings fixed on 29 May 2014 and 30 May 2014 did not proceed as scheduled and was fixed by the Arbitration Panel on 4 July 2014 to be fixed on 16 August 2014 and 17 August 2014.

The hearing of the First Arbitration Proceedings fixed on 16 August 2014 and 17 August 2014 proceeded as scheduled.

The Arbitration Panel has tentatively fixed the next continued hearing dates on 24 October 2014 and 25 October 2014.

The hearing of the First Arbitration Proceedings fixed on 24 October 2014 and 25 October 2014 proceeded as scheduled.

On 17 November 2014, the Arbitration Panel has fixed the continued hearing dates for the First Arbitration Proceedings on 6 and 7 December 2014 respectively.

On 26 November 2014, the Arbitration Panel has rescheduled the continued hearing dates for the First Arbitration Proceedings originally scheduled on 6 December 2014 and 7 December 2014 to 24 January 2015 and 25 January 2015, respectively.

On 7 January 2015, the Arbitration Panel postponed the continued hearing dates for the First Arbitration Proceedings originally scheduled on 24 January 2015 and 25 January 2015. The Panel has yet to schedule new dates for the continued hearing.

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 proceedings was heard by a single arbitrator.

On 1 April 2013, PNHB-Lanco members of the Consortium received the Arbitrator's Final Award dated 29 March 2013 wherein the PNHB-Lanco members of the Consortium are to pay interest for the delayed payment of enabling cost of Rs.58 Lakhs amounting to Rs14,62,503 (approximately RM83,627.38) only to the claimant, KHEC Heavy Engineering and Construction Sdn Bhd on or before 30 April 2013 and all other claims by the claimant were rejected.

PNHB-Lanco member of consortium had on 27 April 2013 complied with the Final Award of the Arbitration dated 29 March 2013 by paying the interest for the delayed payment of enabling cost of Rs.58 Lakhs amounting to Rs.14,62,503 to KHEC.

KHEC had informed the Company of its intention to challenge the Final Award of the Arbitrator dated 29 March 2013. However, as of to-date, no documents have been served by KHEC on the PNHB-LANCO members of the Consortium.

The claimant, KHEC Heavy Engineering & Construction Sdn Bhd had on 4 November 2013 served the PNHB-LANCO members of the Consortium with a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitrator dated 29 March 2013. The Madras High Court had fixed the Petition for hearing on 2 December 2013.

On 2 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC to 3 December 2013.

On 3 December 2013, the Madras High Court fixed the continued hearing of the Petition filed by KHEC on 10 December 2013.

On 10 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC, wherein the new hearing date had yet to be fixed by the Madras High Court.

b) JAKS-KDEB Consortium Sdn Bhd

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

Both PUAS 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 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 and/or SYABAS whether by themselves, their agents, servants, directors, contractors, nominees and/or all related parties to PUAS 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 and/or SYABAS whether by themselves, their agents, servants, directors, contractors, nominees and/or all related parties to PUAS 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 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 had been fixed on 7 November 2006.

PUAS 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 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 had 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 had 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 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 had 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.

SYABAS had been informed by its solicitors on 3 December 2012 that the Court of Appeal had fixed the matter for case management on 10 January 2013.

At the case management held on 10 January 2013, the Court of Appeal had fixed the matter for further case management on 26 February 2013 to fix the hearing date on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd.

At the case management held on 26 February 2013, the Court Of Appeal fixed the matter for hearing on 22 May 2013 on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd.

The Court of Appeal had on 22 May 2013 adjourned the hearing on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd against the decision of the Kuala Lumpur High Court dated 5 October 2011 which had dismissed JAKS-KDEB's claim against SYABAS and the other two Defendants, to a date which will be fixed later by the Court of Appeal.

The Court of Appeal had fixed the hearing on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd against the decision of the Kuala Lumpur High Court dated 5 October 2011 (which had dismissed JAKS-KDEB's claim against SYABAS and the other two Defendants) on 28 August 2013.

At the hearing held on 28 August 2013, the Court of Appeal had fixed the matter for case management on 5 September 2013 to allow the court to fix another hearing date.

At the case management held on 5 September 2013, the Court of Appeal had fixed the hearing on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd against the decision of the Kuala Lumpur High Court dated 5 October 2011 (which had dismissed JAKS-KDEB's claim against SYABAS and the other two Defendants) on 14 November 2013.

At the hearing held on 14 November 2013 on the Appeal filed by JAKS-KDEB Consortium Sdn Bhd against the decision of the Kuala Lumpur High Court dated 5 October 2011 (which had dismissed JAKS-KDEB's claim against SYABAS and the other two Defendants), the Court of Appeal had unanimously dismissed JAKS-KDEB Consortium Sdn Bhd's appeal with costs of RM40,000 awarded to SYABAS and PUAS and RM15,000 awarded to Kerajaan Negeri Selangor.

JAKS-KDEB Consortium Sdn Bhd had filed its Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal on 14 November 2013 which had dismissed JAKS-KDEB's claim against SYABAS and the other two Defendants.

On 4 February 2014, the Federal Court had fixed JAKS-KDEB Consortium Sdn Bhd's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013 for case management on 10 February 2014.

On 10 February 2014, the Federal Court had fixed JAKS-KDEB Consortium Sdn Bhd's Notice Of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013 for case management on 19 February 2014.

On 19 February 2014, the Federal Court had fixed JAKS-KDEB Consortium Sdn Bhd's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013 for hearing on 6 May 2014.

JAKS-KDEB Consortium Sdn Bhd's counsel had via their letter dated 29 April 2014 applied to the Federal Court for a postponement of the Hearing fixed on 6 May 2014 on JAKS-KDEB Consortium Sdn Bhd's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013. The Federal Court had via a letter dated 2 May 2014 allowed for the Hearing of the Motion for Leave to Appeal to be postponed and has fixed the Motion for case management on 6 May 2014.

At the case management held on 6 May 2014, the Federal Court fixed JAKS-KDEB Consortium Sdn Bhd's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013 for hearing on 5 August 2014.

The Federal Court On 5 August 2014 unanimously dismissed JAKS-KDEB Consortium Sdn Bhd's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013 with costs of RM20,000 awarded to SYABAS and PUAS and RM10,000 for Kerajaan Negeri Selangor.

The costs of RM20,000 had been paid to SYABAS and PUAS on 12 January 2015 and the case is considered settled.

c) **Kerajaan Negeri Selangor ("State Government")**

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

On 8 September 2011, SYABAS had 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 case management on 8 May 2012 and thereafter further case management on 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 had 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 had 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.

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.

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 against 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 against 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.

At the case management held on 10 December 2012, the Federal Court had fixed 31 January 2013 for hearing of the appeal against the decision delivered by the Court of Appeal on 8 October 2012.

At the case management held on 17 December 2012, the High Court had vacated the trial date fixed on 11 January 2013 and maintained the trial dates on 13 February 2013, 14 February 2013 and 15 February 2013.

The High Court had also fixed the case management on 4 February 2013 for the parties to inform KLHC on the outcome of SYABAS' appeal to the Federal Court which had been fixed for hearing on 31 January 2013.

On 4 February 2013, the Federal Court had fixed 6 February 2013 as the hearing date for the appeal against the decision delivered by the Court of Appeal on 8 October 2012.

At the case management held on 4 February 2013, the High Court ("KLHC") had vacated the Trial dates fixed on 13 February 2013, 14 February 2013 and 15 February 2013, as announced previously, on the request made by the Defendant's Solicitors. KLHC had fixed the new Trial dates on 1 July 2013, 2 July 2013, 3 July 2013, 4 July 2013, 8 July 2013, 9 July 2013 and 10 July 2013.

KLHC had also fixed the case management on 15 February 2013 for the parties to inform KLHC on the outcome of SYABAS' appeal to the Federal Court which had been fixed for hearing on 6 February 2013.

The High Court postponed the case management fixed on 15 February 2013 to 28 February 2013.

At the case management held on 28 February 2013, the Kuala Lumpur High Court had maintained the Trial dates on 1 July 2013, 2 July 2013, 3 July 2013, 4 July 2013, 8 July 2013, 9 July 2013 and 10 July 2013, as previously announced.

The High Court had via a letter dated 8 April 2013 vacated the Trial dates on 1 July 2013, 2 July 2013, 3 July 2013, 4 July 2013, 8 July 2013, 9 July 2013 and 10 July 2013, as announced previously and had now rescheduled the Trial to 2 September 2013, 3 September 2013, 4 September 2013, 5 September 2013, 9 September 2013, 10 September 2013 and 11 September 2013 accordingly.

On 20 August 2013, the Defendant had filed an application to amend the Statement of Defence at the Kuala Lumpur High Court. The application had been fixed for Hearing on 23 August 2013.

At the Hearing held on 23 August 2013, the Kuala Lumpur High Court had allowed the Defendant's application to amend the Statement of Defence. The Kuala Lumpur High Court further directed the Defendant to file the Amended Statement of Defence by 26 August 2013 and the Plaintiff to file the Amended Reply by 29 August 2013.

The Kuala Lumpur High Court had maintained the Trial dates on 2 September 2013, 3 September 2013, 4 September 2013, 5 September 2013, 9 September 2013, 10 September 2013 and 11 September 2013, as previously announced.

The Trial for the above matter proceeded on 2 September 2013, 3 September 2013 and 4 September 2013. On 2 September 2013, the Selangor State Government's solicitors had served a subpoena on SYABAS' Chief Executive Officer. On 4 September 2013, the Plaintiff filed an application to set aside the subpoena. Further, the Defendant also filed an application to re-amend its Statement of Defence. The Kuala Lumpur High Court had fixed both applications ("Applications") for Hearing on 11 September 2013.

The Kuala Lumpur High Court had vacated the Trial dates on 5 September 2013, 9 September 2013, 10 September 2013 and 11 September 2013, as previously announced, pending the disposal of the Applications.

On 11 September 2013, the Hearing of the Selangor State of Government's application to re-amend their Statement of Defence and SYABAS' application to set aside the subpoena served on SYABAS' Chief Executive Officer had been adjourned to 19 September 2013 to enable the parties to file the necessary Affidavits.

The matter on the Selangor State Government's application to re-amend their Statement of Defence came up for Hearing on 19 September 2013. Upon submissions from both Counsels, the Kuala Lumpur High Court had reserved the matter for decision and once the date for the decision is fixed, the Kuala Lumpur High Court will also hear SYABAS' application to set aside the subpoena served on SYABAS' Chief Executive Officer on 2 September 2013. The Kuala Lumpur High Court further fixed 6 November 2013, 7 November 2013 and 8 November 2013 for continued Trial.

On 1 October 2013, the Kuala Lumpur High Court had fixed the Selangor State Government's application to re-amend its Statement of Defence for decision on 3 October 2013. As announced previously, the Kuala Lumpur High Court will also hear SYABAS' application to set aside the subpoena served on SYABAS' Chief Executive Officer on 2 September 2013 once the date for decision is fixed.

The dates fixed by the Kuala Lumpur High Court for continued Trial on 6 November 2013, 7 November 2013 and 8 November 2013 as previously announced remain unchanged.

The Kuala Lumpur High Court had on 3 October 2013 allowed the Selangor State Government's application to re-amend the Statement of Defence with costs to SYABAS. The Kuala Lumpur High Court had directed the Selangor State Government to deliver the re-amended Statement of Defence on or before 8 October 2013, and SYABAS thereafter to deliver its re-amended reply on or before 11 October 2013, with the reservation to SYABAS to apply to amend the writ and re-amend its statement of claim.

The hearing on the Plaintiff's application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff on 6 November 2013 had been adjourned to 10 December 2013 pending filing of the necessary Affidavits by the Parties. The Plaintiff's application to set aside the subpoena served on the Chief Executive Officer of the Plaintiff as well as the hearing of the Defendant's application for the Plaintiff to produce documents are also fixed on the same date. The trial dates of 6, 7 and 8 November 2013 had been vacated by the Court pending the disposal of the above applications.

On 10 December 2013, the Kuala Lumpur High Court had adjourned the hearing of SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff to 20 January 2014. The Kuala Lumpur High Court also fixed the Selangor State Government's application to strike out SYABAS' Writ of Summons and amended Statement of Claim for mention on 20 January 2014. The Selangor State Government's solicitors further withdrew their subpoena served on SYABAS' Chief Executive Officer with no order as to costs. SYABAS' solicitors subsequently withdrew their application to set aside the subpoena.

At the hearing held on 20 January 2014, the Kuala Lumpur High Court adjourned its decision to a date to be fixed by the Kuala Lumpur High Court after submissions by both parties on SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff. The Kuala Lumpur High Court also fixed the Selangor State Government's application to strike out SYABAS' Writ of Summons and amended Statement of Claim for Mention on the same decision date.

SYABAS was informed by its solicitors that the Kuala Lumpur High Court had fixed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff for decision on 13 February 2014 to which SYABAS' application was dismissed with costs. SYABAS' solicitors orally applied for a stay of proceedings pending appeal which was also dismissed by the learned judge.

The Kuala Lumpur High Court fixed the Selangor State Government's application to strike out SYABAS' Writ of Summons and amended Statement of Claim for hearing on 7 March 2014.

SYABAS had filed its Notice of Appeal at the Court of Appeal on 14 February 2014 appealing against the decision of the Kuala Lumpur High Court dated 13 February 2014 which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff.

The Court of Appeal had fixed SYABAS' Notice of Appeal against the decision of the Kuala Lumpur High Court dated 13 February 2014 which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff for case management on 1 April 2014.

SYABAS' had on 19 February 2014 filed its Notice of Motion at the Court of Appeal to stay the High Court proceedings pending the appeal and the Notice of Motion is fixed for hearing on 4 March 2014.

By consent of both parties, the Court of Appeal had on 4 March 2014 allowed for an interim stay of the Kuala Lumpur High Court proceedings. SYABAS' Notice of Motion to stay the High Court proceedings pending appeal and SYABAS' Notice of Appeal against the decision of the Kuala Lumpur High Court dated 13 February 2014 (which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff) are now fixed for hearing on 2 April 2014.

On 7 March 2014, the Kuala Lumpur High Court upon being informed on the interim stay of the Kuala Lumpur High Court proceedings granted by the Court of Appeal on 4 March 2014, had vacated the hearing fixed on 7 March 2014 to hear the Selangor State Government's application to strike out SYABAS' Writ of Summons and amended Statement of Claim and further fixed the matter for case management on 4 April 2014.

SYABAS' Notice of Appeal against the decision of the Kuala Lumpur High Court dated 13 February 2014 (which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff) fixed for case management on 1 April 2014 has been vacated in view of the appeal being fixed for hearing on 2 April 2014.

At the hearing held on 2 April 2014, the Court of Appeal allowed SYABAS' appeal against the decision of the Kuala Lumpur High Court dated 13 February 2014 (which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff) with costs of RM10,000. Further, on the application by SYABAS' lead counsel, the Court of Appeal also ordered the trial to be heard de novo before another judge at court NCC5 of the Kuala Lumpur High Court. The Court of Appeal also allowed the Selangor State Government's application to stay the Kuala Lumpur High Court proceedings pending the disposal of its proposed application for leave to appeal to the Federal Court against the decision of the Court of Appeal. The Court of Appeal made no order on SYABAS' Notice of Motion to stay the Kuala Lumpur High Court proceedings pending appeal.

On 4 April 2014, the Kuala Lumpur High Court upon being informed of the Court of Appeal's decision dated 2 April 2014 had fixed the matter for further case management on 8 April 2014.

At the case management held on 8 April 2014, the Kuala Lumpur High Court had fixed the Selangor State Government's application to strike out SYABAS' Writ of Summons and Amended Statement of Claim for Mention on 5 May 2014.

At the Mention held on 5 May 2014, the Selangor State Government's counsel informed the Kuala Lumpur High Court that the Selangor State Government had on 30 April 2014 filed its Notice of Motion for Leave to Appeal to the Federal Court against the decision of the Court of Appeal dated 2 April 2014 which had allowed SYABAS' appeal against the decision of the Kuala Lumpur High Court dated 13 February 2014 (which had dismissed SYABAS' application to amend the Writ of Summons and re-amend the Statement of Claim to add CIMB Investment Bank Berhad as Co-Plaintiff). The Kuala Lumpur High Court accordingly fixed the matter for Mention on 5 August 2014.

At the case management held on 5 August 2014, the parties informed the court that no hearing date has been fixed by the Federal Court for the Selangor State Government application for Leave to Appeal against the order dated 2 April 2014 of the Court of Appeal, allowing SYABAS' appeal to join CIMB Investment Bank Berhad as the co-plaintiff in its capacity as a security agent and to re-amend the statement of claim. In view of the order granted by the Court of Appeal on 2 April 2014 staying the High Court proceedings pending hearing and disposal of the Selangor State Government leave application to the Federal Court, the High Court fixed the matter for further case management on 7 October 2014 for the parties to inform the court about the status of the said application for leave to appeal to the Federal Court.

The Federal Court has fixed a hearing date on 10 November 2014 vide their letter dated 3 September 2014 for the Selangor State Government application for Leave to Appeal against the Order dated 2 April 2014 of the Court of Appeal, allowing SYABAS' appeal to join CIMB Investment Bank Berhad as the co-plaintiff in its capacity as a security agent and to re-amend the statement of claim.

The Federal Court has fixed 13 October 2014 for case management vide their letter dated 25 September 2014. The Federal Court had previously fixed a hearing date on 10 November 2014 for the Selangor State Government's application for Leave to Appeal against the Order dated 2 April 2014 of the Court of Appeal, allowing SYABAS' appeal to join CIMB Investment Bank Berhad as the co-plaintiff in its capacity as a security agent and to re-amend the statement of claim.

The Kuala Lumpur High Court had on 7 October 2014 fixed 28 November 2014 for further Case Management of the Suit. Earlier, the Federal Court had fixed the hearing date on 10 November 2014 for the Selangor State Government's application for Leave to Appeal against the Court of Appeal's Order dated 2 April 2014, allowing SYABAS' appeal to join CIMB Investment Bank Berhad as a Co-Plaintiff and to re-amend the statement of claim.

At the case management held on 13 October 2014, the Federal Court had fixed a Hearing date on 6 January 2015 for the Selangor State Government's application for Leave to Appeal against the Court of Appeal's Order dated 2 April 2014 in allowing SYABAS' appeal to join CIMB Investment Bank Berhad as a Co-Plaintiff and to re-amend the Statement of Claim, as the Selangor State Government's counsel was not available on the earlier Hearing date which was fixed on 10 November 2014. The Kuala Lumpur High Court had also earlier fixed 28 November 2014 for further case management to update the Kuala Lumpur High Court on the status of the said application for leave to appeal to the Federal Court.

At the case management held on 28 November 2014, the Kuala Lumpur High Court had fixed the matter for another Case Management on 5 February 2015 pending the disposal of the Selangor State Government's application for Leave to Appeal against the Court of Appeal's Order dated 2 April 2014 in allowing SYABAS' appeal to join CIMB Investment Bank Berhad as a Co-Plaintiff and to re-amend the Statement of Claim which was earlier fixed for hearing on 6 January 2015.

At the case management held on 6 January 2015, the Federal Court had fixed the matter for hearing on 14 April 2015 for the Selangor State Government's application for Leave to Appeal to the Federal Court, against the Decision of the Court of Appeal delivered on 2 April 2014 (allowing SYABAS' appeal to join CIMB Investment Bank Berhad as a co-plaintiff in its capacity as a security agent and to re-amend the Statement of Claim).

At the case management held on 5 February 2015, the High Court had fixed the matter for further Case Management on 16 April 2015, pending disposal of the Kerajaan Negeri Selangor application for leave to appeal to the Federal Court (which is fixed for Hearing on 14 April 2015, against the Decision of the Court of Appeal delivered on 2 April 2014 allowing SYABAS' appeal to join CIMB Investment Bank Berhad as a co-plaintiff in its capacity as a security agent and to re-amend the Statement of Claim).

d) 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 had 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 had 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 had 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 had 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 had 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 had 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 had 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 had 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 Company'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.

At the case management held on 30 November 2012, the High Court had fixed further case management on 4 January 2013 for the Plaintiff's application for Interim Payment and the Plaintiff to file the Re-amended Reply and Defence to counter claim.

On 7 December 2012, SYABAS had been informed by its solicitors on even date that the Court of Appeal had fixed the hearing for 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 on 7 January 2013.

At the case management held on 4 January 2013, the High Court had fixed 12 March 2013 for the following:-

- i) Case management for the Plaintiff's application for Interim Payment;
- ii) Hearing for SYABAS' application to strike out the Plaintiff's claim; and
- iii) Case management of the main action.

The Court of Appeal had adjourned the hearing fixed on 7 January 2013 for 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 21 January 2013.

At the hearing held on 21 January 2013, the Court of Appeal had dismissed 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 with cost. SYABAS is currently seeking advice from its solicitors on the next course of action arising from the said decision.

On 20 February 2013, SYABAS filed the notice of motion for leave to appeal against the decision made by the Court of Appeal on 21 January 2013 to the Federal Court.

The High Court had on 12 March 2013 adjourned the hearing for SYABAS' application to strike out the Plaintiff's claim to 20 March 2013 to enable the parties to prepare their submissions in reply and had also fixed 20 March 2013 for the following:-

- i) case management for the Plaintiff's application for Interim Payment; and
- ii) case management of the main action.

In relation to SYABAS' application for leave to appeal to the Federal Court against the decision made by the Court of Appeal dated 21 January 2013 whereby, the Court of Appeal had dismissed SYABAS' appeal against the decision of the Kuala Lumpur High Court on 31 July 2012 in allowing the Third Party's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the Third Party, the Federal Court had via a letter dated 14 March 2013 fixed the matter for case management on 27 March 2013.

The matters at the High Court on 20 March 2013 was fixed for the following:-

- i) hearing of SYABAS' application to strike out the Plaintiff's claim;

- ii) the Plaintiff's application to stay proceedings and to strike out SYABAS' application to strike out the Plaintiff's claim and SYABAS Defence and counterclaim;
- iii) case management of the main action; and
- iv) case management on the Plaintiff's application for Interim Payment.

The High Court had adjourned the proceedings to 29 March 2013 for case management to enable the parties to exhaust their affidavits and to revert to the High Court if the parties are proceeding with the applications. This is pursuant to the Plaintiff serving their application to stay proceedings and to strike out SYABAS' application to strike out the Plaintiff's claim and SYABAS Defence and counterclaim on 19 March 2013 following which SYABAS had on 20 March 2013 filed their affidavit in reply.

At the case management held on 27 March 2013, the Federal Court had fixed 28 August 2013 for hearing of SYABAS' motion for leave to appeal against the decision of the Court of Appeal dated 21 January 2013.

At the case management held on 29 March 2013, the parties informed the High Court that they are proceeding with SYABAS' application to strike out the Plaintiff's claim and the Plaintiff's application to stay proceedings and to strike out SYABAS' application to strike out the Plaintiff's claim and SYABAS' Defence and Counterclaim.

The High Court had now fixed the case management for both the applications on 17 April 2013. As the Trial had been fixed on 22 April 2013, 23 April 2013 and 24 April 2013, the High Court fixed case management for the Trial on 8 April 2013 and 17 April 2013.

At the case management held on 8 April 2013, the High Court had fixed SYABAS' application to strike out the Plaintiff's claim and the Plaintiff's application to stay proceedings and to strike out SYABAS' application to strike out the Plaintiff's claim and SYABAS' Defence and Counterclaim for hearing on 24 April 2013. The High Court maintained the case management for both the applications on 17 April 2013, as previously announced.

The High Court vacated the case management for Trial on 17 April 2013 and the Trial dates fixed on 22 April 2013, 23 April 2013 and 24 April 2013 pending the disposal of SYABAS' application for leave to appeal at the Federal Court which had been fixed for hearing on 28 August 2013 and further fixed the case management for Trial on 4 September 2013.

At the case management held on 17 April 2013, the High Court had vacated the hearing fixed on 24 April 2013 in respect of the following:

- i) SYABAS' application to strike out the Plaintiff's Writ of Summons & Statement of Claim dated 28 March 2011 filed based on the assignment given by the Plaintiff to the Security Agent vide Deed of Assignment dated 23 August 2012 whereby the Plaintiff had absolutely and irrevocably assigned its right to receive payments from the Defendant to the Security Agent; and
- ii) the Plaintiff's application to stay proceedings and to strike out SYABAS' application to strike out Plaintiff's claim and SYABAS' Defence and Counterclaim pursuant to the Plaintiff's contention that SYABAS had similarly executed an assignment of its legal rights, title, benefits and interest of its assigned properties to SYABAS' Security Agent.

The High Court had further fixed the case management on the abovementioned applications on 4 September 2013 pending the disposal of SYABAS' application for leave to appeal at the Federal Court against the decision made by the Court of Appeal dated 21 January 2013, whereby the Court of Appeal had dismissed SYABAS' appeal against the decision of the High Court on 31 July 2012 in allowing 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 28 August 2013, the Federal Court had allowed SYABAS' motion for leave to appeal against the decision of the Court of Appeal dated 21 January 2013 with costs to follow the event of the appeal.

The Court of Appeal had previously dismissed SYABAS' appeal against the decision of the Kuala Lumpur High Court on 31 July 2012 in allowing the State Government of Selangor's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the State Government of Selangor.

At the case management held on 4 September 2013, the Kuala Lumpur High Court had fixed the matter for further case management on 28 November 2013.

The Federal Court vide a letter dated 25 October 2013 had fixed 14 November 2013 for Case Management of the appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013.

At the case management held on 14 November 2013, the Federal Court had fixed 13 January 2014 as the next case management date for the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013.

At the case management held on 28 November 2013, the Kuala Lumpur High Court had fixed the matter for further case management on 27 January 2014, pending the disposal of the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013.

The Court of Appeal had previously dismissed SYABAS' appeal against the decision of the Kuala Lumpur High Court on 31 July 2012 in allowing the State Government of Selangor's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the State Government of Selangor. However, during the Hearing held on 28 August 2013, the Federal Court granted leave to SYABAS to appeal against the said decision of the Court of Appeal.

The Federal Court had brought forward the case management on the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 from 13 January 2014 to 31 December 2013.

At the case management held on 31 December 2013, the Federal Court had fixed the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 for Hearing on 7 April 2014.

At the case management held on 27 January 2014, the Kuala Lumpur High Court had fixed the matter for further case management on 9 April 2014 to update the Kuala Lumpur High Court on the status of the Federal Court Appeal and the present suit.

On 7 April 2014, the Federal Court had adjourned the hearing of State Government of Selangor's motion to strike out SYABAS' appeal (which was filed on 3 April 2014 together with the affidavit in support affirmed by the Selangor State Government's Chief Minister, Tan Sri Dato' Seri Abd Khalid Bin Ibrahim and was fixed for Hearing today) and Hearing of the appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 (which had dismissed SYABAS' appeal against the decision of the Kuala Lumpur High Court on 31 July 2012 in allowing the State Government of Selangor's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the State Government of Selangor) to 9 April 2014 to enable the State Government of Selangor to file its affidavit in reply to SYABAS' affidavit affirmed by SYABAS' Chief Executive Officer, Dato' Ruslan Hassan, on 4 April 2014 in relation to the motion to strike out SYABAS' appeal.

On 9 April 2014, SYABAS' counsel informed the Kuala Lumpur High Court that the Hearing of the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 and the Hearing of the motion filed by the Selangor State Government to strike off SYABAS' appeal had been rescheduled to 9 April 2014. The Kuala Lumpur High Court went on to fix the matter for further case management on 18 April 2014 pending disposal of SYABAS' appeal and motion to strike out SYABAS' appeal filed by the Selangor State Government at the Federal Court.

The Federal Court had on 9 April 2014 adjourned the Hearing of State Government of Selangor's motion to strike out SYABAS' appeal and the appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 (which had dismissed SYABAS' appeal against the decision of the Kuala Lumpur High Court on 31 July 2012 in allowing the State Government of Selangor's application to set aside the Third Party Notice and Statement of Claim filed by SYABAS against the State Government of Selangor) to 7 July 2014 to enable SYABAS to file its affidavit in reply to the affidavit affirmed by Selangor State Government's Chief Minister, Tan Sri Dato' Seri Abd Khalid Bin Ibrahim which was served on SYABAS on 9 April 2014 in relation to the Selangor State Government's motion to strike out SYABAS' appeal.

At the case management held on 18 April 2014, SYABAS' counsel informed the Kuala Lumpur High Court that the Hearing of the Appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 and the Hearing of the motion filed by the Selangor State Government to strike off SYABAS' appeal had been adjourned by the Federal Court to 7 July 2014. The Kuala Lumpur High Court went on to fix the matter for further case management on 9 July 2014 pending disposal of SYABAS' appeal and motion to strike out SYABAS' appeal filed by Selangor State Government at the Federal Court.

On 7 July 2014, the Federal Court adjourned the Hearing of the appeal filed by SYABAS against the decision of the Court of Appeal dated 21 January 2013 and the Hearing of the motion filed by the Selangor State Government to strike off SYABAS' appeal to 2 October 2014.

The Kuala Lumpur High Court had on 9 July 2014 fixed the matter for further case management on 9 October 2014 pending the disposal of SYABAS' appeal and motion to strike out SYABAS' appeal filed by the Selangor State Government at the Federal Court, the Hearing of which was adjourned to 2 October 2014 by the Federal Court on 7 July 2014.

During the hearing held on 2 October 2014, the Federal Court had heard SYABAS' appeal against the decision of the Court of Appeal dated 21 January 2013 which struck out SYABAS' 3rd Party Notice and Statement of Claim against the Selangor State Government and also the motion to strike out SYABAS' appeal filed by the Selangor State Government. The Federal Court had dismissed the motion to strike out SYABAS' appeal filed by the Selangor State Government and allowed SYABAS' appeal both with costs.

The Kuala Lumpur High Court had on 9 October 2014 fixed the matter for another case management on 8 December 2014 pending the outcome of the Motion for Leave to Appeal to the Federal Court filed by the Selangor State Government arising from the decision of the Court of Appeal on 2 April 2014 in allowing SYABAS' appeal to join CIMB Investment Bank Berhad as Co Plaintiff and also to re-amend the statement of claim.

The said Motion for Leave to Appeal to the Federal Court filed by the Selangor State Government has been fixed for case management on 13 October 2014 and hearing on 10 November 2014.

The hearing date on 10 November 2014 has been vacated and a new hearing date has been fixed on 6 January 2015 for the said Motion for Leave to Appeal to the Federal Court filed by the Selangor State Government.

The Kuala Lumpur High Court had on 8 December 2014 fixed the matter for another case management on 13 February 2015 pending the outcome of the Motion for Leave to Appeal to the Federal Court filed by the Selangor State Government arising from the decision of the Court of Appeal on 2 April 2014 in allowing SYABAS' appeal to join CIMB Investment Bank Berhad as Co Plaintiff and also to re-amend the statement of claim.

On 13 February 2015, the High Court has rescheduled the matter for further Case Management on 18 February 2015.

At the Case Management held on 18 February 2015, the High Court has fixed the matter for further Case Management on 24 April 2015 (pending the outcome of the Motion for Leave to Appeal to the Federal Court filed by the Selangor State Government arising from the Decision of the Court of Appeal delivered on 2 April 2014, in allowing SYABAS' appeal to join CIMB Investment Bank Berhad as Co-Plaintiff in its capacity as a security agent and to re-amend the statement of claim in the main suit [Kuala Lumpur High Court Suit No. 22NCC-1478-09/2011]. The hearing of the Leave Application is fixed on 14 April 2015 at the Federal Court).

e) Kuala Lumpur High Court Originating Summons No. 24NCVC-369-02/2013 (PNSB vs State Government)

Puncak Niaga (M) Sdn Bhd ("PNSB") had on 18 February 2013 instituted legal proceedings against the Selangor State Government via the filing of the relevant cause papers all dated 18 February 2013 at the High Court in relation to the Operation and Maintenance Agreement dated 7 March 2008 in respect of the Sungai Sireh Water Treatment Plant between Puncak Niaga (M) Sdn Bhd and the Selangor State Government and the Novation Agreement dated 7 March 2008 in respect of the Sungai Sireh Water Treatment Plant between PNSB, Syarikat Bekalan Air Selangor Sdn Bhd ('SYABAS') and the Selangor State Government ("the Agreements").

In the Originating Summons and the Notice of Application dated 18 February 2013, PNSB is seeking for the following:-

- i) A declaration that the Agreements between PNSB and the Selangor State Government dated 7 March 2008 in respect of the Sungai Sireh Water Treatment Plant between PNSB, SYABAS and the Selangor State Government are valid and enforceable pursuant to the Water Services Industry Act 2006;
- ii) An order against the Selangor State Government for specific performance of the Agreements;
- iii) that the Selangor State Government whether by its servants, agents or howsoever be restrained from terminating the Operation and Maintenance Agreement dated 7 March 2008 in respect of the Sungai Sireh Water Treatment Plant between PNSB and the Selangor State Government and the Novation Agreement dated 7 March 2008 in respect of the Sungai Sireh Water Treatment Plant between PNSB, SYABAS and the Selangor State Government;
- iv) that the Selangor State Government whether by its servants, agents or howsoever be restrained from handing over howsoever the operations and managements of the Sungai Sireh Water Treatment Plant as defined in the Agreements to Konsortium Air Selangor Bhd or whomsoever;
- v) Costs; and
- vi) Such further or other relief as the Honourable Court deems just and fit.

The solicitors of PNSB had on 20 February 2013 served the Sealed Copy of Originating Summons, Sealed Copy of Notice of Application and a copy of the Plaintiff's Affidavit in respect of the Suit on the Selangor State Government.

The High Court had fixed the matter for hearing on 11 March 2013.

At the hearing held on 11 March 2013, the High Court had directed as follows:-

- i) That Parties are to exhaust the exchange of affidavits by 4 June 2013; and
- ii) The Originating Summons had been fixed for hearing on 4 June 2013.

The hearing date scheduled on 4 June 2013 was rescheduled to a case management by the Kuala Lumpur High Court as the Selangor State Government had filed an application to strike out the Suit by PNSB.

At the said case management, the Kuala Lumpur High Court directed the parties to file their respective Written Submissions and Submissions In Reply in respect of the Selangor State Government's said application and scheduled the matter for decision on 10 July 2013.

The Kuala Lumpur High Court had on 9 July 2013 deferred the decision on the Selangor State Government's application to strike out the Suit from 10 July 2013 to 17 July 2013.

On 17 July 2013, the Kuala Lumpur High Court had deferred the decision on the Selangor State Government's application to strike out the Suit from 17 July 2013 to 5 August 2013.

On 5 August 2013, the Kuala Lumpur High Court allowed the Selangor State Government's application to strike out the Suit with costs. PNSB will seek its solicitors' advice on the next course of action for the above matter.

PNSB had on 30 August 2013 filed an appeal to the Court of Appeal against the decision of the Kuala Lumpur High Court on 5 August 2013 allowing the Selangor State Government's application to strike out the Suit with costs.

At the hearing held on 6 November 2013 on PNSB's appeal to the Court of Appeal against the decision of the Kuala Lumpur High Court on 5 August 2013 allowing the Selangor State Government's application to strike out the Suit with costs, the Court of Appeal allowed PNSB's appeal with no order as to costs.

On 10 February 2014, the Selangor State Government had filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal on 6 November 2013 allowing PNSB's appeal against the decision of the Kuala Lumpur High Court on 5 August 2013 allowing the Selangor State Government's application to strike out the Suit with costs.

The Federal Court had scheduled the hearing of the Selangor State Government's application for leave on 2 April 2014.

At the hearing held on 2 April 2014, the Federal Court dismissed the Selangor State Government's application for leave to appeal against the decision of the Court of Appeal on 6 November 2013 with costs of RM10,000.

On 4 July 2014, the Kuala Lumpur High Court has fixed the Case Management of PNSB's Originating Summons on 10 July 2014.

On 10 July 2014, the Kuala Lumpur High Court has fixed the Case Management of PNSB's Originating Summons on 17 September 2014.

On 17 September 2014, the Kuala Lumpur High Court has fixed the Case Management of PNSB's Originating Summons on 3 December 2014.

On 3 December 2014, the Kuala Lumpur High Court has fixed a further Case Management of PNSB's Originating Summons on 17 February 2015.

On 17 February 2015, the Kuala Lumpur High Court has fixed a further Case Management of PNSB's Originating Summons on 10 March 2015

f) PNSB vs LUAS and the Selangor State Government

Kuala Lumpur High Court Judicial Review No : R2-25-67-03/2014

On 20 March 2014, PNSB had filed an application in the Kuala Lumpur High Court for leave to issue Judicial Review proceedings against the decision of Lembaga Urus Air Selangor ("LUAS") and Selangor State Government as notified by LUAS to PNSB via a letter dated 7 March 2014 to not renew PNSB's raw water abstraction licenses beyond 31 May 2014.

On 27 March 2014, PNSB had obtained leave from the Kuala Lumpur High Court to bring Judicial Review proceedings against LUAS and the Selangor State Government ("Judicial Review proceedings"). At the case management held on 10 April 2014 in respect of the Judicial Review proceedings, the Kuala Lumpur High Court gave directions for the parties to file and exchange affidavits in reply and outline the submissions in respect of both the interim relief and substantive applications.

The application for interim relief is fixed for hearing on 5 May 2014 and the next case management for the substantive application was also fixed on 5 May 2014.

PNSB application for interim relief at the Kuala Lumpur High Court in respect of the Judicial Review Proceedings filed against LUAS and the Selangor State Government which was fixed for hearing on 5 May 2014 has been adjourned to 14 May 2014 and the hearing of PNSB's substantive application for Judicial Review is fixed on 16 May 2014.

In respect of the Judicial Review Proceedings filed by PNSB against LUAS and the Selangor State Government, PNSB's application for interim relief has on 6 May 2014 been directed by the Kuala Lumpur High Court to be heard on 12 May 2014 instead of 14 May 2014. The hearing of PNSB's substantive application for Judicial Review remains fixed for 16 May 2014.

PNSB's solicitors had on 8 May 2014 filed and extracted an application to amend the application for Judicial Review wherein the said application to amend is fixed for hearing on 12 May 2014.

As previously announced, the application for interim relief at the Kuala Lumpur High Court in respect of the Judicial Review Proceedings filed against LUAS and the Selangor State Government is fixed for hearing on 12 May 2014 whilst the hearing of PNSB's substantive application for Judicial Review is fixed on 16 May 2014.

The hearing of PNSB's application to amend its Application for Judicial Review and for interim relief scheduled for 12 May 2014 and the hearing of PNSB's substantive application for Judicial Review originally scheduled for hearing on 16 May 2014 have been re-scheduled for hearing by the Kuala Lumpur High Court on 19 May 2014.

On 19 May 2014, at the hearing of the substantive application for Judicial Review Proceedings filed by PNSB against LUAS and the Selangor State Government today, the Kuala Lumpur High Court has fixed 28 May 2014 for delivery of its decision.

On 28 May 2014, the decision of the substantive application for Judicial Review Proceedings filed by PNSB originally scheduled on 28 May 2014 has been re-scheduled by the Kuala Lumpur High Court to 29 May 2014.

At the hearing held on 29 May 2014, the Kuala Lumpur High Court had dismissed the substantive application for Judicial Review Proceedings filed by PNSB against LUAS and the Selangor State Government with costs of RM15,000 to each Respondent.

The Kuala Lumpur High Court had also dismissed PNSB's oral application thereafter for a stay pending an appeal to the Court of Appeal.

Upon PNSB's instruction, PNSB's solicitors had filed a Notice of Appeal against the decision of the Kuala Lumpur High Court at the Registry of the High Court on 29 May 2014.

g) PNSB vs LUAS and the Selangor State Government

Court of Appeal Civil Appeal No : W-01-179-05/2014

In relation to the Kuala Lumpur High Court Application For Judicial Review No:R2-25-67 03/2014 PNSB (Applicant) and LUAS and Selangor State Government (Respondents) on the appeal of PNSB against the decision of the Kuala Lumpur High Court on 29 May 2014 dismissing PNSB's substantive application for Judicial Review as follows:-

On 30 May 2014, PNSB applied ex-parte and obtained an Order from the Court of Appeal as follows:-

"that the decision of the Respondents or either of them as set-out in the 1st Respondent's letter dated 7 March 2014 ("7.3.2014 Letter") refusing the renewal of the Appellant's Water Source Abstraction Licenses No. SWAL:(B) 000520 to 000548 ("Licenses") for the period commencing 1 June 2014 be stayed and that all proceedings in relation to the said decision of the Respondents be stayed, including but not limited to the powers of the Respondents pursuant to Section 59 (2) of the Selangor Waters Management Authority Enactment 1999, until the disposal of the Appellant's appeal by way of its Notice of Appeal dated 29 May 2014."

The Court of Appeal has further directed that PNSB's application as aforesaid be set-down for inter-partes hearing on 11 June 2014.

On 11 June 2014, both inter-parties hearing were fixed at the Court of Appeal to be adjourned to 10 July 2014 for mention pending settlement negotiations between the parties. In the interim, by consent of all parties, the Order for interim relief pending appeal obtained on 30 May 2014 has been continued.

On 10 July 2014, the Court of Appeal has fixed the Mention of PNSB's appeal against the decision of the Kuala Lumpur High Court on 29 May 2014 dismissing PNSB's substantive application for Judicial Review, on 1 December 2014. In the interim, the Order for interim relief pending appeal obtained on 30 May 2014 has been continued.

On 1 December 2014, the Court of Appeal has fixed the Mention of PNSB's appeal against the decision of the Kuala Lumpur High Court on 29 May 2014 dismissing PNSB's substantive application for Judicial Review, on 16 February 2015. In the interim, the Order for interim relief pending appeal obtained on 30 May 2014 has been continued.

PNSB's appeal against the decision of the Kuala Lumpur High Court on 29 May 2014 dismissing PNSB's substantive application for Judicial Review has been fixed for case management before the Registrar of the Court of Appeal on 28 May 2015 pending settlement. In the interim, the Order for interim relief pending appeal obtained on 30 May 2014 continues.

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.

B10 Dividend

Save for the Proposed Distribution of a special cash dividend payment to the entitled shareholders of the Company pending the completion of the Proposed Disposal of PNSB and SYABAS as disclosed in Note B6, no dividend had been proposed or declared under the current financial quarter and financial year-to-date under review (1.1.2013 to 31.12.2013 : Nil).

B11 Earnings/(loss) per share**Basic earnings/(loss) per share**

Basic earnings/(loss) per share are calculated based on the profit attributable to owners of the parent and a weighted average number of ordinary shares outstanding, excluding treasury shares held by the Company.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Corresponding	to date	Corresponding
		3 months ended	Quarter	12 months ended	Period
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit/(loss) net of tax attributable to owners of the parent	(RM'000)				
- continuing operations		22,858	(35,286)	(6,794)	(73,849)
- discontinued operations		58,842	57,911	255,177	274,400
		81,700	22,625	248,383	200,551
Weighted average number of ordinary shares in issue	('000)	413,379	409,223	410,437	409,146
Basic earnings/(loss) per share	(sen)				
- continuing operations		5.53	(8.62)	(1.66)	(18.05)
- discontinued operations		14.23	14.15	62.17	67.07
		19.76	5.53	60.51	49.02

The diluted earnings per share has not been disclosed as it is anti-dilution.

B12 Retained earnings

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and it subsidiaries :		
- realised	2,646,781	2,386,242
- unrealised	(488,263)	(470,508)
	2,158,518	1,915,734
Total share of accumulated losses of joint ventures :		
- realised	(348,458)	(333,508)
Less : Consolidation adjustments	(33,451)	(54,000)
Total retained earnings	1,776,609	1,528,226

By Order of the Board

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

Shah Alam
26 February 2015