

TALIWORKS CORPORATION BERHAD (Company No 6052-V)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2007 (UNAUDITED)**

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This Report is authorised for public release on 30 May 2007

SUMMARY OF KEY FINANCIAL INFORMATION

	<u>3 MONTHS ENDED</u>		<u>3 MONTHS ENDED</u>		<u>12 MONTHS</u>
	<u>2007</u>	<u>31 MAR</u> <u>2006</u>	<u>2007</u>	<u>31 MAR</u> <u>2006</u>	<u>ENDED</u> <u>31 DEC 2006</u> <u>AUDITED</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	39,323	38,435	39,323	38,435	142,902
Operating profit	12,937	15,200	12,937	15,200	49,982
EBITDA [i]	13,465	15,709	13,465	15,709	52,161
Profit before tax	13,053	15,092	13,053	15,092	50,254
Profit after tax	9,447	10,819	9,447	10,819	35,581
EPS (sen) - Basic	2.54	3.07	2.54	3.07	9.77
- Diluted	2.41	3.04	2.41	3.04	9.35
Gross DPS (sen)	-	-	-	-	10.0
Operating margin (%)	32.9	39.6	32.9	39.6	35.0
Pre-tax margin (%)	33.2	39.3	33.2	39.3	35.2
Net margin (%)	24.0	28.2	24.0	28.2	24.9
ROE (%) [ii]			3.0	3.9	12.1
ROA (%) [iii]			2.7	3.2	10.3

	<u>31 MAR 2007</u>	<u>31 MAR 2006</u>	<u>31 DEC 2006</u>
Net assets per share (sen)	84.9	79.6	84.2
Net cash per share (sen)	40.3	27.1	38.5
Net Gearing (%)	2.5	4.1	2.5

[i] EBITDA is defined as net profit before finance costs, taxation, depreciation and amortisation costs (and excludes share of results of associated companies).

[ii] Return on Equity (ROE) is calculated by dividing the profit for the period with the average of the opening and closing shareholders' equity and is tabulated for year-to-date results.

[iii] Return on Assets (ROA) is calculated by dividing the profit for the period with the average of the opening and closing total assets and is tabulated for year-to-date results.

This Summary of Key Financial Information is not required under FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and is disclosed on voluntary basis.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	NOTE	<u>3 MONTHS ENDED</u>		<u>3 MONTHS ENDED</u>	
		<u>31 MARCH</u>		<u>31 MARCH</u>	
		<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	39,323	38,435	39,323	38,435
Operating expenses		(27,086)	(23,751)	(27,086)	(23,751)
Other operating income		700	516	700	516
Operating profit		12,937	15,200	12,937	15,200
Finance cost		(119)	(153)	(119)	(153)
Share of results of associated companies		235	45	235	45
Profit before tax	A8	13,053	15,092	13,053	15,092
Tax expense	B5	(3,606)	(4,273)	(3,606)	(4,273)
Profit for the financial period		9,447	10,819	9,447	10,819
Attributable to: Equity holders of the Company		9,479	10,819	9,479	10,819
Minority interest		(32)	-	(32)	-
Profit for the financial period		9,447	10,819	9,447	10,819
EPS (sen)	B13				
- Basic		2.54	3.07	2.54	3.07
- Diluted		2.41	3.04	2.41	3.04
DPS (sen)		-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>NOTE</u>	<u>31 MAR 2007</u> <u>RM'000</u>	<u>31 DEC 2006</u> <u>RM'000</u> <u>AUDITED</u> <u>(RESTATED)</u>
NON-CURRENT ASSETS			
Property, plant and equipment		6,007	6,122
Investment properties		462	465
Concession rights		15,809	16,188
Associated companies		23,243	23,008
Deferred tax assets		9	9
Long term receivables		61,036	61,036
Deposits, bank and cash balances		25,366	25,366
		131,932	132,194
CURRENT ASSETS			
Inventories		1,134	981
Trade and other receivables		78,537	91,808
Tax recoverable		424	424
Short-term investments	B7(a)	102,793	79,464
Deposits, bank and cash balances		38,511	46,755
		221,399	219,432
LESS: CURRENT LIABILITIES			
Borrowings	B9	3,019	3,086
Lease payables	A1 (b)	99	99
Trade and other payables		16,733	26,326
Taxation		3,317	2,940
Proposed dividends		8,185	-
		31,353	32,451
NET CURRENT ASSETS		190,046	186,981
LESS: NON-CURRENT LIABILITIES			
Deferred tax liability		86	86
Borrowings	B9	4,528	4,629
Lease payables	A1 (b)	103	128
		4,717	4,843
		317,261	314,332
CAPITAL AND RESERVES			
Share capital		186,889	186,694
Share premium		17,942	17,625
Warrant reserve		6,545	6,545
Currency translation reserve		(213)	(60)
Merger deficit		(71,500)	(71,500)
Retained earnings		175,519	174,225
Shareholders' equity		315,182	313,529
Minority interest		2,079	803
Total equity		317,261	314,332
Net assets per share (RM)		0.8488	0.8418

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	3 MONTHS ENDED	
	<u>31 MAR 2007</u>	<u>31 MAR 2006</u>
	<u>RM'000</u>	<u>RM'000</u>
OPERATING ACTIVITIES		
Profit before tax	13,053	15,092
Adjustments for:		
Non-cash items	1,192	303
Interest income	(364)	(466)
Finance cost	119	153
Operating profit before working capital changes	14,000	15,082
Changes in working capital:		
Net change in current assets	12,855	(3,430)
Net change in current liabilities	(9,708)	(13,889)
Net cash inflow/(outflow) from operations	17,147	(2,237)
Interest paid	(4)	(4)
Interest received	671	632
Tax paid	(3,229)	(2,679)
Net cash inflow/(outflow) from operating activities	14,585	(4,288)
INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(250)	(307)
Placement in short-term investments	(39,500)	-
Proceeds from redemption of short-term investments	16,314	-
Dividend received from short-term investments	120	-
Net cash outflow from investing activities	(23,316)	(307)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS options	512	-
Finance lease principal payments	(25)	(24)
Increase in deposit balances pledged as security	-	(18)
Net cash inflow/(outflow) from financing activities	487	(42)
Net change in cash and cash equivalents during the financial period	(8,244)	(4,637)
Cash and cash equivalents at beginning of financial period	46,755	83,512
Cash and cash equivalents at end of financial period	38,511	78,875
Cash and cash equivalents comprised the following balance sheet amounts:		
Deposits with licensed banks	44,863	109,720
Bank and cash balances	19,014	2,359
Total deposits, bank and cash balances	63,877	112,079
Less: Deposits pledged as security	(25,366)	(33,204)
	38,511	78,875

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the Company

	Number of shares	Nominal value	Share premium	Warrant reserve	Currency translation reserve	Merger deficit	Retained earnings	Shareholders' equity	Minority interest	Total equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	373,389	186,694	17,625	6,545	(60)	(71,500)	174,225	313,529	803	314,332
Net profit for the financial period	-	-	-	-	-	-	9,479	9,479	(32)	9,447
Issue of ordinary shares pursuant to:-										
- exercise of ESOS options	390	195	317	-	-	-	-	512	-	512
Second interim dividend for financial year ended 31 December 2006	-	-	-	-	-	-	(8,185)	(8,185)	-	(8,185)
Minority interest on investment in subsidiary company	-	-	-	-	-	-	-	-	1,357	1,357
Currency translation differences	-	-	-	-	(153)	-	-	(153)	(49)	(202)
At 31 March 2007	373,779	186,889	17,942	6,545	(213)	(71,500)	175,519	315,182	2,079	317,261
At 1 January 2006	352,263	176,131	51	6,547	168	(71,500)	162,371	273,768	889	274,657
Net profit for the financial period	-	-	-	-	-	-	10,819	10,819	-	10,819
Second interim dividend for financial year ended 31 December 2005	-	-	-	-	-	-	(5,073)	(5,073)	-	(5,073)
Currency translation differences	-	-	-	-	(156)	-	-	(156)	2	(154)
At 31 March 2006	352,263	176,131	51	6,547	12	(71,500)	168,117	279,358	891	280,249

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to these interim financial statements.

**PART A – EXPLANATORY NOTES PURSUANT TO
FRS 134: FINANCIAL INTERIM REPORTING**

A1 – Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the latest audited financial statements of the Company and its subsidiary companies (“Group”) for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2006.

The accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the most recent audited financial statements except for the adoption by the Group of the revised Financial Reporting Standards (“FRS”) issued by the Malaysian Accounting Standards Board (“MASB”) effective for financial periods beginning 1 January 2007 as follows:-

- FRS 117 Leases
- FRS 124 Related Party Disclosures

The adoption of FRS 124 does not have significant financial impact on these interim financial statements.

The principal effects from the changes to the accounting policies resulting from the adoption of the revised FRS adopted by the Group are discussed below:-

(a) FRS 117: Leases

The adoption of the revised FRS 117 will result in a retrospective change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land is now classified as operating lease, the minimum lease payments or the upfront payments made are allocated between the land and buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The upfront payment represents prepaid lease payments and are amortised on a straight line basis over the lease term. At 1 January 2007, the Group does not have any leasehold land held for own use to be reclassified.

The adoption of the revised FRS 117 has also affected the presentation of borrowings within the balance sheets. In the consolidated balance sheets, finance leases are now presented as a separate item within current liabilities and non-current liabilities.

The current period’s presentation of the Group’s financial statements is based on the revised requirements of FRS 117, with comparatives restated to conform with the current period’s presentation.

A1 – Basis of Preparation (continued)
(b) Comparatives

The following comparative amounts in the Consolidated Balance Sheet have been restated as a result of the adoption of FRS 117:-

As at 31 December 2006	As previously stated	Adjustment	As restated
	RM'000	RM'000	RM'000
FRS 117			
<u>Current Liabilities</u>			
Borrowings	3,185	(99)	3,086
Lease payables	-	99	99
<u>Non-Current Liabilities</u>			
Borrowings	4,757	(128)	4,629
Lease payables	-	128	128

A2 – Auditors' Reports

The auditors' report on the financial statements of the Company and its subsidiary companies for the most recent audited financial statements was not subject to any qualification.

A3 – Comments about the Seasonal or Cyclical of Interim Operations

There are no significant seasonal or cyclical factors affecting the operations of the Group.

A4 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence during the current quarter and financial period.

A5 – Accounting Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter and financial period.

A6 – Issuance, Cancellation, Repurchases, Resale and Repayments of Debt and Equity Securities

During the current quarter and financial period, there was no issuance or repayment of equity or debt securities by the Company save and except for the issuance of 390,500 new ordinary shares of RM0.50 each at RM1.31 per share from the exercise of ESOS options.

A total of 792,500 ESOS options and 70,425,000 Warrants remained unexercised.



A7 – Dividends Paid

During the current quarter and financial period, a second interim gross dividend of 3.0 sen per share on 373,757,500 ordinary shares of RM0.50 each, less income tax at 27%, amounting to RM8,185,289 in respect of the financial year ended 31 December 2006, was paid on 2 April 2007.

A8 – Segmental Reporting

Segmental information is presented in respect of the Group’s business segments, which is the Group’s primary basis of segmental reporting.

	<u>Water Business</u> RM'000	<u>Waste Management</u> RM'000	<u>Investment Holding</u> RM'000	<u>Construction</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
3 Months Ended 31 Mar 2007						
Revenue						
External	31,988	1,684	-	5,651	-	39,323
Inter-segment	-	372	600	5,632	(6,604)	-
Total revenue	31,988	2,056	600	11,283	(6,604)	39,323
Results						
Segment results	12,966	95	(597)	570	(97)	12,937
Finance cost						(119)
Share of results of associated companies						235
Profit before tax						13,053
3 Months Ended 31 Mar 2006						
Revenue						
External	33,224	1,629	-	3,582	-	38,435
Inter-segment	-	379	600	3,360	(4,339)	-
Total revenue	33,224	2,008	600	6,942	(4,339)	38,435
Results						
Segment results	14,736	254	(193)	167	236	15,200
Finance cost						(153)
Share of results of associated companies						45
Profit before tax						15,092

Analysis of secondary reporting by geographical location was not presented as the Group’s activities are primarily in Malaysia.



A9 – Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

A10 – Material Subsequent Events

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements except as announced by the Company, if any, subsequent to the end of the interim period.

A11 – Changes in Composition of the Group

On 10 January 2007, an 80% subsidiary company, Taliworks (Sichuan) Ltd (“Taliworks Sichuan”), was incorporated in Hong Kong with an authorised share capital of HKD20,000,000 of which HKD15,000,000 comprising 15,000,000 ordinary shares of HKD1.00 each was issued and paid-up. The principal activity of Taliworks Sichuan is investment holding.

Other than the above, there were no changes to the composition of the Group during the current financial period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations.

A12 – Changes in Contingent Liabilities or Contingent Assets

There were no material changes to the contingent liabilities or contingent assets since the last annual balance sheet date.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1 – Review of Performance (Comparison with Corresponding Quarter’s Results)

	Current Quarter Ended 31 Mar 2007 RM’000	Corresponding Quarter Ended 31 Mar 2006 RM’000
Revenue	39,323	38,435
Operating profit	12,937	15,200
Profit before taxation	13,053	15,092

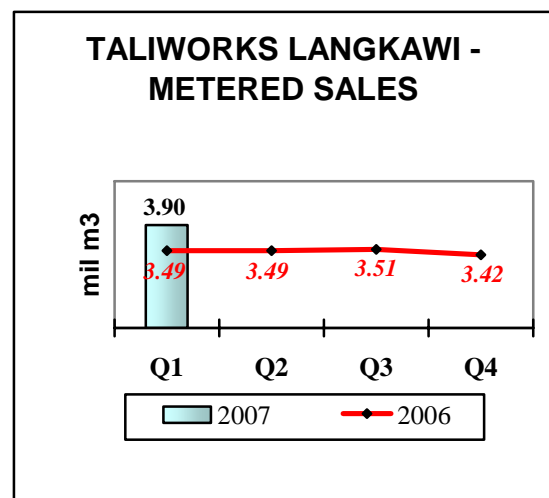
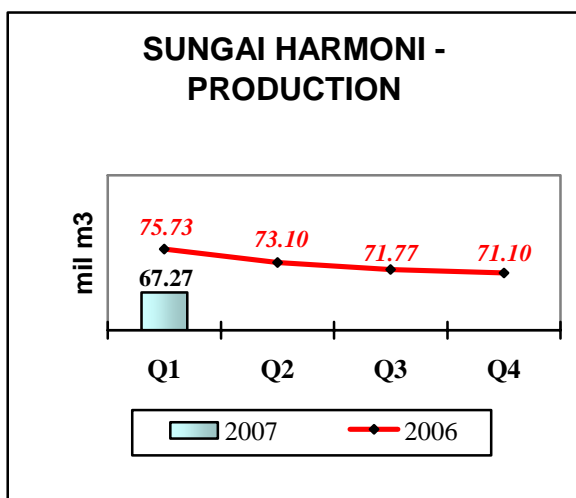
The review of performance should be read in conjunction with the segmental information presented in Note A8.

Revenue

Group revenue was 2.3% higher than that recorded in the corresponding quarter. This was mainly contributed from construction activities at the Bekalan Air Padang Terap Project which commenced in the last quarter of 2006. However, revenue from the water business declined by 3.7% from lower production recorded by SSP1 at Sungai Harmoni Sdn Bhd (“Sungai Harmoni”).

When compared to the corresponding quarter, the production from SSP1 registered a significant decline of 11.2%. This represented the fourth consecutive quarterly decline since Q2FY06 and is attributed to the on-going rationalisation of water supplies by SYABAS. On the other hand, Taliworks Langkawi Sdn Bhd (“Taliworks Langkawi”) enjoyed a robust growth of 11.7% over the corresponding quarter.

The following are the production and metered sales data for Sungai Harmoni and Taliworks Langkawi respectively:-



B1 – Review of Performance (Comparison with Corresponding Quarter’s Results) (continued)
Profit before Taxation

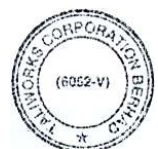
The operating profit and profit before tax of the Group recorded a decrease of RM2.3 million and RM2.0 million respectively compared to the corresponding quarter mainly due to the lower production volume from Sungai Harmoni. Operating expenses recorded a significant increase primarily from increased construction activities.

B2 – Review of Performance (Comparison with Preceding Quarter’s Results)

	<u>Water Business</u> RM'000	<u>Waste Management</u> RM'000	<u>Investment Holding</u> RM'000	<u>Construction</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
<u>3 Months Ended</u>						
<u>31 Mar 2007</u>						
Revenue						
External	31,988	1,684	-	5,651	-	39,323
Inter-segment	-	372	600	5,632	(6,604)	-
Total revenue	31,988	2,056	600	11,283	(6,604)	39,323
Results						
Segment results	12,966	95	(597)	570	(97)	12,937
Finance cost						(119)
Share of results of associated companies						235
Profit before tax						13,053
<u>3 Months Ended</u>						
<u>31 Dec 2006</u>						
Revenue						
External	32,511	1,852	-	1,050	-	35,413
Inter-segment	-	371	32,725	984	(34,080)	-
Total revenue	32,511	2,223	32,725	2,034	(34,080)	35,413
Results						
Segment results	10,541	(445)	28,589	1,112	(29,069)	10,728
Finance cost						(138)
Share of results of associated companies						(4,116)
Profit before tax						6,474

(a) Revenue

Compared to the previous quarter ended 31 December 2006, total revenue recorded was higher by RM3.9 million or 11.0%. This was contributed from the increased in construction activities, mentioned in Note B1 above. Production from Sungai Harmoni continued to decline by 5.4% whilst metered sales from Taliworks Langkawi recorded a healthy growth of 14.0%.



B2 – Review of Performance (Comparison with Preceding Quarter’s Results) (continued)

(b) Profit Before Tax

The operating profit for the current quarter registered an increase by RM2.2 million or 20.6% compared to the immediate preceding quarter ended 31 December 2006. The increase is in line with the increase in Taliworks Langkawi’s metered sales from 3.42 million m³ for the quarter ended 31 December 2006 to 3.90 mil m³ in the current quarter. In addition, lower rehabilitation and maintenance costs incurred in the current quarter for both plants compared to the previous quarter also contributed to the higher operating profit recorded.

In comparison, the current quarter’s profit before tax of RM6.6 million is higher than immediate preceding quarter ended 31 December 2006. Besides the higher operating profit in the current quarter, the remaining increase was primarily due to the reversal of the Financial Compensation of RM4.5 million in the previous quarter, which was reflected in the share of results of associated companies. The detailed explanation of the Financial Compensation can be found in Note B1(b) of the Interim Report for Q4FY06.

B3 – Current Year Prospects

With the progression of the Bekalan Air Padang Terap Project, the Group will record higher revenue and profit contribution from construction activities throughout 2007. However, the performance from the water business will depend on the production output from Sungai Harmoni for the rest of the year. Nevertheless, continuous efforts are made to increase efficiency in the water operations.

As previously reported, the Group will continue with its efforts during the year to source for water, waste and wastewater projects as well as viable infrastructure projects that can generate recurring income, both locally and abroad.

Progress has been made as the Group should see a maiden contribution from wastewater business via the recently acquired subsidiary, Puresino (Guanghan) Water Co., Ltd, which holds a 30-year concession for the 50 MLD GuangHan San Xin Dui Wastewater Treatment Plant in Sichuan, China.

The Group has also recently announced a joint-venture to set-up a production facility to produce and market the CK21 bacteria and related products for wastewater sludge treatment in the China and as well as to undertake and develop waste water sludge treatment and related projects in the China and in other countries. It is anticipated that the Group would be able to participate in further projects contemplated under the joint-venture.

B4 – Profit Forecast

Not applicable as no profit forecast was published.



B5 – Taxation

	Current Quarter Ended 31 Mar 2007 RM'000	Cumulative Quarter Ended 31 Mar 2007 RM'000
Malaysian income tax:-		
Current tax:		
- Current year	3,606	3,606
	3,606	3,606

The effective tax rate of the Group for the financial year is higher than the statutory tax rate of 27% due to certain expenses not allowed as tax deductions and losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in other companies within the Group.

B6 – Profits on Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and properties for the current quarter and financial period.

B7 – Purchase or Disposal of Quoted Securities

- (a) There were no purchases or disposals of quoted securities for the current quarter and financial period except for the investment and redemption in quoted unit trusts included in Short-Term Investments. As at the end of the reporting period, the Short-Term Investments of the Group were as follows:-

	<u>RM'000</u>
Book value	<u>102,793</u>
Carrying amount	<u>102,793</u>
Market value	<u>103,313</u>

- (b) There were no investments in quoted shares as at end of the reporting period.

B8 – Status of Corporate Proposals Announced But Not Completed

Further to the Company's announcement on 27 December 2006 on the proposed acquisition of 70% equity interest in Puresino (Guanghan) Water Co., Ltd ("the Proposed Investment"), a 80% subsidiary company, Taliworks Sichuan has been incorporated on 10 January 2007 in Hong Kong.

Subsequently, on 24 April 2007, Taliworks Sichuan has secured all the necessary regulatory approvals from the Sichuan Provincial Department of Commerce and the Guanghan City People's Government Authorities for the registration of Taliworks Sichuan as the owner of the 70% equity interest in Puresino (Guanghan) Water Co., Ltd. With the formalisation of the above, Puresino (Guanghan) Water Co., Ltd is effectively a subsidiary company of Taliworks Sichuan.

Puresino International Limited ("PHK"), as the vendor, has on 7 May 2007 fulfilled all the First Instalment Payment conditions under the Share Transfer Agreement dated 24 December 2006, and accordingly, Taliworks Sichuan has effected the first payment of RMB7.7 million in favour of PHK. The Second and Third Instalment Payments of RMB5.1 million and RMB1.7 million respectively will be made upon satisfaction of conditions stated in the said Share Transfer Agreement.



B8 – Status of Corporate Proposals Announced But Not Completed (continued)

For further information and the salient terms of the Proposed Investment, please refer to our earlier announcement to Bursa Securities (<http://www.bursamalaysia.com>) dated 27 December 2006.

Other than the above, there were no proposals announced but not completed as of the date hereof.

B9 – Group Borrowings and Debt Securities

Group borrowings (including lease payables) as the end of the reporting period are all secured and interest bearing. Included in the borrowings is an offshore borrowing denominated in a foreign currency as follows:-

	<u>US Dollars</u> <u>'000</u>
Not later than one year	875
Later than one year but not later than two years	875
Later than two years but not later than three years	438
	<u>2,188</u>

B10- Off Balance Sheet Financial Instruments

As at 25 May 2007 (being a date not earlier than 7 days from the date of this report), there were no contracts on financial instruments with off balance sheet risk.

B11- Material Litigations

As at 25 May 2007 (being a date not earlier than 7 days from the date of this report), there were no pending material litigations against the Company or its subsidiary companies.

B12– Dividends

The Board does not recommend any dividend for the current quarter under review. In line with the Company’s general dividend policy, dividend payments for each financial year will generally be paid in three tranches comprising two interim dividends in the second and fourth financial quarters and a final dividend by the end of the financial year.

B13- Earnings Per Share (“EPS”)

(a) *Basic earnings per share*

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of shares in issue.



B13- Earnings Per Share (“EPS”) (continued)
(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the adjusted weighted average number of shares in issue. The weighted average number of shares in issue is adjusted for potential dilutive shares from the exercise of outstanding ESOS options and Warrants of the Company.

	Current Quarter Ended 31 Mar 2007	Current Quarter Ended 31 Mar 2006	Cumulative Quarter Ended 31 Mar 2007	Cumulative Quarter Ended 31 Mar 2006
(a) Basic Earnings per share				
Net Profit attributable to equity holders of the Company (RM'000)	9,479	10,819	9,479	10,819
Weighted average number of shares in issue ('000)	373,553	352,262	373,553	352,262
Basic EPS (sen)	2.54	3.07	2.54	3.07
(b) Diluted Earnings per share				
Net Profit attributable to equity holders of the Company (RM'000)	9,479	10,819	9,479	10,819
Weighted average number of shares in issue ('000)	373,553	352,262	373,553	352,262
Effects of dilution from exercise of:-				
- Warrants ('000)	19,317	3,178	19,317	3,178
- ESOS options ('000)	199	81	199	81
	393,069	355,521	393,069	355,521
Diluted EPS (sen)	2.41	3.04	2.41	3.04

B14 – Authorisation for Release

This Interim Financial Report for the financial period ended 31 March 2007 has been seen and approved by the Board for public release.

By Order of the Board
Nuruluyun Binti Abdul Jabar
Company Secretary (MIA 9113)
30 May 2007

For more information on **TALIWORKS CORPORATION BERHAD**, shareholders and the general public can access the Company's website at <http://www.taliworks.com.my>. The Company also participates in the CMDF-Bursa Research Scheme to facilitate greater investors' understanding of the Group. Copies of independent research reports on the Company can be downloaded from <http://www.bursamalaysia.com>

