

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Profit or Loss**

|   | <i>Note</i> | INDIVIDUAL QUARTER |                       | CUMULATIVE QUARTER |                      |
|---|-------------|--------------------|-----------------------|--------------------|----------------------|
|   |             | Current Year       | Preceding Year        | Current Year       | Preceding Year       |
|   |             | Quarter            | Corresponding Quarter | To date            | Corresponding Period |
|   |             | 3 months ended     |                       | 6 months ended     |                      |
|   |             | 30.06.2021         | 30.06.2020            | 30.06.2021         | 30.06.2020           |
|   |             | RM'000             | RM'000                | RM'000             | RM'000               |
|   |             | Unaudited          | Unaudited             | Unaudited          | Unaudited            |
| Revenue   | A14(a)      | 65,744             | 81,474                | 216,773            | 191,805              |
| Other income  |             | 3,720              | 4,853                 | 7,111              | 10,786               |
| Operating costs   |             | (47,883)           | (76,666)              | (175,727)          | (169,915)            |
| Reversal for foreseeable losses                                   |             | 119                | 267                   | 158                | 2,011                |
| Depreciation and amortisation expenses                            |             | (6,015)            | (6,007)               | (12,100)           | (12,253)             |
| Profit from operations  |             | 15,685             | 3,921                 | 36,215             | 22,434               |
| Finance costs   |             | (19,446)           | (19,640)              | (38,985)           | (39,369)             |
| Share of results of equity accounted entities                     |             | (18)               | (59)                  | (32)               | (75)                 |
| Loss before tax   | A9          | (3,779)            | (15,778)              | (2,802)            | (17,010)             |
| Taxation expense  | B5          | (814)              | (5,599)               | (1,335)            | (9,555)              |
| <b>Loss after tax</b>   |             | <b>(4,593)</b>     | <b>(21,377)</b>       | <b>(4,137)</b>     | <b>(26,565)</b>      |
| <b>Attributable to:</b>   |             |                    |                       |                    |                      |
| Owners of the parent  |             | (4,184)            | (20,062)              | (3,027)            | (24,279)             |
| Non-controlling interests   |             | (409)              | (1,315)               | (1,110)            | (2,286)              |
| Loss after tax  |             | (4,593)            | (21,377)              | (4,137)            | (26,565)             |
|   |             | sen                | sen                   | sen                | sen                  |
| <b>Basic loss per share attributable to owners of the parent:</b> | B11         | <b>(0.94)</b>      | <b>(4.49)</b>         | <b>(0.68)</b>      | <b>(5.43)</b>        |

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Other Comprehensive Income**

|  | <b>INDIVIDUAL QUARTER</b> |                       | <b>CUMULATIVE QUARTER</b> |                      |
|--|---------------------------|-----------------------|---------------------------|----------------------|
|  | Current Year              | Preceding Year        | Current Year              | Preceding Year       |
|  | Quarter                   | Corresponding Quarter | To date                   | Corresponding Period |
|  | 3 months ended            |                       | 6 months ended            |                      |
|  | 30.06.2021                | 30.06.2020            | 30.06.2021                | 30.06.2020           |
|  | RM'000                    | RM'000                | RM'000                    | RM'000               |
|  | Unaudited                 | Unaudited             | Unaudited                 | Unaudited            |
| Loss after tax   | (4,593)                   | (21,377)              | (4,137)                   | (26,565)             |
| <b>Other comprehensive income:</b>                                   |                           |                       |                           |                      |
| <b>Items that may be subsequently reclassified to profit or loss</b> |                           |                       |                           |                      |
| Foreign currency translation   | -                         | (4)                   | 3                         | 2                    |
| <b>Total comprehensive expense for the period</b>                    | <b>(4,593)</b>            | <b>(21,381)</b>       | <b>(4,134)</b>            | <b>(26,563)</b>      |
| <b>Total comprehensive expense attributable to:</b>                  |                           |                       |                           |                      |
| Owners of the parent   | (4,184)                   | (20,066)              | (3,024)                   | (24,277)             |
| Non-controlling interests  | (409)                     | (1,315)               | (1,110)                   | (2,286)              |
|  | <b>(4,593)</b>            | <b>(21,381)</b>       | <b>(4,134)</b>            | <b>(26,563)</b>      |

**(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)**

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Financial Position**

|   | Note | As at<br>30.06.2021<br>RM'000<br>Unaudited | As at<br>31.12.2020<br>RM'000<br>Audited |
|---|------|--|--|
| <b>ASSETS</b>   |      |  |  |
| <b>Non-current assets</b>   |      |  |  |
| Property, plant and equipment   | A10  | 507,170                                    | 510,968                                  |
| Investment properties   | A10  | 818,925                                    | 818,925                                  |
| Bearer biological assets  |      | 310,228                                    | 312,629                                  |
| Concession asset  |      | 5,167                                      | 5,368                                    |
| Investment in associate   |      | 12   | 10                                       |
| Deferred tax assets   |      | 25,372                                     | 25,551                                   |
| Trade and other receivables   |      | 899,960                                    | 832,579                                  |
|   |      | <u>2,566,834</u>                           | <u>2,506,030</u>                         |
| <b>Current assets</b>   |      |  |  |
| Inventories   |      | 4,749                                      | 4,301                                    |
| Fresh fruits bunches  |      | 6,091                                      | 5,549                                    |
| Contract assets   |      | 7,031                                      | 9,623                                    |
| Trade and other receivables   |      | 175,497                                    | 184,759                                  |
| Short-term investments  |      | 64,865                                     | 123,157                                  |
| Tax recoverable   |      | 3,107                                      | 4,497                                    |
| Cash and bank balances  |      | 303,343                                    | 304,779                                  |
|   |      | <u>564,683</u>                             | <u>636,665</u>                           |
| <b>TOTAL ASSETS</b>   |      | <u>3,131,517</u>                           | <u>3,142,695</u>                         |
| <b>Equity and liabilities</b>   |      |  |  |
| <b>Equity attributable to equity owners of the Company</b>            |      |  |  |
| Share capital   |      | 554,663                                    | 554,663                                  |
| Reserves  |      | 765,771                                    | 768,795                                  |
| Treasury shares   |      | (5,941)                                    | (5,941)                                  |
| <b>Shareholders' equity</b>   |      | <u>1,314,493</u>                           | <u>1,317,517</u>                         |
| <b>Non-controlling interest</b>                                       |      | <u>28,961</u>                              | <u>29,971</u>                            |
| <b>Total equity</b>   |      | <u>1,343,454</u>                           | <u>1,347,488</u>                         |
| <b>Non-current liabilities</b>  |      |  |  |
| Loans and borrowings  | B7   | 1,044,306                                  | 1,057,579                                |
| Concession liability  |      | 103,132                                    | 105,485                                  |
| Trade and other payables  |      | 2,272                                      | 5,040                                    |
| Deferred tax liabilities  |      | 167,570                                    | 169,119                                  |
|   |      | <u>1,317,280</u>                           | <u>1,337,223</u>                         |
| <b>Current liabilities</b>  |      |  |  |
| Loans and borrowings  | B7   | 209,854                                    | 200,997                                  |
| Trade and other payables  |      | 215,365                                    | 210,708                                  |
| Contract liabilities  |      | -  | 1,324                                    |
| Provision for foreseeable loss  |      | 43,804                                     | 43,962                                   |
| Tax payable   |      | 1,760                                      | 993                                      |
|   |      | <u>470,783</u>                             | <u>457,984</u>                           |
| <b>Total liabilities</b>  |      | <u>1,788,063</u>                           | <u>1,795,207</u>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <u>3,131,517</u>                           | <u>3,142,695</u>                         |
| <b>Net assets per share attributable to owners of the parent (RM)</b> |      | <u>2.94</u>                                | <u>2.95</u>                              |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Changes in Equity**

|  | ← Attributable to Owners of the Parent → |                 |                                       |                      |                 |                   | Total            | Non-controlling Interests | Total Equity     |
|--|--|-----------------|---------------------------------------|----------------------|-----------------|-------------------|------------------|---------------------------|------------------|
|  | ← Non-distributable                      |                 |                                       | → Distributable      |                 |                   |                  |                           |                  |
|  | Share Capital                            | Treasury Shares | Foreign Currency Translation Reserves | Revaluation Reserves | Other Reserves  | Retained Earnings |                  |                           |                  |
| RM'000   | RM'000                                   | RM'000          | RM'000                                | RM'000               | RM'000          | RM'000            | RM'000           | RM'000                    |                  |
| <b>6 months period ended 30 June 2021</b>                          |  |                 |                                       |                      |                 |                   |                  |                           |                  |
| At 1 January 2021  | 554,663                                  | (5,941)         | 891                                   | 114,313              | (20,014)        | 673,605           | 1,317,517        | 29,971                    | 1,347,488        |
| Foreign currency translation                                       | -  | -               | 3                                     | -                    | -               | -                 | 3                | -                         | 3                |
| Total other comprehensive income                                   | -  | -               | 3                                     | -                    | -               | -                 | 3                | -                         | 3                |
| Loss for the period  | -  | -               | -                                     | -                    | -               | (3,027)           | (3,027)          | (1,110)                   | (4,137)          |
| Total comprehensive expense  | -  | -               | 3                                     | -                    | -               | (3,027)           | (3,024)          | (1,110)                   | (4,134)          |
| Subscription of shares by non-controlling interest in a subsidiary | -  | -               | -                                     | -                    | -               | -                 | -                | 100                       | 100              |
| <b>Total transactions with owners of the Company</b>               | -  | -               | -                                     | -                    | -               | -                 | -                | 100                       | 100              |
| <b>At 30 June 2021</b>   | <b>554,663</b>                           | <b>(5,941)</b>  | <b>894</b>                            | <b>114,313</b>       | <b>(20,014)</b> | <b>670,578</b>    | <b>1,314,493</b> | <b>28,961</b>             | <b>1,343,454</b> |
| <b>6 months period ended 30 June 2020</b>                          |  |                 |                                       |                      |                 |                   |                  |                           |                  |
| At 1 January 2020  | 554,663                                  | (5,941)         | 867                                   | 125,531              | (20,014)        | 651,700           | 1,306,806        | 33,727                    | 1,340,533        |
| Foreign currency translation                                       | -  | -               | 2                                     | -                    | -               | -                 | 2                | -                         | 2                |
| Total other comprehensive income                                   | -  | -               | 2                                     | -                    | -               | -                 | 2                | -                         | 2                |
| Loss for the period  | -  | -               | -                                     | -                    | -               | (24,279)          | (24,279)         | (2,286)                   | (26,565)         |
| Total comprehensive expense  | -  | -               | 2                                     | -                    | -               | (24,279)          | (24,277)         | (2,286)                   | (26,563)         |
| <b>At 30 June 2020</b>   | <b>554,663</b>                           | <b>(5,941)</b>  | <b>869</b>                            | <b>125,531</b>       | <b>(20,014)</b> | <b>627,421</b>    | <b>1,282,529</b> | <b>31,441</b>             | <b>1,313,970</b> |

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Cash Flow**

|  | <b>6 months<br/>ended<br/>30.06.2021</b> | <b>6 months<br/>ended<br/>30.06.2020</b> |
|--|--|--|
|  | RM'000                                   | RM'000                                   |
|  | Unaudited                                | Unaudited                                |
| <b>Cash flow from operating activities</b>                             |  |  |
| Receipts from customers  | 138,894                                  | 86,301                                   |
| Other income   | 593                                      | 2,706                                    |
| Payments for operating expenses  | (63,279)                                 | (38,458)                                 |
| Payments to contractors  | (105,410)                                | (120,888)                                |
| Cash used in operations  | <u>(29,202)</u>                          | <u>(70,339)</u>                          |
| Tax paid   | (434)                                    | (673)                                    |
| Interest income  | 2,783                                    | 8,270                                    |
| Net cash used in operating activities                                  | <u>(26,853)</u>                          | <u>(62,742)</u>                          |
| <b>Cash flow from investing activities</b>                             |  |  |
| Acquisition of property, plant and equipment                           | (4,241)                                  | (649)                                    |
| Net advance to associate   | (2)                                      | (2)                                      |
| Additions of bearer biological assets                                  | (1,034)                                  | (7,634)                                  |
| Net proceeds from short-term investments                               | 61,115                                   | 92,237                                   |
| Proceeds from disposal of property, plant and equipment                | 17                                       | 50                                       |
| Net cash generated from investing activities                           | <u>55,855</u>                            | <u>84,002</u>                            |
| <b>Cash flow from financing activities</b>                             |  |  |
| Proceeds from loans and borrowings                                     | 21,200                                   | 18,900                                   |
| Repayment of loans and borrowings                                      | (24,800)                                 | (10,336)                                 |
| Repayment of lease liabilities   | (2,433)                                  | (1,780)                                  |
| (Increase)/Decrease in pledged deposits                                | (24,425)                                 | 1,141                                    |
| Interest paid  | (24,249)                                 | (30,304)                                 |
| Non-controlling interest subscription of share capital in a subsidiary | 100                                      | -  |
| Net cash used in financing activities                                  | <u>(54,607)</u>                          | <u>(22,379)</u>                          |

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**  
**Condensed Consolidated Statement of Cash Flow (cont'd)**

|   |                |                |
|---|----------------|----------------|
| Net decrease in cash and cash equivalents                         | (25,605)       | (1,119)        |
| Effects of exchange rate on cash and cash equivalents             | (15)           | 18             |
| <b>Cash and cash equivalents at beginning of financial period</b> | 285,728        | 397,680        |
| <b>Cash and cash equivalents at end of financial period</b>       | <u>260,108</u> | <u>396,579</u> |
| <b>Cash and cash equivalents comprise:</b>                        |                |                |
| Deposits with licensed banks                                      | 187,534        | 371,432        |
| Cash and bank balances  | 115,809        | 70,370         |
|   | <u>303,343</u> | <u>441,802</u> |
| Less : Pledged deposits   | (40,676)       | (42,320)       |
| Bank overdraft  | (2,559)        | (2,903)        |
|   | <u>260,108</u> | <u>396,579</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 2020 and the accompanying explanatory notes attached to the interim financial statements.)**

**Puncak Niaga Holdings Berhad 199701000591 (416087-U)**  
**Unaudited Second Quarterly Financial Statements Ended 30 June 2021**

**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 Malaysian Financial Reporting Standards ("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 2020. The 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 2020.

**A2 Significant Accounting Policies**

The accounting policies and presentation adopted for this condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2020, except for the adoption of the following standards, amendments and annual improvements to MFRSs as disclosed below.

**(a) Adoption of Standards, Amendments and Annual Improvements to Standards**

The Group adopted the following Standards, Amendments and Annual Improvements to Standards :-

| Description  | Effective for annual periods beginning on or after |
|--|--|
| Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139                     | 1 January 2021                                     |
| Financial Instruments (Disclosures - Interest Rate Benchmark Reform - Phase 2) |  |

**(b) 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 have been issued but are not yet effective and as such, not being applied by the Group:

| Description                                     | Effective for annual periods beginning on or after |
|---|--|
| Amendment to MFRS 16 Leases                     | 1 April 2021                                       |
| Amendments to MFRS 3                            | 1 January 2022                                     |
| Amendments to MFRS 116                          | 1 January 2022                                     |
| Amendments to MFRS 137                          | 1 January 2022                                     |
| Annual Improvements to MFRS Standards 2018-2020 | 1 January 2022                                     |

**(b) Standards issued but not yet effective (continued)**

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

| Description                        |   | Effective for annual periods beginning on or after |
|------------------------------------|---|--|
| MFRS 17                            | Insurance Contracts   | 1 January 2023                                     |
| Amendments to MFRS 4               | Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9   | Effective immediately                              |
| Amendments to MFRS 17              | Insurance Contracts   | 1 January 2023                                     |
| Amendments to MFRS 101             | Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current And Disclosure of Accounting Policies                                    | 1 January 2023                                     |
| Amendments to MFRS 108             | Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates  | 1 January 2023                                     |
| Amendments to MFRS 112             | Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction   | 1 January 2023                                     |
| Amendments to MFRS 10 and MFRS 128 | Consolidated Financial Statements, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred   |

The Group is expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The Group is currently assessing the financial impact that may arise from the initial application of the accounting standards, interpretations and amendments effective for annual periods on or after a date yet to be confirmed.

**A3 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2020 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.

**A6 Changes in estimates**

There were no significant changes in the estimates of the amount reported in the current quarter and financial year-to-date results.

**A7 Debt and equity securities**

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

**A8 Dividend paid**

There was no dividend paid during the current financial quarter and financial year-to-date (30.06.2020: RM nil).



**A9 Segment revenue and results**

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

a)

| Individual quarter results for 3 months ended | Construction |            | Plantation |            | Concession |            | Total      |            |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|
|   | 30.06.2021   | 30.06.2020 | 30.06.2021 | 30.06.2020 | 30.06.2021 | 30.06.2020 | 30.06.2021 | 30.06.2020 |
|   | RM'000       | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     |
| <b>Operating Revenue</b>                      |              |            |            |            |            |            |            |            |
| Revenue from external customers               | 25,008       | 16,654     | 10,342     | 4,849      | 30,362     | 59,963     | 65,712     | 81,466     |
| Finance income                                | 375          | 53         | 10         | 10         | 828        | 2,187      | 1,213      | 2,250      |
| Other income                                  | -            | -          | 80         | 5          | 10         | 15         | 90         | 20         |
| Fair value gain on fresh fruit bunches        | -            | -          | 788        | -          | -          | -          | 788        | -          |
|   | 25,383       | 16,707     | 11,220     | 4,864      | 31,200     | 62,165     | 67,803     | 83,736     |
| Operating expenses                            | (23,597)     | (16,582)   | (10,216)   | (10,476)   | (5,889)    | (37,923)   | (39,702)   | (64,981)   |
| Reversal for foreseeable losses               | 119          | 266        | -          | -          | -          | -          | 119        | 266        |
| Depreciation and amortisation                 | (44)         | (77)       | (4,995)    | (4,679)    | (84)       | (89)       | (5,123)    | (4,845)    |
| <b>Segment results</b>                        | 1,861        | 314        | (3,991)    | (10,291)   | 25,227     | 24,153     | 23,097     | 14,176     |
| Finance costs                                 | (696)        | (1,208)    | (2,800)    | (2,756)    | (18,131)   | (21,399)   | (21,627)   | (25,363)   |
| <b>Profit/(Loss) before tax</b>               | 1,165        | (894)      | (6,791)    | (13,047)   | 7,096      | 2,754      | 1,470      | (11,187)   |

| Cumulative quarter results for 6 months ended | Construction |            | Plantation |            | Concession |            | Total      |            |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|
|   | 30.06.2021   | 30.06.2020 | 30.06.2021 | 30.06.2020 | 30.06.2021 | 30.06.2020 | 30.06.2021 | 30.06.2020 |
|   | RM'000       | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     |
| <b>Operating Revenue</b>                      |              |            |            |            |            |            |            |            |
| Revenue from external customers               | 78,227       | 38,031     | 19,108     | 11,320     | 119,372    | 142,436    | 216,707    | 191,787    |
| Finance income                                | 417          | 118        | 15         | 20         | 1,737      | 5,360      | 2,169      | 5,498      |
| Other income                                  | -            | 2          | 169        | 32         | 25         | 30         | 194        | 64         |
| Fair value gain on fresh fruit bunches        | -            | -          | 542        | 50         | -          | -          | 542        | 50         |
|   | 78,644       | 38,151     | 19,834     | 11,422     | 121,134    | 147,826    | 219,612    | 197,399    |
| Operating expenses                            | (72,402)     | (38,979)   | (20,354)   | (20,141)   | (64,980)   | (92,645)   | (157,736)  | (151,765)  |
| Reversal of foreseeable losses                | 158          | 2,010      | -          | -          | -          | -          | 158        | 2,010      |
| Depreciation and amortisation                 | (88)         | (177)      | (10,046)   | (9,342)    | (173)      | (176)      | (10,307)   | (9,695)    |
| <b>Segment results</b>                        | 6,312        | 1,005      | (10,566)   | (18,061)   | 55,981     | 55,005     | 51,727     | 37,949     |
| Finance costs                                 | (1,424)      | (2,382)    | (5,403)    | (5,818)    | (36,288)   | (35,323)   | (43,115)   | (43,523)   |
| <b>Profit/(Loss) before tax</b>               | 4,888        | (1,377)    | (15,969)   | (23,879)   | 19,693     | 19,682     | 8,612      | (5,574)    |

| b)  | Construction   |                | Plantation     |                | Concession       |                  | Total            |                  |
|---|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
|   | 30.06.2021     | 30.06.2020     | 30.06.2021     | 30.06.2020     | 30.06.2021       | 30.06.2020       | 30.06.2021       | 30.06.2020       |
|   | RM'000         | RM'000         | RM'000         | RM'000         | RM'000           | RM'000           | RM'000           | RM'000           |
| <b>Assets and Liabilities</b>   |                |                |                |                |                  |                  |                  |                  |
| <b>Segment assets</b>   | <b>95,908</b>  | <b>90,742</b>  | <b>735,895</b> | <b>740,957</b> | <b>1,345,026</b> | <b>1,291,461</b> | <b>2,176,829</b> | <b>2,123,160</b> |
| Included in the measure of segment assets are:  |                |                |                |                |                  |                  |                  |                  |
| Additions to non-current assets other than<br>financial instruments and deferred tax assets | -              | 4              | 3,591          | 7,257          | 1,361            | 738              | 4,952            | 7,999            |
| <b>Segment liabilities</b>  | <b>317,245</b> | <b>334,494</b> | <b>348,142</b> | <b>324,950</b> | <b>1,112,470</b> | <b>1,131,064</b> | <b>1,777,857</b> | <b>1,790,508</b> |

**Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items**

|   | 30.06.2021     | 30.06.2020      |
|---|----------------|-----------------|
|   | RM'000         | RM'000          |
| <b>Profit or loss</b>                         |                |                 |
| Total profit or loss for reportable segments  | 8,612          | (5,574)         |
| Other non-reportable segments and elimination | (11,770)       | (10,874)        |
| Unallocated expenses                          | 356            | (562)           |
| Loss before tax                               | <u>(2,802)</u> | <u>(17,010)</u> |

|  | External<br>revenue | Depreciation<br>and<br>amortisation | Finance<br>costs | Finance<br>income | Segment<br>assets | Additions to<br>non-current<br>assets | Segment<br>liabilities |
|--|---------------------|-------------------------------------|------------------|-------------------|-------------------|---------------------------------------|------------------------|
|  | RM'000              | RM'000                              | RM'000           | RM'000            | RM'000            | RM'000                                | RM'000                 |
| <b>Results for 3 months ended 30.06.2021</b>           |                     |                                     |                  |                   |                   |                                       |                        |
| Total reportable segments                              | 65,712              | (5,123)                             | (21,627)         | 1,213             | 36,552            | 2,064                                 | 5,711                  |
| Other non-reportable segments                          | 32                  | (892)                               | 570              | 1,952             | (49,811)          | 140                                   | 3,538                  |
| Elimination of inter-segment transactions and balances | -                   | -                                   | 1,611            | (1,611)           | (7,203)           | -                                     | 8,172                  |
| Unallocated assets                                     | -                   | -                                   | -                | -                 | (1,344)           | -                                     | -                      |
| Unallocated liabilities                                | -                   | -                                   | -                | -                 | -                 | -                                     | (108)                  |
| <b>Consolidated total</b>                              | <b>65,744</b>       | <b>(6,015)</b>                      | <b>(19,446)</b>  | <b>1,554</b>      | <b>(21,806)</b>   | <b>2,204</b>                          | <b>17,313</b>          |
| <b>Results for 3 months ended 30.06.2020</b>           |                     |                                     |                  |                   |                   |                                       |                        |
| Total reportable segments                              | 81,466              | (4,845)                             | (25,363)         | 5,356             | (10,133)          | 5,878                                 | 7,233                  |
| Other non-reportable segments                          | 8                   | (1,162)                             | 3,445            | 477               | 11,175            | 16                                    | (13,813)               |
| Elimination of inter-segment transactions and balances | -                   | -                                   | 2,278            | (2,278)           | (16,144)          | -                                     | 6,483                  |
| Unallocated assets                                     | -                   | -                                   | -                | -                 | (1,793)           | -                                     | -                      |
| Unallocated liabilities                                | -                   | -                                   | -                | -                 | -                 | -                                     | 1,496                  |
| <b>Consolidated total</b>                              | <b>81,474</b>       | <b>(6,007)</b>                      | <b>(19,640)</b>  | <b>3,555</b>      | <b>(16,895)</b>   | <b>5,894</b>                          | <b>1,399</b>           |

|   | External<br>revenue | Depreciation<br>and<br>amortisation | Finance<br>costs | Finance<br>income | Segment<br>assets | Additions to<br>non-current<br>assets | Segment<br>liabilities |
|---|---------------------|-------------------------------------|------------------|-------------------|-------------------|---------------------------------------|------------------------|
|   | RM'000              | RM'000                              | RM'000           | RM'000            | RM'000            | RM'000                                | RM'000                 |
| <b>Results for cumulative 6 months ended 30.06.2021</b> |                     |                                     |                  |                   |                   |                                       |                        |
| Total reportable segments                               | 216,707             | (10,307)                            | (43,115)         | 2,169             | 2,176,829         | 4,952                                 | (1,777,857)            |
| Other non-reportable segments                           | 66                  | (1,793)                             | 933              | 4,412             | 2,018,296         | 235                                   | (388,760)              |
| Elimination of inter-segment transactions and balances  | -                   | -                                   | 3,197            | (3,197)           | (1,092,087)       | -                                     | 547,883                |
| Unallocated assets                                      | -                   | -                                   | -                | -                 | 28,479            | -                                     | -                      |
| Unallocated liabilities                                 | -                   | -                                   | -                | -                 | -                 | -                                     | (169,329)              |
| <b>Consolidated total</b>                               | <b>216,773</b>      | <b>(12,100)</b>                     | <b>(38,985)</b>  | <b>3,384</b>      | <b>3,131,517</b>  | <b>5,187</b>                          | <b>(1,788,063)</b>     |
| <b>Results for cumulative 6 months ended 30.06.2020</b> |                     |                                     |                  |                   |                   |                                       |                        |
| Total reportable segments                               | 191,787             | (9,695)                             | (43,523)         | 5,498             | 2,123,160         | 7,999                                 | (1,790,508)            |
| Other non-reportable segments                           | 18                  | (2,558)                             | (511)            | 7,165             | 2,048,640         | 23                                    | (361,795)              |
| Elimination of inter-segment transactions and balances  | -                   | -                                   | 4,665            | (4,665)           | (1,062,367)       | -                                     | 520,706                |
| Unallocated assets                                      | -                   | -                                   | -                | -                 | 28,497            | -                                     | -                      |
| Unallocated liabilities                                 | -                   | -                                   | -                | -                 | -                 | -                                     | (186,478)              |
| <b>Consolidated total</b>                               | <b>191,805</b>      | <b>(12,253)</b>                     | <b>(39,369)</b>  | <b>7,998</b>      | <b>3,137,930</b>  | <b>8,022</b>                          | <b>(1,818,075)</b>     |

#### **A10 Valuation of property, plant and equipment and investment properties**

The valuation of property, plant and equipment and investment properties had been brought forward without amendment from the latest audited annual financial statements as there is no indication that the fair value of the properties differs materially from their carrying value as at 31 December 2020.

#### **A11 Subsequent events**

- (a) On 23 July 2021, the Board of Directors of PNHB ("Board") announced that Puncak Niaga Management Services Sdn Bhd ("PNMSSB"), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement ("SPA") pertaining to a related party transaction with Puncak Alam Housing Sdn Bhd ("PAHSB") to acquire three (3) adjoining plots of vacant building land designated for commercial use with 99 years leasehold expiring on 12 April 2109 held under Title No(s) PN 114584, PN 114585 and PN 114586 (formerly known as H.S (D) 23919, H.S (D) 23920 and H.S (D) 23921) respectively, Lot 34075, Lot 34076 and Lot 34077 (formerly known as PT 22691, PT 22692, PT 22693) respectively, all in Mukim of Ijok, District of Kuala Selangor, State of Selangor located along Persiaran Puncak Alam 4, Bandar Puncak Alam, Ijok, Kuala Selangor, Selangor Darul Ehsan measuring approximately 4,005 square metres, 4,036 square metres and 4,782 square metres respectively ("Land") from PAHSB for a total cash consideration of RM11,000,000.00 only ("Proposed Acquisition").

Subject to fulfillment of the Conditions Precedent of the SPA dated 23 July 2021, the Proposed Acquisition is expected to be completed by the fourth quarter of 2021 or latest by the first quarter of 2022.

- (b) On 29 July 2021, the Company announced that its dormant wholly-owned subsidiary which is incorporated in India, Puncak Niaga Infrastructures & Projects Private Limited ("PNIPPL"), had on 28 July 2021 submitted the application for the striking off of the name of PNIPPL from the Register of Companies in India pursuant to Section 248 of the Indian Companies Act, 2013 ("Striking Off").

The Striking Off process is expected to be completed by the 4th Quarter of 2021.

Save as disclosed above and in Note B9 Material Litigations, there are 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.

#### **A12 Changes in the composition of the Group**

On 5 May 2021, the Company subscribed for 150,000 new ordinary shares of RM1.00 each, representing 60% equity interest in Puncak Patem Konsortium Sdn Bhd ("PPKSB") at a total consideration of RM150,000.00 only ("Shares Subscription"). With the Shares Subscription, PPKSB became a 60% owned subsidiary of the Company on 5 May 2021. The acquisition of the new subsidiary, PPKSB is to facilitate the Group's business expansion plans in the water sector.

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

#### **A13 Contingent liabilities and contingent assets**

Save as disclosed in Note B9 Material Litigations, there were no other material contingent liabilities and contingent assets as at 30 June 2021.

**A14 Other material disclosures****a) Revenue**

|                             | <b>INDIVIDUAL QUARTER</b>    |  | <b>CUMULATIVE QUARTER</b>    |   |
|-----------------------------|------------------------------|--|------------------------------|---|
|                             | Current Year<br>Quarter      | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To date      | Preceding Year<br>Corresponding<br>Period |
|                             | 3 months ended<br>30.06.2021 | 30.06.2020                                 | 6 months ended<br>30.06.2021 | 30.06.2020                                |
|                             | RM'000                       | RM'000                                     | RM'000                       | RM'000                                    |
| Construction contract       | 25,008                       | 16,654                                     | 78,227                       | 38,031                                    |
| Sale of fresh fruit bunches | 10,342                       | 4,278                                      | 19,108                       | 10,222                                    |
| Concession                  | 30,362                       | 59,963                                     | 119,372                      | 142,436                                   |
| Others                      | 32                           | 579  | 66                           | 1,116                                     |
|                             | <u>65,744</u>                | <u>81,474</u>                              | <u>216,773</u>               | <u>191,805</u>                            |

**b) Capital commitments**

The following are the capital commitments of the Group:-

|                                       | <b>As at<br/>30.06.2021<br/>RM'000</b> |
|---------------------------------------|--|
| Contracts approved and contracted for | <u>1,757</u>                           |

**c) Acquisition and disposal of property, plant and equipment**

|             | <b>6 months ended 30.06.2021</b> |  |                                       |
|-------------|----------------------------------|--|---------------------------------------|
|             | <b>At cost<br/>RM'000</b>        | <b>Accumulated<br/>depreciation<br/>RM'000</b> | <b>Carrying<br/>amount<br/>RM'000</b> |
| Acquisition | 4,251                            | (178)  | 4,073                                 |
| Disposal    | 948                              | (782)  | 166                                   |
|             | <u>5,199</u>                     | <u>(960)</u>                                   | <u>4,239</u>                          |

**A15 Financial instruments**

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

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

|                                | Carrying<br>amount<br>30.06.2021 | Fair<br>value<br>30.06.2021 | Carrying<br>amount<br>30.06.2020 | Fair<br>value<br>30.06.2020 |
|--------------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
|                                | RM'000                           | RM'000                      | RM'000                           | RM'000                      |
| <b>Financial liabilities :</b> |                                  |                             |                                  |                             |
| Loans and borrowings           | <u>1,244,274</u>                 | <u>1,244,274</u>            | <u>1,245,955</u>                 | <u>1,245,955</u>            |

Short-term investments of the Group amounted to RM3,382,000 (31.12.2020 : RM23,974,000) which represent unit trust and cash fund placements in financial institutions and are categorised as fair value through profit and loss ("FVTPL") financial assets under Level 2 of the fair value hierarchy.

Short-term investments of the Group amounted to RM61,483,000 (31.12.2020 : RM99,183,000) which represent the fixed deposits placed with licensed banks and have maturity more than three (3) months are measured at amortised cost.

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**

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### **B1 Review of performance**

During the current financial quarter, the Group recorded a lower revenue of RM65.7 million as compared to a revenue of RM81.5 million in the preceding year's corresponding financial quarter, representing a decrease of RM15.8 million (19%) mainly due to lower revenue contribution from the Concession segment. For the current financial year-to-date, the Group registered a higher revenue of RM216.8 million compared to RM191.8 million reported in the preceding year's corresponding financial year-to-date, representing an increase of RM25.0 million or 13%. The variances recorded for the current financial year-to-date were mainly attributed to higher revenue contribution from the Construction and Plantation segments.

The Group reported a loss before tax ("LBT") of RM3.8 million and RM2.8 million for the current financial quarter and financial year-to-date as compared to a LBT of RM15.8 million and RM17.0 million reported in the preceding year's corresponding financial quarter and financial year-to-date, representing positive variances of RM12.0 million (76%) and RM14.2 million (84%) respectively. The lower LBT recorded for the current financial quarter and financial year-to-date were mainly attributed to the improvement in profit contribution from all segments.

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

#### **(a) Construction :**

The Construction segment reported a higher revenue of RM25.0 million and a profit before tax ("PBT") of RM1.2 million during the current financial quarter as compared to a revenue of RM16.7 million and LBT of RM0.9 million in the preceding year's corresponding financial quarter, representing an increase in revenue of RM8.3 million or 50% and a positive variance in PBT of RM2.1 million (>100%).

The improvement in PBT for the current financial quarter was mainly due to higher revenue contribution from the Kuantan Project as compared to the preceding year's corresponding financial quarter, which was affected by the imposition of the various phases of the Movement Control Orders, beginning 18 March 2020 that had a bearing on the previous year's financial results.

(b) Plantation :

The Plantation segment reported a higher revenue of RM10.3 million and lower LBT of RM6.8 million during the current financial quarter as compared to a revenue of RM4.8 million and LBT of RM13.0 million in the preceding year's corresponding quarter, representing an increase in revenue of RM5.5 million (>100%) and a positive variance in LBT of RM6.2 million (48%).

The increase in revenue and improvement in the LBT for the current financial quarter was mainly due to higher CPO prices and increased FFB production.

(c) Concession :

The Concession segment reported a lower revenue of RM30.4 million and higher PBT of RM7.1 million in the current financial quarter as compared to a revenue of RM60.0 million and PBT of RM2.8 million in the preceding year's corresponding financial quarter, representing a negative variance in revenue of RM29.6 million (-49%) and a positive variance in PBT of RM4.3 million (>100%).

The lower revenue for the current financial quarter was mainly due to the completion of the construction works of the UiTM-Z1P3 and hand over of the completed facilities to UiTM in the previous financial quarter. The UiTM-Z1P3 Availability Charges and Maintenance Charges ("AMS Charges") had commenced on 1 February 2021 over the next twenty two (22) years of the UiTM-Z1P3 concession. The commencement of the provision of maintenance services and asset replacement programme for UiTM-Z1P3 since 1 February 2021 had improved the profit contribution of the Concession segment in the current financial quarter.

**B2 Comparison of (loss)/profit before taxation with the immediate preceding financial quarter**

The Group reported a lower revenue of RM65.7 million and a LBT of RM3.8 million for the current financial quarter as compared to a revenue of RM151.0 million and a PBT of RM1.0 million in the immediate preceding financial quarter, representing a decrease in revenue of RM85.3 million (56%) and a negative variance in (LBT)/PBT by RM4.8 million (>100%) respectively. The lower revenue and negative variance in (LBT)/PBT for the current financial quarter was mainly due to the completion of the construction works of the UiTM-Z1P3 and hand over of the completed facilities to UiTM in the previous financial quarter.

**B3 Prospects**

The Group will continue to progress with its business activities within its core business segments and remain focused on building on its strengths and long-term strategies to mitigate the challenges in the current year. The Group will also continue to closely monitor the prolonged effect of the COVID-19 pandemic on the economy and the related financial effects and will continuously assess the impact of the COVID-19 pandemic on the Group's operations and financial position.

Construction

Key focuses for the Group on the Construction segment are to achieve the completion of the D44 Project and Kuantan Project according to the revised implementation schedule after taking into account the impact of the MCO, CMCO, RMCO and re-imposition of the MCO, FMCO and the new norm and strict standard operating procedures (SOPs) in the construction industry, as well as to maintain high construction standards and good safety records. The Group practises a cautious approach to maintain profitability from existing projects with its long term strategic expansion plans through assessing new risks and opportunities and exploring options to participate in utilities and infrastructure sector in other states.

Plantation

On the Plantation segment, the Group expects that the COVID-19 pandemic to continue to have a major impact on the global markets amidst resurgent infection waves. With the prevailing labor shortages experienced by the plantation industry in Malaysia and tight global vegetable oil inventory, the CPO prices are expected to remain stable for the rest of the year.

The Group aims to focus on increasing the operational efficiency to generate greater yield output through implementing good agriculture practices, improving harvest collection systems and better vehicle fleet management.

## Concession

The Group will continue to fulfil the maintenance services contract for the Concession Project UiTM-Zone 1 Phase 2, Campus Puncak Alam ("UiTM-Z1P2"). The construction works for UiTM-Z1P2 commenced in 2011 and was completed in 2014 and the facilities management services are for a period of 20 years which commenced from 2014 to 2034.

As for the Concession Project UiTM-Zone 1 Phase 3, Campus Puncak Alam ("UiTM-Z1P3"), the concession is for a period of 25 years and 10 months, commencing from 11 April 2017, encompassing 3 years and 10 months for construction works and 22 years for asset management services. On 1 February 2021, UiTM issued the Certificate of Acceptance and hence, the Group commenced with the asset management services phase of the Concession Agreement and payment of the Availability Charges (for the availability of the Facilities and Infrastructure) and Asset Management Services Charges (for the provision of maintenance services and asset replacement programme) of the Concession Agreement on 1 February 2021, to be conducted over a period of 22 years. This important milestone marks the Group's entry into the healthcare and healthcare services sector. The Group plans to deliver the highest quality of facilities management services in order to build its reputation and track record in this segment and drive future sustainable growth for the Group.

## **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 expense**

|  | <b>INDIVIDUAL QUARTER</b>    |  | <b>CUMULATIVE QUARTER</b>    |   |
|--|------------------------------|--|------------------------------|---|
|  | Current Year<br>Quarter      | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To date      | Preceding Year<br>Corresponding<br>Period |
|  | 3 months ended<br>30.06.2021 | 3 months ended<br>30.06.2020               | 6 months ended<br>30.06.2021 | 6 months ended<br>30.06.2020              |
|  | RM'000                       | RM'000                                     | RM'000                       | RM'000                                    |
| Income tax   |                              |  |                              |   |
| - current year tax expense                             | (1,678)                      | (2,326)                                    | (2,704)                      | (3,499)                                   |
| - over provision in prior years                        | -                            | -  | -                            | 7   |
|  | <u>(1,678)</u>               | <u>(2,326)</u>                             | <u>(2,704)</u>               | <u>(3,492)</u>                            |
| Deferred tax   |                              |  |                              |   |
| - origination and reversal of<br>temporary differences | 864                          | (1,500)                                    | 1,369                        | (4,290)                                   |
| - under provision in prior years                       | -                            | (1,773)                                    | -                            | (1,773)                                   |
|  | <u>864</u>                   | <u>(3,273)</u>                             | <u>1,369</u>                 | <u>(6,063)</u>                            |
|  | <u>(814)</u>                 | <u>(5,599)</u>                             | <u>(1,335)</u>               | <u>(9,555)</u>                            |

The effective tax rate of the Group for the financial year-to-date was higher than the Malaysian statutory tax rate mainly due to deferred tax assets not recognised arising from tax losses for subsidiaries.



## **B6 Status of corporate proposal**

The Company proposed to undertake a renounceable rights issue of up to RM223,623,878 nominal value of 5-year 6.50% convertible secured islamic debt securities ("CSIDS") at 100% of its nominal value of RM1.00 on an entitlement date to be determined later ("Proposed Rights Issue of CSIDS").

As of to date, Puncak has yet to procure the undertakings from the Undertaking Shareholders in view of the significant amount of funds to be raised. Puncak still requires more time to procure the undertakings from the Undertaking Shareholders due to the impact from the protracted Covid-19 pandemic, the extended phase one of movement control under the National Recovery Plan and the enhanced movement control order in selected areas under several states. Consequently, the application for the issuance of CSIDS to the SC and the listing application together with the draft circular to Bursa Securities, which were previously extended to 31 July 2020, 31 January 2021 and 31 July 2021 had been further extended to 31 October 2021.

Saved as disclosed above, there was no corporate proposal announced as at the date of this report.

## **B7 Loans and borrowings**

Details of the Group's loans and borrowings as at 30 June 2021 are as follows:-

|                           | <b>Current<br/>RM'000</b> | <b>Non-current<br/>RM'000</b> |
|---------------------------|---------------------------|-------------------------------|
| <b>Secured</b>            |                           |                               |
| Medium term notes         | 19,568                    | 291,435                       |
| Senior sukuk murabahah    | -                         | 618,901                       |
| Tawarruq term loan        | 148,200                   | 112,352                       |
| Cashline-I facility       | 12,477                    | -                             |
| Term loan                 | 3,750                     | 16,002                        |
| Revolving credit facility | 19,030                    | -                             |
| Bank overdraft            | 2,559                     | -                             |
| Lease liabilities         | 4,270                     | 5,616                         |
|                           | <u>209,854</u>            | <u>1,044,306</u>              |

All loans and borrowings are denominated in Ringgit Malaysia.

## **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 litigations**

### **(I) Kris Heavy Engineering & Construction Sdn Bhd ("KHEC")**

#### **i) The First Arbitration Proceedings**

KHEC, a sub-contractor for the Chennai Water Supply Augmentation Project 1 - Package III ("Chennai Project"), had 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 of the Company in India.

Arising from the arbitration proceedings initiated by KHEC, both KHEC and the Consortium had each appointed a qualified civil engineer as their arbitrator respectively, and both arbitrators had 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 had 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 was subsequently 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, was also 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 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 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 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 tentatively fixed the next continued hearing dates on 24 October 2014 and 25 October 2014 which proceeded as scheduled.

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

On 26 November 2014, the Arbitration Panel 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.

On 14 December 2015, the counsel of the Consortium notified the Presiding Arbitrator that the Arbitrator in charge was unable to continue as Arbitrator in view of his continued ill-health. An alternative Arbitrator will be appointed in due course.

On 3 March 2016, the name of the replacement Arbitrator was submitted by the counsel of the Consortium to the Panel for consideration and decision.

On 20 April 2016, the name of the replacement Arbitrator was accepted by the Panel. The Panel did not schedule new dates for the continued hearing for the First Arbitration Proceedings.

On 2 June 2016, KHEC's Arbitrator resigned and a new arbitrator was nominated for the Panel's consideration and decision before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

On 11 July 2016, the Panel fixed 30 July 2016 for the continued hearing of the First Arbitration Proceedings.

At the hearing on 30 July 2016, the Panel fixed 17 September 2016 and 18 September 2016 for the continued hearing of the First Arbitration Proceedings.

On 19 September 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 2 October 2016.

On 4 October 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 12 November 2016 and 13 November 2016.

On 11 November 2016, the Company notified that the hearing fixed on 11 November 2016 and 12 November 2016 had been cancelled as the Chief Arbitrator had resigned due to health reasons. The remaining Panel was in the process of selecting a suitable replacement for the Chief Arbitrator before the Panel schedules the new dates for the continued hearing for the First Arbitration Proceedings.

On 21 November 2016, the Company was notified that the Panel had approved the replacement for the Chief Arbitrator for the First Arbitration Proceedings. The new dates for the continued hearing for the First Arbitration Proceedings had yet to be scheduled by the Panel.

On 4 January 2017, the Company was notified that the Panel had fixed the continued hearing for the First Arbitration Proceedings on 10 January 2017.

On 11 January 2017, the Company was notified at the hearing held on 10 January 2017 that the Chief Arbitrator had withdrawn himself from the Panel and the remaining Panel will have to find a replacement for the Chief Arbitrator before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

The newly constituted Panel fixed the hearing for the First Arbitration Proceedings on 7 March 2017 and the continued hearing on 11 April 2017 and 22 April 2017.

At the hearing held on 11 April 2017, the Panel fixed the next continued hearing date of the First Arbitration Proceedings on 17 June 2017 and vacated the earlier date fixed on 22 April 2017.

On 17 June 2017, the Panel fixed the continued hearing dates of the First Arbitration Proceedings on 15 July 2017 and 16 July 2017, respectively which were subsequently cancelled by the Panel.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 10 September 2017 was subsequently adjourned and held on 18 November 2017.

At the hearing held on 18 November 2017, the Panel fixed the next continued hearing dates of the First Arbitration Proceedings on 6 and 7 January 2018.

The continued hearing proceeded on 6 January 2018 but the hearing date of 7 January 2018 was vacated and the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 February 2018, 25 February 2018, 24 March 2018 and 25 March 2018, respectively.

At the hearings held on 24 February 2018 and 25 February 2018, the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 March 2018, 25 March 2018, 5 May 2018, 6 May 2018 and 8 May 2018, respectively.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 24 March 2018 and 25 March 2018 were subsequently adjourned. The Panel fixed the next hearing of the First Arbitration Proceedings on 5 May 2018, 6 May 2018 and 7 May 2018, respectively.

The continued hearing proceeded on 5 May 2018 and 6 May 2018 but the hearing date of 7 May 2018 was vacated. The Panel fixed the next continued hearing date on 23 June 2018 and 24 June 2018.

The hearing proceeded on 23 June 2018 and the Panel vacated the hearing scheduled on 24 June 2018. The Panel fixed the next continued hearing of First Arbitration Proceedings on 30 June 2018 and 1 July 2018.

The hearing proceeded on 30 June 2018 and 1 July 2018. The Panel fixed the next continued hearing of the First Arbitration Proceedings on 11 August 2018 and 12 August 2018.

The hearing proceeded on 11 August 2018. The Panel vacated the hearing scheduled on 12 August 2018 and fixed the next continued hearing of the First Arbitration Proceedings on 15 September 2018.

The continued hearing proceeded on 15 September 2018 and parties were directed to submit written submissions on or before 15 October 2018.

The Arbitration Panel of India delivered the Final Award dated 13 November 2019 (which was notified to the Company on 16 November 2019) in relation to the First Arbitration Proceedings, allowing only the following 3 out of the 34 claims brought by the Claimant against PNHB-LANCO-KHEC JV ("the JV") totalling Rs50,51,786 (equivalent to RM293,708.48 at RM1 = Rs17.2 exchange rate) out of the total claim sum of Rs9,84,58,245 (equivalent to RM5.72 million at RM1 = Rs17.2 exchange rate) with interest at 18% from the date of the award to full and final payment of the Final Award sum. The Arbitration Panel further dismissed the counter claim by the JV in the Final Award.

| Claim No | Description                                   | Final Award (Rs) |
|----------|---|------------------|
| 2        | Extra charges for making holes on the pipe    | 2,44,750         |
| 19       | Release of Final Bill                         | 36,43,463        |
| 22       | Refund of Security Deposit (Retention amount) | 11,41,703*       |
|          | Total three (3) claims awarded                | 50,29,916        |
|          | Additional Expense for Services as per award  | 21,870           |
|          | <b>Final Arbitration Award amount</b>         | <b>50,51,786</b> |

Note :-

\* The Total Retention amount due to the Claimant is Rs61,41,703. The Fixed Deposit of Rs50,00,000 deposited by the JV with the Arbitration Panel will be handed over to the Claimant after the appeal time is over or after the disposal of the appeal, if any. The JV sought advice from its solicitors in India on the next course of action.

On 8 June 2020, the Claimant's counsel served on the counsel for the JV, a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019.

On 12 August 2020, the Claimant's Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019 was returned by the Registrar pending the Claimant's representation with compliance. The hearing of the appeal was adjourned to 9 September 2020 and did not proceed as scheduled as it was not listed at the Madras High Court. A new hearing date has yet to be fixed by the Madras High Court.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings will be heard together by the Madras High Court.

## ii) The Second Arbitration Proceedings

KHEC had commenced a second arbitration proceedings against the PNHB-Lanco members of the Consortium ("the Second Arbitration Proceedings") on the basis of the terms of the Joint Venture Agreement ("JVA") dated 13 February 2003 and the Supplemental Agreement to the JVA dated 26 March 2003 respectively, entered into between the Company, Lanco Infratech Limited ("Lanco") 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 alleged that they, despite being a 10% share owner, received only 4.31% out of the total value of the contract works of the Chennai Project. Subsequently, KHEC filed in an amended claim for damages and loss of profit from Rs5,44,32,916 to Rs55,44,32,916 (equivalent to approximately RM4.35 million to RM44.3 million).

PNHB-Lanco's counsel 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 which was heard by a single arbitrator was completed wherein the parties submitted their respective written submissions on 1 December 2012.

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 Rs58 Lakhs amounting to Rs14,62,503 (approximately RM83,627.38) only to the Claimant, KHEC 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 Rs58 Lakhs amounting to Rs14,62,503 to KHEC.

KHEC 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 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.

On 29 June 2018, the Madras High Court fixed the continued hearing on 27 July 2018 for the Second Arbitration Proceedings.

At the hearing held on 27 July 2018, the Madras High Court adjourned the next hearing for the Second Arbitration Proceedings to 27 August 2018.

On 27 August 2018, the Madras High Court adjourned the hearing for the Second Arbitration Proceedings to a later date to be advised in due course due to the change in the sitting judge.

On 12 September 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the first week of October 2018.

On 3 October 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the third week of October 2018.

On 1 November 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 7 March 2019, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 9 April 2019, the Madras High Court had adjourned the hearing to a later date to be advised in due course.

On 24 April 2019, the Madras High Court had adjourned the hearing to a later date to be advised in due course.

On 12 June 2019, the Madras High Court had fixed the next hearing on 26 June 2019.

On 26 June 2019, the Madras High Court had adjourned the hearing to a later date to be advised in due course.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings will be heard together by the Madras High Court.

**(II) Pengurusan Air Selangor Sdn Bhd ("PASSB")**

**Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn Bhd vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit")**

The Company had, on the evening of 9 May 2017, received a sealed copy of the Amended Writ together with an Amended Statement of Claim both dated 28 April 2017 from the solicitors of PASSB.

The Suit arose from alleged breaches on the Sale and Purchase Agreement dated 11 November 2014 ("SPA") between the Company and PASSB relating to the disposals of Puncak Niaga (M) Sdn. Bhd. ("PNSB") and 70% equity interest and RM212.0 million nominal value of redeemable convertible loan stocks held in SYABAS by the Company to PASSB for RM1,555.3 million in line with the consolidation/ restructuring of the water industry in the State of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya by the State Government and the Federal Government. The disposals of PNSB and SYABAS were completed on 15 October 2015.

The Company is named as the First Defendant in the Suit. The relief sought by PASSB against the Company is as follows:

- (i) a sum of RM63,237,583.05 ("Sum") to be paid within 14 days from the date of the Honourable Court judgment.
- (ii) interests on the Sum at the rate of 5% per annum to be calculated from 22 August 2016 until full payment thereof.
- (iii) a declaration that the Company continues to indemnify PASSB for all losses which arises after the filing of this claim that PASSB may suffer as a result of the breaches in this action, including but not limited to future RPTG relation to the transfer of properties of PNSB to the Company Group under the SPA.
- (iv) general damages to be assessed ("Assessed Damages") and interests on the Assessed Damages at the rate of 5% per annum to be calculated from the date of assessment until full payment thereof.
- (v) an order that the Company do deliver to PASSB the original or photocopies of PNSB's documents within seven (7) days from the date of the Honourable Court order.
- (vi) costs and interests at the rate of 5% and other reliefs or orders that the Honourable Court may deem fit and proper to grant.

The alleged breaches are said to arise from a breach of the SPA, amongst others, Clauses 7.2(c), 7.2(d) and the Representations and Warranties of Puncak in Schedule 2, Clause 10.1.5.

The Sum of RM63,237,583.05 is made out of, amongst others, alleged payments made in respect of the Non-CA Related Business.

The Company had instructed its solicitors to contest the matter and to file an appearance at the pre-trial case management on 17 May 2017.

On 17 May 2017, the Court fixed another pre-trial case management on 18 July 2017. Meanwhile, the Company filed an appearance on 16 May 2017.

The Company filed its Defence on 20 June 2017 and a copy of the Defence was served on PASSB's solicitors on 21 June 2017. Puncak received a copy of PAAB's reply to the Defence on 14 July 2017.

On 5 July 2017, PASSB served a sealed application to restrain Puncak's solicitors from acting in the proceeding for the Suit.

At the case management held on 18 July 2017, the Court scheduled PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit on 24 August 2017. Meanwhile, Puncak and Puncak's solicitors filed and served their affidavit in replies to oppose the said application by PASSB on 17 July 2017.

At the case management held on 21 August 2017, the Court adjourned the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 14 September 2017. Meanwhile, the respective submission in reply is due on 4 September 2017.

At the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit held on 14 September 2017, the Court adjourned the hearing of the said application to 26 September 2017.

At the hearing held on 26 September 2017, the Court adjourned the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 30 November 2017.

At PASSB's request, the Court brought forward the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 9 November 2017.

PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit was part heard on 9 November 2017, 30 November 2017, 29 December 2017 and completed on 15 January 2018.

On 27 February 2018, the Judge allowed PASSB's application to restrain its solicitors from acting in the proceedings with costs. Having consulted its solicitors, Puncak gave instructions to them to lodge an appeal to the Court of Appeal against this decision. Meanwhile, the Judge fixed the PASSB's claim for case management on 29 March 2018.

On 14 March 2018, the Judge recorded a stay of the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs until the hearing and final disposal of Puncak's appeal to the Court of Appeal against the said decision. Meanwhile, Puncak's application to stay further proceedings in the High Court pending the disposal of Puncak's appeal was fixed for hearing on 29 March 2018.

Puncak's Notice of Appeal to appeal against the decision of the High Court dated 27 February 2018 to restrain its solicitors from acting in the proceedings was filed and served on 14 March 2018. The Court of Appeal fixed the matter for case management on 30 May 2018 before the Deputy Registrar of the Court of Appeal.

On 29 March 2018, the Judge recorded a stay of all further proceedings in the High Court pending the hearing and final disposal of Puncak's appeal against the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs, except for any interlocutory applications by the other defendants in the action. The matter was fixed for case management on 2 May 2018.

The case management originally fixed on 2 May 2018 was postponed to 1 June 2018 by the High Court.

On 30 May 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management. The appeal will be further case managed on 3 July 2018 before the Deputy Registrar of the Court of Appeal pending receipt of the High Court's grounds of judgment and notes of proceedings.

On 1 June 2018, the case management was adjourned to 4 July 2018 for parties to update the High Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.



On 3 July 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for further case management. The appeal will be further case managed on 18 July 2018 before the Deputy Registrar of the Court of Appeal pending the filing of the Supplementary Record of Appeal and to fix a hearing date for the appeal.

The case management which was fixed on 4 July 2018 was subsequently adjourned by the High Court to 18 September 2018 for parties to update the Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.

Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management on 18 July 2018. The appeal was fixed for final case management on 8 October 2018 before the Deputy Registrar of the Court of Appeal, and the appeal was fixed for hearing on 18 October 2018.

On 18 September 2018, the case management was adjourned to 24 October 2018 for parties to update the Court on the outcome of Puncak's appeal to the Court of Appeal against the decision to restrain solicitors from acting for Puncak.

Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting which was fixed for hearing on 18 October 2018, was taken-off by the Court of Appeal and the hearing of the appeal was adjourned to 8 January 2019.

The case management scheduled on 24 October 2018 was adjourned to 14 January 2019 for parties to update the Court on the outcome of Puncak's appeal to the Court of Appeal against the decision to restrain solicitors from acting for Puncak.

On 8 January 2019, the Court of Appeal dismissed Puncak's appeal with costs against the decision to restrain Puncak's solicitors from acting. Puncak will consider the next course of action in defending the suit by PASSB.

On 14 January 2019, the High Court fixed the next case management on 28 January 2019 for parties to update the High Court on whether Puncak is appealing the Court of Appeal's decision dated 8 January 2019 in respect of the Disqualification Application.

On 28 January 2019, the case management before the Shah Alam High Court Judge was adjourned to 12 February 2019 for parties to update the Court on whether PNHB is appealing the Court of Appeal's dismissal of PNHB's appeal against the High Court's decision to restrain PNHB's current solicitors from acting for PNHB.

The case management on 12 February 2019 before the Shah Alam High Court Judge was postponed to 1 March 2019.

On 1 March 2019, Puncak's new solicitors attended the case management and the High Court fixed the next case management on 9 April 2019.

At the case management held on 9 April 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 27 May 2019.

At the case management held on 27 May 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 4 July 2019.

At the case management held on 4 July 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 6 August 2019.

At the case management held on 6 August 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 11 September 2019.

At the case management held on 11 September 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 3 October 2019.

At the case management held on 3 October 2019, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 21 October 2019. The High Court further directed the parties to comply with the pre-trial directions. The trial dates in November were maintained.

At the case management held on 21 October 2019, the plaintiff withdrew the application to amend the Amended Statement of Claim. The Court allowed the withdrawal and fixed the next case management on 22 October 2019. The trial dates in November 2019 were maintained.

At the case management held on 22 October 2019, the High Court directed the parties to comply with the pre-trial directions. The trial dates in November 2019 were maintained.

On 4 November 2019, the Court vacated the trial dates scheduled on 4 November 2019 to 6 November 2019 because the Judge was on medical leave.

At the trial held on 18 November 2019, the Court fixed the continued trial on 7 March 2020, 17 April 2020, 11 August 2020, 12 August 2020, 13 August 2020, 8 September 2020, 10 September 2020, 15 September 2020, 17 September 2020, 22 September 2020, 23 September 2020, 24 September 2020, 29 September 2020, 30 September 2020, 6 October 2020, 7 October 2020, 8 October 2020, 13 October 2020, 14 October 2020 and 15 October 2020.

The Court also fixed 23 June 2020, 24 June 2020, 25 June 2020, 8 July 2020 and 9 July 2020 tentatively for continued trial pending confirmation from all the parties.

The Court subsequently confirmed that the tentative continued trial dates on 23 to 25 June 2020 are confirmed whilst the tentative continued trial dates on 8 to 9 July 2020 were taken off.

At the case management held on 22 January 2020, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 9 March 2020.

At the case management on 27 February 2020, the Court maintained the hearing date fixed on 9 March 2020 for the plaintiff's application to amend the Amended Statement of Claim. The Court also vacated the trial date fixed on 17 March 2020.

At the hearing for the plaintiff's application to amend the Amended Statement of Claim on 9 March 2020, the Court fixed the matter for decision on 30 March 2020.

Due to the Extended Movement Control Order imposed by the Government due to COVID-19 outbreak, the Court subsequently fixed the matter for decision on 14 May 2020.

On 14 May 2020, the High Court dismissed the plaintiff's application to amend the Amended Statement of Claim with costs and vacated the trial dates fixed in June 2020.

The trial dates on 11 August 2020 to 13 August 2020 were vacated by the High Court as the Judge was unwell.

The trial proceeded as scheduled in September 2020 and October 2020 except for the trial dates on 22 September 2020 to 24 September 2020, 6 October 2020 to 8 October 2020 and 13 October 2020 to 15 October 2020 which were vacated by the Court.

The trial date on 2 November 2020 was subsequently vacated due to the extended Conditional Movement Control Order ("CMCO").

The next trial dates will be on 4 January 2021 and 5 January 2021.

The Shah Alam High Court vacated the trial dates fixed on 14 January 2021, 18 January 2021, 2 February 2021 and 3 February 2021.

The next trial dates for the Suit are on 8 March 2021, 9 March 2021, 13 April 2021, 14 April 2021, 3 May 2021 to 6 May 2021, 11 June 2021 and 14 June 2021.

The trial proceeded on 4 January 2021, 5 January 2021, 8 March 2021, and 9 March 2021 respectively. The trial dates fixed on 13 April 2021 and 14 April 2021 were vacated because the trial judge will be transferred with effect on 5 April 2021 and the parties need to wait for further directions from the Shah Alam High Court with regards to the continued trial. The Shah Alam High Court fixed a case management on 13 April 2021.

On 19 March 2021, the Company announced that the trial will be continued before the current trial judge on 4 May 2021 to 6 May 2021. The Shah Alam High Court vacated the case management fixed on 13 April 2021 and vacated the trial date fixed on 3 May 2021.

The trial date on 5 May 2021 was subsequently vacated by the Court and the trial continued on 4 May 2021 and 6 May 2021. The trial dates fixed in June 2021 were maintained.

On 3 June 2021, the Company announced that in light of the full Movement Control Order ("FMCO") imposed by the Government, the trial dates fixed on 11 June 2021 and 14 June 2021 had been vacated. The new trial dates for the Suit have yet to be fixed by the Shah Alam High Court.

The Shah Alam High Court subsequently fixed the continued trial dates for the Suit on 6 October 2021 and 11 November 2021.

### **(III) Puncak Niaga Holdings Berhad ("Puncak")**

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad ("Plaintiff") vs 1. Tan Sri Dato' Seri Abdul Khalid bin Ibrahim 2. Dato' Seri Mohamed Azmin bin Ali 3. The Selangor State Government ("Collectively Defendants")**

The solicitors of Puncak as the Plaintiff ("Plaintiff") served the sealed Writ of Summons vide Shah Alam High Court Suit No. BA-21NCvC-72-10/2017 together with the Statement of Claim dated 27 October 2017 on:-

- (i) the solicitors of Tan Sri Dato' Seri Abdul Khalid bin Ibrahim ("Tan Sri Khalid"), as the former Menteri Besar of Selangor on 2 November 2017;
- (ii) Dato' Seri Mohamed Azmin bin Ali ("Dato' Seri Azmin"), as the present Menteri Besar of Selangor on 21 November 2017; and
- (iii) the Selangor State Government ("Selangor State Government") on 6 November 2017; collectively "the Defendants".

The suit is initiated by Puncak against the Defendants including the Selangor State Government, who Puncak asserts is vicariously liable for the tortious acts of Tan Sri Khalid and Dato' Seri Azmin in abusing their powers in public office/misfeasance by threatening to cause and/or requesting or attempting to cause the Federal Government to invoke use of the Water Services Industry Act 2006 ("WSIA") to force a take-over of the State's water industry.

Puncak claims damages, interest on damages and costs of:-

- (a) the difference between the value of PNSB Water Sdn Bhd (formerly known as Puncak Niaga (M) Sdn Bhd) ("PNSB") and Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") at the range of RM2,081,000,000.00 to RM2,353,000,000.00 and the actual purchase consideration of RM1,555,300,000.00 under the Share Purchase Agreement dated 11 November 2014 between Puncak and Pengurusan Air Selangor Sdn Bhd; and
- (b) Loss of business opportunities (local and foreign) totalling RM13,496,009,000.

The matter was fixed for case management at the Shah Alam High Court on 28 November 2017.

At the case management held on 28 November 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the 1st Defendant's ("Tan Sri Khalid") application to strike out the claim ("Striking out Application") as well as pre-trial case management directions as follows:-

- (a) Tan Sri Khalid's Striking out Application is fixed for decision on 23 January 2018.
- (b) The next case management before the Judge for parties to comply with pre-trial case management directions is on 12 February 2018.
- (c) The trial dates are scheduled on 28 March 2018 to 30 March 2018.

Meanwhile, the Judge directed parties to attempt mediation in January 2018.

The Selangor State Government's sealed Striking Out Application together with the Affidavit in Support was served on Puncak's solicitors on 19 December 2017.

At the case management of the Selangor State Government's application to strike out the claim on 20 December 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the same with a date for delivery of decision on 23 January 2018. Meanwhile, both Tan Sri Khalid and Dato' Seri Azmin filed and served their respective Defences, with Dato Seri' Azmin also filing a Counterclaim against Puncak by alleging that the claim is an abuse of process, and in turn, he claims for general damages, interest and costs.

Dato' Seri Azmin's sealed Striking Out Application with the Affidavit in Support was served on Puncak's solicitors on 12 January 2018 and the matter was fixed for Hearing on 23 January 2018.

At the hearing on 23 January 2018, the Judge fixed both Tan Sri Khalid's and the Selangor State Government's application to strike out the claim for oral arguments on 26 January 2018. As for Dato' Seri Azmin's application to strike out the claim, the Judge made directions for the exchange of affidavits and submissions with a date for delivery of decision on 22 February 2018. The Judge also adjourned the case management of the suit from 12 February 2018 to 22 February 2018.

On 26 January 2018, the Judge reserved decision on both striking out applications to 22 February 2018 after hearing the oral arguments on both Tan Sri Khalid's and the Selangor State Government's application to strike out the claim.

At the hearing on 22 February 2018, the Judge allowed the Defendants' applications and struck out the claim with costs. Accordingly, the Judge vacated all pre-trial directions and the trial dates from 28 March 2018 to 30 March 2018. As for the Counterclaim filed by Dato' Seri Azmin, the Judge directed the parties to file and exchange submissions with a date for delivery of decision on 13 March 2018 in respect of the Counterclaim.

Puncak gave instructions to its solicitors to lodge an appeal with the Court of Appeal against this decision.

On 26 February 2018, Puncak lodged an appeal with the Court of Appeal against the High Court's decision in allowing the Defendants' applications and striking out the claim with costs.

On 12 March 2018, the Judge granted the application by Dato' Seri Azmin's solicitors to adjourn the delivery of decision in respect of the Counterclaim filed by Dato' Seri Azmin ("Dato' Seri Azmin's Counterclaim"). The decision in respect of Dato' Seri Azmin's Counterclaim which was originally set on 13 March 2018 was adjourned to 15 March 2018.

On 15 March 2018, the Judge dismissed Dato' Seri Azmin's Counterclaim with costs.

Puncak's appeals to the Court of Appeal against the decision of the High Court in allowing the Defendant's applications and striking out claim with costs were all fixed for case management on 23 May 2018 before the Registrar of the Court of Appeal.

On 6 April 2018, Puncak's solicitors received a copy of Dato' Seri Azmin's Notice of Appeal to the Court of Appeal against the decision of the High Court in dismissing the Counterclaim with costs. The matter was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 18 May 2018, Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 23 May 2018, Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was fixed for hearing on 30 August 2018 at the Court of Appeal.

On 25 May 2018, the Registrar of the Court of Appeal fixed Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak for further case management on 2 July 2018 pending the receipt of the grounds of judgment from the High Court and the filing of the Record of Appeal.

On 2 July 2018, Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak was called up for case management. The Registrar of the Court of Appeal fixed the said appeal for further case management on 18 July 2018 pending the filing of the Record of Appeal.

At the case management on 18 July 2018, the Registrar of the Court of Appeal fixed Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak for hearing on 5 November 2018.

The hearing of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim which was scheduled on 30 August 2018 was adjourned to 15 January 2019 at the Court of Appeal.

On 8 October 2018, Puncak's solicitors received notification from the Court of Appeal that Puncak's appeal against the High Court's decision in allowing Tan Sri Khalid's application to strike out the claim was scheduled for case management on 21 November 2018 before the Deputy Registrar at the Court of Appeal.

The hearing of Dato' Seri Azmin's appeal to the Court of Appeal against the High Court's decision in dismissing his Counterclaim against Puncak that was scheduled on 5 November 2018 was vacated as Dato' Seri Azmin had withdrawn the said appeal.

Puncak's solicitors received notification and confirmation from the Court of Appeal that Puncak's appeal against the High Court's decision in allowing Tan Sri Khalid, Dato' Seri Azmin's and the Selangor State Government's application to strike out the claim which were scheduled on 21 November 2018 was rescheduled for case management on 10 December 2018 before the Deputy Registrar at the Court of Appeal.

On 10 December 2018, the Court of Appeal adjourned the hearing of Puncak's appeals to 8 March 2019 which was originally fixed on 15 January 2019.

On 8 March 2019, the Court of Appeal adjourned the matter for case management on 30 April 2019.

On 30 April 2019, the Court of Appeal adjourned the matter for the further case management on 28 June 2019.

The case management of Puncak's appeals against the High Court's decision in allowing the defendant's applications and striking out the claim was adjourned for further case management on 20 August 2019 at the Court of Appeal.

On 20 August 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 25 September 2019 at the Court of Appeal.

On 25 September 2019, the case management of Puncak's appeal against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 18 November 2019 at the Court of Appeal.

On 18 November 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 22 January 2020 at the Court of Appeal.

On 28 November 2019, Puncak was informed that the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim which was previously fixed on 22 January 2020 had been brought forward to 6 December 2019 at the Court of Appeal.

On 6 December 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 20 December 2020 at the Court of Appeal.

On 20 December 2019, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim was adjourned for further case management on 10 January 2020 at the Court of Appeal.

Subsequently, the case management of Puncak's appeals against the High Court's decision in allowing the defendants' applications and striking out the claim which was scheduled on 10 January 2020 was vacated. The next case management fixed on 7 February 2020 at the Court of Appeal was also vacated.

At the case management of Puncak's appeals at the Court of Appeal on 13 February 2020, the Court of Appeal fixed the Hearing of Puncak's appeals on 22 June 2020.

The Hearing of Puncak's appeals at the Court of Appeal on 22 June 2020 was vacated and in lieu thereof, a case management was held. The Court of Appeal fixed another case management date on 8 July 2020 for the re-scheduling of the Hearing of Puncak's appeals.

At the Hearing of Puncak's appeals at the Court of Appeal on 11 February 2021, the Court of Appeal decided as follows:-

(a) The appeal against Tan Sri Dato' Seri Khalid bin Ibrahim and the Selangor State Government were allowed with costs in the cause. The matter was remitted for trial at the Shah Alam High Court. A case management was fixed on 18 February 2021.

(b) The appeal against Dato' Seri Mohamed Azmin bin Ali was dismissed with costs of RM10,000.00.

On 18 February 2021, the case management of Puncak's claim at the Shah Alam High Court against Tan Sri Dato' Seri Khalid bin Ibrahim and the Selangor State Government was vacated and re-scheduled to 5 March 2021.

At the case management of Puncak's claim at the Shah Alam High Court on 5 March 2021, the Shah Alam High Court fixed the next case management on 8 April 2021 for Tan Sri Khalid and the Selangor State Government to update the Shah Alam High Court on the status of their respective Defences and Tan Sri Khalid's intended appeal to the Federal Court.

At the case management of Puncak's claim at the Shah Alam High Court on 8 April 2021, the Shah Alam High Court gave directions for the filing and exchange of affidavits and submissions vis-à-vis the Selangor State Government's application to amend its Defence and fixed the next case management on 8 June 2021 to monitor these matters. The Shah Alam High Court also fixed a separate case management date on 7 May 2021 for Tan Sri Khalid to update the Shah Alam High Court on the status of his motion for leave to appeal to the Federal Court and his intended application to amend his Defence.

At the case management of Puncak's claim at the Shah Alam High Court against Tan Sri Khalid and the Selangor State Government on 7 May 2021, the Selangor State Government withdrew its application to amend its Defence with liberty to file afresh and with no orders as to costs. The Shah Alam High Court vacated the case management originally fixed on 8 June 2021 and fixed the next case management on 25 June 2021 pending the outcome of Tan Sri Khalid's motion for leave to appeal to the Federal Court.

At the case management of Puncak's claim at the Shah Alam High Court on 25 June 2021, the Court directed the Selangor State Government to file its amendment application and supporting affidavit within a week after the Movement Control Order is lifted or after law firms are allowed to operate. Puncak is directed to file its reply affidavit within 14 days after receipt of the Selangor State Government's affidavit in support. The High Court also directed Tan Sri Khalid to file his amendment application on or before the next case management on 22 July 2021.

At the case management of Puncak's claim at the Shah Alam High Court on 22 July 2021, the High Court fixed a further case management on 9 August 2021 for Puncak to inform the High Court whether it agrees with Tan Sri Khalid's proposed amendments to his Defence and for the Selangor State Government to update the High Court on the status of its amendment application.

At the case management of Puncak's claim at the Shah Alam High Court on 9 August 2021, the High Court fixed another case management on 20 August 2021 to give further directions on the Selangor State Government's application to amend its Defence.

At the case management of Puncak's claim at the Shah Alam High Court on 20 August 2021, the High Court fixed another case management on 10 September 2021 for Puncak to update the High Court on its reply affidavit (if any) to the Selangor State Government's amendment application and Puncak's amended reply to Tan Sri Khalid's amended defence.

At the case management of Puncak's claim at the Shah Alam High Court on 10 September 2021, the High Court fixed the Selangor State Government's amendment application for hearing on 24 September 2021 and the next case management of Puncak's claim on 24 September 2021. Puncak was directed to file its Amended Reply to Tan Sri Khalid's Amended Defence by 1 October 2021.

**Tan Sri Khalid's appeal to the Federal Court (Dismissed on 23 June 2021)**

Tan Sri Khalid subsequently filed an application for leave at the Federal Court to appeal against the Court of Appeal's decision dated 11 February 2021 in allowing Puncak's appeal. The leave application was fixed for case management on 8 April 2021.

On 8 April 2021, the Federal Court fixed the next case management on 13 April 2021.

At the case management at the Federal Court on 13 April 2021, the Federal Court scheduled the said motion for an online hearing on 23 June 2021. A further case management was fixed on 4 June 2021 for parties to file written submissions for the said motion.

On 23 April 2021, a further case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court was fixed on 28 April 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 28 April 2021, the Federal Court maintained the Hearing of the said motion on 23 June 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 4 June 2021, the Federal Court directed parties to file written submissions on 8 June 2021. The next case management is fixed on 16 June 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 16 June 2021, the Federal Court maintained the hearing date for the matter on 23 June 2021.

At the case management of Tan Sri Khalid's motion for leave to appeal to the Federal Court on 23 June 2021, the Federal Court dismissed the motion with costs of RM30,000.00 to be paid by Tan Sri Khalid to Puncak within 14 days. The said sum was subsequently paid to Puncak.

#### **(IV) PNCSB**

##### **Two (2) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNC**SB

##### **(a) Notice of Arbitration dated 17 June 2016 issued under KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNC**SB

On 20 June 2016, PNC

SB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the contract contained in a Letter of Award and its Addendums ("Contract") and an Operate, Maintain and Service Agreement under the Contract ("OMSA") for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM119,699,168.11 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB has instructed its solicitor to contest the matter.

On 18 July 2016, PNC

SB issued a response to Genbina's Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB's response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina's claims in its Notice of Arbitration dated 17 June 2016.

##### **(b) Notice of Arbitration dated 17 June 2016 issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNC**SB

On 20 June 2016, PNC

SB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the Contract and an OMSA for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM24,171,671.43 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB has instructed its solicitor to contest the matter.

On 18 July 2016, PNC

SB issued a response to Genbina's Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB's response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina's claims in its Notice of Arbitration dated 17 June 2016.

##### **(c) Three (3) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 by PNC**SB

PNC

SB had on 18 July 2016 issued three (3) separate Notices of Arbitration dated 18 July 2016 to Genbina to refer the disputes or differences arising from the termination of the Contract, an OMSA and Workers' Agreement dated 12 October 2015 ("Workers' Agreement") relating to the D44 Project to arbitration.



The details of the Notices of Arbitration dated 18 July 2016 issued by PNCSB to Genbina are as follows:

- (i) In respect of the Notice of Arbitration arising from the Contract, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breaches under the Contract which led to PNCSB's termination of the Contract. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration;
- (ii) In respect of the Notice of Arbitration arising from the OMSA, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's wrongful acts under the OMSA over Genbina's failure to return the Machineries & Equipment belonging to PNCSB under the OMSA, unlawfully removing the said Machineries & Equipment from the D44 Project site and wrongfully detaining them. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration; and
- (iii) In respect of the Notice of Arbitration arising from the Workers' Agreement, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breach of the Workers' Agreement over Genbina's failure and/or refusal to pay the foreign workers' salaries and to bear all direct and incidental costs for their repatriation, amongst others. PNCSB seeks to recover its loss and damage suffered from Genbina in the arbitration.

PNCSB has asserted that it has suffered losses and damage arising from Genbina's breaches and wrongful acts under the Contract, OMSA and Workers' Agreement and is preparing a counter-claim against Genbina, which PNCSB has assessed and estimated to be in the region of RM152.2 million.

The two (2) separate arbitrations initiated by Genbina Sdn Bhd and the three (3) separate arbitrations initiated by PNCSB had been consolidated into a single arbitration proceeding. The arbitral tribunal was constituted and a preliminary meeting was called on 5 July 2017 wherein parties were given directions to move the arbitration forward.

The arbitral tribunal confirmed the hearing dates for the arbitration on 24 May 2021, 25 May 2021, 27 May 2021, 28 May 2021 and 31 May 2021.

The arbitral tribunal subsequently vacated the hearing dates fixed in May 2021 for the arbitration and fixed the new hearing dates on 20 December 2021 to 23 December 2021 and 28 December to 31 December 2021.

**(d) Notice of Adjudication dated 11 February 2020 issued under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to PNCSB**

Puncak Niaga Construction Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of Puncak, had on 12 February 2020 received a Notice of Adjudication dated 11 February 2020 to refer disputes arising from alleged payment claim under Section 7 & 8 under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") from its sub-contractor, Mersing Construction & Engineering Sdn Bhd ("Mersing"). The alleged payment claim is for the sum of RM2,723,839.04 for the project "Supply And Lay Network Sewerage Pipe At Zone 3 & 3A For Pembinaan Rangkaian Paip Pambetungan Di Bonus, Kuala Lumpur" ("D44 Project") together with interest and cost in relation to the adjudication proceedings. PNCSB has instructed its solicitors to contest the matter.

On 4 March 2020, the adjudicator appointed by the Director of the Asian International Arbitration Centre accepted the appointment to act as Adjudicator in respect of the Notice of Adjudication dated 11 February 2020.

On 4 August 2020, the Adjudicator delivered the Adjudication Decision dated 4 August 2020 wherein PNCSB is required to pay Mersing RM2,578,346.30 only (inclusive of fees and costs). PNCSB is seeking legal advice on the next course of action available to it with regards to the outcome of the Adjudication Decision.

On 18 August 2020, PNCSB filed an application to the Kuala Lumpur High Court to set aside and to stay the Adjudication Decision dated 4 August 2020 ("Setting Aside Application"). The matter was fixed for case management on 4 September 2020 and 6 October 2020.

The case management on 6 October 2020 was subsequently vacated by the Kuala Lumpur High Court and the next case management was fixed on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Setting Aside Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

On 24 December 2020, the Kuala Lumpur High Court dismissed the Setting Aside Application and consequently enforced the Adjudication Decision dated 4 August 2020 in favour of Mersing with cumulative costs of RM10,000.00 to Mersing.

On 12 January 2021, PNCSB's solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court's Decision on Setting Aside Application, at the Court of Appeal ("PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application").

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 March 2021.

On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 5 May 2021.

On 5 May 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 August 2021.

On 4 August 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 6 October 2021.

**(e) Notice of Adjudication dated 11 February 2020 issued under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to PNCSB**

Puncak Niaga Construction Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of Puncak, had on 2 June 2020 received six Notices of Adjudication dated 2 June 2020 from its sub-contractor, PDP Utek (M) Sdn Bhd ("PDP Utek") to refer disputes arising from six payment claims under Sections 7 & 8 under the Construction Industry Payment & Adjudication Act 2012, ("CIPAA") for the combined sum of RM9,654,955.20 for the project "Pakej D44-Pembinaan Rangkaian Paip Pembedungan Di Bonus, Kuala Lumpur (Reka Dan Bina)" ("D44 Project") together with interest, cost and/or any other relief against PNCSB in relation to the payment claims as may be appropriate. PNCSB has instructed its solicitors to contest the matter.

On 15 March 2021, the adjudicator appointed by the Director of the Asian International Arbitration Centre ("AIAC"), accepted the appointment to act as the Adjudicator in respect of the Notices of Adjudication dated 2 June 2020.

Subsequently, PDP Utek issued its Notice of Withdrawal of Adjudication Claim/Proceedings dated 12 May 2021 in respect of the six (6) Notices of Adjudication dated 2 June 2020 commenced against PNCSB ("Notice of Withdrawal") which was acknowledged by the Adjudicator on 17 May 2021.

**(f) Notice of Adjudication dated 17 July 2020 issued under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to PNCSB**

Puncak Niaga Construction Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of Puncak, had on 21 July 2020 received a Notice of Adjudication dated 17 July 2020 from its sub-contractor, City Tunneling Sdn Bhd ("CTSB") to refer disputes arising from six payment claims under Sections 7 & 8 under the Construction Industry Payment & Adjudication Act 2012, ("CIPAA") for the combined sum of RM1,335,237.34 for the project "Pakej D44-Pembinaan Rangkaian Paip Pembetulan Di Bunus, Kuala Lumpur (Reka Dan Bina)" ("D44 Project") together with interest, cost and/or any other relief against PNCSB in relation to the payment claims as may be appropriate. PNCSB has instructed its solicitors to contest the matter.

On 21 December 2020, PNCSB was notified that the adjudicator appointed by the Director of the Asian International Arbitration Centre ("AIAC") had on 18 December 2020 accepted the appointment to act as Adjudicator in respect of the Notice of Adjudication dated 17 July 2020.

On 25 March 2021, the Adjudicator delivered the Adjudication Decision dated 25 March 2021 wherein PNCSB is required to pay CTSB RM1,241,348.85 (excluding interests and costs). PNCSB sought legal advice on the next course of action available to it with regards to the outcome of the Adjudication Decision.

On 7 April 2021, PNCSB reached an amicable resolution with City Tunneling over the sums to be paid pursuant to the Adjudication Decision dated 25 March 2021 as well as matters which relate to City Tunneling in the D44 Project, going forward.

**(g) Notice of Arbitration dated 26 October 2020 issued under AIAC in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to Mersing Construction and Engineering Sdn Bhd**

Puncak Niaga Construction Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of Puncak had on 26 October 2020 issued a Notice of Arbitration dated 26 October 2020 against one of its sub-contractors for the D44 Project, Mersing Construction and Engineering Sdn Bhd ("Mersing"), to refer disputes relating to the true value of works carried out by Mersing up to 30 September 2020 as well as the value of PNCSB's entitlement to backcharges and/or deductions to be determined by the arbitral tribunal.

The details of the Notice of Arbitration issued by PNCSB are as follows:-

- (i) To seek a determination of the true value of work carried out by Mersing up to 30 September 2020, to determine the value of PNCSB's entitlement to backcharges and/or deductions, a declaration that Mersing is not entitled to any payment as determined in the adjudication decision dated 4 August 2020 ("Adjudication Decision") together with damages, interest and costs; and
- (ii) Further to the above and in the event any payment has been made pursuant to the Adjudication Decision, that such payment (or any sum thereto) shall be refunded to PNCSB.

PNCSB subsequently issued a commencement request to the Asian International Arbitration Centre ("AIAC") to commence the arbitration on 27 October 2020 and had also applied to the Kuala Lumpur High Court to stay the Adjudication Decision dated 4 August 2020 pending final determination of the dispute between PNCSB and Mersing by arbitration ("Stay Application").

The Stay Application was fixed for case management on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Stay Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

On 24 December 2020, the Kuala Lumpur High Court dismissed the Stay Application with costs of RM5,000.00 to Mersing.

On 12 January 2021, PNCSB's solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court's Decision on Stay Application, at the Court of Appeal ("PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application").

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 March 2021.

On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 5 May 2021.

On 5 May 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 August 2021.

On 4 August 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 6 October 2021.

**(h) Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNCSB**

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNCSB filed a judicial review application at the Kuala Lumpur High Court ("Judicial Review Application") to challenge the notices of assessment known as Form G which PNCSB received from the IRB on 23 November 2020 for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as "Notices"). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB's decision to disallow the losses surrendered by PNCSB to another related company which is also a wholly-owned subsidiary of Puncak, namely Puncak Niaga Management Services Sdn Bhd ("PNMSSB") under the group relief scheme.

Based on the legal advice obtained from its tax solicitors, PNCSB is of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNCSB had commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 16 December 2020, the Kuala Lumpur High Court fixed PNCSB'S Judicial Review Application for leave hearing on 7 January 2021.

On 7 January 2021, the Kuala Lumpur High Court fixed PNCSB's Judicial Review Application for hearing on 2 March 2021. The Kuala Lumpur High Court also granted an interim stay of enforcement of the Form G on PNCSB until the hearing date on 2 March 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

The hearing of PNCSB's Judicial Review Application which was initially fixed on 2 March 2021 at the Kuala Lumpur High Court was vacated. The Kuala Lumpur High Court granted an interim stay of the enforcement on the Form G on PNCSB until the hearing of PNCSB's Judicial Review Application and the case management for the Inland Revenue Board's application to intervene on 20 April 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

At the case management for PNCSB's Judicial Review Application on 20 April 2021, the Kuala Lumpur High Court dismissed the Inland Revenue Board's application to intervene and subsequently granted an interim stay of the enforcement of the Form G on PNCSB until the hearing of PNCSB's Judicial Review Application on 2 June 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

The Director General of Inland Revenue (“DGIR”) subsequently filed an appeal to the Court of Appeal in relation to the Kuala Lumpur High Court’s decision dated 20 April 2021 to dismiss the Inland Revenue Board’s application to intervene in PNCSB’s Judicial Review Application. A copy of the DGIR’s notice of appeal dated 5 May 2021 was served to PNCSB’s solicitors on 10 May 2021.

In light of the Movement Control Order that is in force, the hearing of PNCSB’s Judicial Review Application which were initially fixed on 2 June 2021 and 16 August 2021 were vacated. The Kuala Lumpur High Court granted an interim stay of the enforcement of Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application on 17 January 2022. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

At the first case management of the IRB’s Application to Intervene in PNCSB’s Judicial Review Application at the Court of Appeal on 18 August 2021, the IRB requested for more time to file an additional record of appeal. Thereafter, the Court of Appeal directed parties to attend the next case management fixed on 28 September 2021.

**(V) Puncak Niaga Management Services Sdn Bhd (“PNMSSB”)**

**Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor (“RMCD”) in accordance with the Goods and Services Tax Act 2014 to PNMSSB**

**(a) Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB**

On 23 October 2019, a wholly-owned subsidiary, PNMSSB received a Bill of Demand from RMCD dated 21 October 2019, demanding for Goods and Services Tax in the sum of RM850,645.23 for the period between 1 January 2018 and 31 August 2018 (“Demand”). PNMSSB sought advice from its tax agent and solicitors on the next course of action. Based on the preliminary advice received, PNMSSB will contest and appeal against the Demand.

On 31 October 2019, PNMSSB filed to commence a judicial review application (“Application”) against RMCD to set aside the Bill of Demand dated 21 October 2019.

At the case management on 5 November 2019, the Court fixed the hearing of the Application on 8 January 2020 and granted an interim order to stay the enforcement and effect of Bill of Demand pending the disposal of the Application.

At the hearing on 8 January 2020, the Court granted leave for the Application and an order to stay the enforcement and effect of the Bill of Demand pending the disposal of the substantive hearing of the Application.

At the case management on 5 February 2020, the Registrar directed parties to attend another case management on 17 April 2020 to obtain the Court’s directions on the filing of cause papers in respect of the Application.

At the case management on 17 June 2020, the Court maintained the interim stay previously granted by the Court of all further proceedings including the enforcement and effect of the Bill of Demand dated 21 October 2019 as the Application is currently put on hold pending the disposal of the other Application against RMCD for the two (2) Bills of Demand dated 18 December 2019.

At the case management on 7 October 2020, the Court fixed the next case management of the Application on 18 January 2021.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

At the case management on 8 March 2021, the Court fixed the case management of the Application on 3 June 2021.

The Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 16 December 2021.

**(b) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB**

PNMSSB had on 18 December 2019 received two (2) Bills of Demand both dated 18 December 2019 from RMCD, demanding for Goods and Services Tax in the aggregate sum of RM5,268,924.68 for the period between 1 February 2016 to 31 December 2017.

On 30 December 2019, PNMSSB filed a judicial review application ("Application") against RMCD to set aside the Bill of Demand.

At the case management on 7 January 2020, the Registrar fixed a further case management before the learned Judge on 14 January 2020 for parties to record an interim order to stay the enforcement and effect of the Bills of Demand pending the hearing of the Application.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

On 8 March 2021, the Court fixed the next case management of the Application on 3 June 2021.

On 15 April 2021, the Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 16 December 2021.

**(c) Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB**

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNMSSB filed a judicial review application at the Kuala Lumpur High Court ("Judicial Review Application") to challenge the notices of assessment known as Form J which PNMSSB received from the IRB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as "Notices"). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB's decision to disallow the losses claimed by Puncak under the group relief scheme. The losses were surrendered by one of Puncak's wholly-owned subsidiary, Puncak Niaga Construction Sdn Bhd ("PNCNB"), which is a related company of PNMSSB, to PNMSSB.

Based on the legal advice obtained from its tax solicitors, PNMSSB is of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNMSSB had commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 10 December 2020, the Kuala Lumpur High Court fixed PNMSSB'S Judicial Review Application for case management on 16 December 2020.

At the case management on 16 December 2020, the Kuala Lumpur High Court granted PNMSSB an interim stay until the next mention date on 13 January 2021.

At the case management on 13 January 2021, the Kuala Lumpur High Court granted an interim stay of the enforcement of the Form J on PNMSSB until the next case management on 18 January 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management on 18 January 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the hearing of the IRB's application to intervene on 6 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the hearing on PNMSSB's Judicial Review Application on 6 May 2021, the Kuala Lumpur High Court granted an interim stay of the enforcement of the Form J on PNMSSB until the case management fixed on 19 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 19 May 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the case management fixed on 10 June 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

The case management on PNMSSB's Judicial Review Application which was initially fixed on 10 June 2021 was vacated and the matter was fixed for case management on 6 September 2021. The Kuala Lumpur High Court granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 6 September 2021, the Kuala Lumpur High Court fixed the next case management on 18 November 2021. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay had been granted.

**(d) Shah Alam High Court Suit No: BA-21NCVC-80-07/2021 Government of Malaysia vs PNMSSB**

On 6 August 2021, Puncak announced that the IRB, on behalf of the Government of Malaysia, had commenced a civil action against Puncak Niaga Management Services Sdn Bhd ("PNMSSB") to recover the purported unpaid taxes under the Notices of Assessment known as Form J for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("Notices") despite the interim stay on the enforcement of the Form J granted by the Kuala Lumpur High Court on 10 June 2021 as disclosed in Note B9(V)(c) above. The IRB had served a copy of the Writ of Summons dated 29 July 2021 on PNMSSB on 5 August 2021.

As the Kuala Lumpur High Court had granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application on 10 June 2021, the IRB has no basis to initiate the civil recovery proceedings on PNMSSB. As such, PNMSSB's solicitor had written to IRB on 6 August 2021 to demand the IRB to withdraw its Writ of Summons on PNMSSB within 7 days.

On 16 August 2021, Puncak announced that the IRB, on behalf of the Government of Malaysia, did not respond to PNMSSB's solicitor's letter dated 6 August 2021 to withdraw its Writ of Summons dated 29 July 2021 served on PNMSSB on 5 August 2021. Upon PNMSSB's instruction, its solicitor filed the Memorandum of Appearance in relation to the suit on behalf of PNMSSB at the Shah Alam High Court on 13 August 2021 and the same had been served on IRB.

At the first case management of the suit at the Shah Alam High Court on 30 August 2021, the IRB informed the Court that they do not have any objections towards PNMSSB's application to strike out the suit (PNMSSB's Application to Strike Out") and PNMSSB's application for extension of time to file its defence ("PNMSSB's Application for Extension of Time to File Defence"). The Shah Alam High Court fixed the next case management on 4 October 2021.

**B10 Dividend**

No dividend has been proposed or declared for the current financial year-to-date (2020: RM nil).

**B11 Loss per share**

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding, excluding treasury shares held by the Company.

|   | INDIVIDUAL QUARTER                                      |  | CUMULATIVE QUARTER                                      |   |
|---|---|--|---|---|
|   | Current Year<br>Quarter<br>3 months ended<br>30.06.2021 | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2020 | Current Year<br>To date<br>6 months ended<br>30.06.2021 | Preceding Year<br>Corresponding<br>Period<br>30.06.2020 |
| Loss net of tax attributable to owners of the parent (RM'000)   | (4,184)   | (20,062)   | (3,027)   | (24,279)  |
| Weighted average number of ordinary shares in issue (unit '000) | 447,248   | 447,248  | 447,248   | 447,248   |
| Basic loss per share (cent)                                     | (0.94)  | (4.49)   | (0.68)  | (5.43)  |

**Diluted loss per ordinary share**

Diluted loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares, excluding treasury shares held by the Company.

The diluted loss per share has not been disclosed as it does not have dilutive potential ordinary shares.

**By Order of the Board**

**TAN BEE LIAN (MAICSA 7006285/SSM PC No:201908003714)**

**WAN RAZMAH BINTI WAN ABD RAHMAN (MAICSA 7021383/SSM PC No:202008002111)**

**Secretaries**

Shah Alam  
23 September 2021