

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008 (UNAUDITED)

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This Report is authorised for public release on 28 May 2008

SUMMARY OF KEY FINANCIAL INFORMATION

	3 MONTHS ENDED 31 MAR		3 MONTHS ENDED 31 MAR		12 MONTHS ENDED 31 DEC 2007 (audited)
	2008	2007	2008	2007	RM'000
	RM'000	RM'000	RM'000	RM'000	
Revenue	65,351	39,323	65,351	39,323	190,969
EBITDA [i]	18,937	13,465	18,937	13,465	50,192
Operating profit	18,300	12,937	18,300	12,937	47,270
Profit before tax	16,723	13,053	16,723	13,053	46,657
Profit after tax	11,869	9,447	11,869	9,447	33,108
EPS (sen) - Basic	3.17	2.54	3.17	2.54	9.02
- Diluted	3.09	2.41	3.09	2.41	8.44
Gross DPS (sen)	-	-	-	-	9.5
EBITDA margin	29%	34%	29%	34%	26%
Operating margin	28%	33%	28%	33%	25%
Pre-tax margin [ii]	26%	33%	26%	33%	24%
Net margin	18%	24%	18%	24%	17%
ROE [iii]			4%	3%	10%
ROA [iv]			2%	3%	7%

	31 MAR 2008	31 MAR 2007	31 DEC 2007 (audited)
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.88	0.85	0.88
Net cash per share (RM)	0.09	0.40	0.10
Net gearing (times)	0.69	0.02	0.69

[i] EBITDA is defined as net profit for the period/year before finance costs, taxation, depreciation and amortisation costs (and excludes share of results of jointly-controlled entities and associates).

[ii] Group pre-tax includes share of after-tax results of jointly-controlled entities and associates. Kindly refer to Note A8-Segmental Reporting for a better appreciation of the pre-tax margins recorded by individual business segments.

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

[iv] Return on Assets (ROA) is calculated by dividing the net profit for the period/year 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 a voluntary basis.



CONDENSED CONSOLIDATED INCOME STATEMENTS

	NOTE	<u>3 MONTHS ENDED</u>		<u>3 MONTHS ENDED</u>	
		<u>31 MAR</u>		<u>31 MAR</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	65,351	39,323	65,351	39,323
Operating expenses		(48,608)	(27,086)	(48,608)	(27,086)
Other operating income		1,557	700	1,557	700
Operating profit		18,300	12,937	18,300	12,937
Finance cost		(3,559)	(119)	(3,559)	(119)
Share of results of jointly controlled entity (net of tax)		1,839	-	1,839	-
Share of results of associates (net of tax)		143	235	143	235
Profit before tax	A8	16,723	13,053	16,723	13,053
Tax expense	B5	(4,854)	(3,606)	(4,854)	(3,606)
Profit for the financial quarter		11,869	9,447	11,869	9,447
Attributable to:					
Equity holders of the Company		11,916	9,479	11,916	9,479
Minority interest		(47)	(32)	(47)	(32)
Profit for the financial quarter		11,869	9,447	11,869	9,447
EPS (sen)	B13				
- Basic		3.17	2.54	3.17	2.54
- Diluted		3.09	2.41	3.09	2.41
DPS (sen)		-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

<u>NOTE</u>	<u>31 MAR 2008</u> <u>RM'000</u>	<u>31 DEC 2007</u> <u>RM'000</u> <u>(audited)</u>
NON-CURRENT ASSETS		
Property, plant and equipment	24,323	24,892
Investment properties	452	455
Concession rights	15,198	15,408
Jointly controlled entity	57,677	55,838
Associates	23,788	23,645
Goodwill on consolidation	2,007	2,007
Deferred tax assets	84	84
Long term receivables	56,328	56,328
Deposits, bank and cash balances	22,484	22,484
	202,341	201,141
CURRENT ASSETS		
Inventories	876	1,041
Trade and other receivables	124,756	107,956
Amount due from a jointly controlled entity	52,250	52,250
Tax recoverable	294	304
Investments	B7(a) 207,615	197,630
Deposits, bank and cash balances	30,002	44,306
	415,793	403,487
LESS: CURRENT LIABILITIES		
Borrowings (secured)	B9 2,837	2,973
Trade and other payables	52,614	43,168
Taxation	2,231	1,712
	57,682	47,853
NET CURRENT ASSETS	358,111	355,634
LESS: NON-CURRENT LIABILITIES		
Deferred tax liability	28	28
Borrowings	B9 4,178	4,238
Convertible bonds (unsecured)	221,103	218,884
	225,309	223,150
	335,143	333,625
CAPITAL AND RESERVES		
Share capital	187,859	187,698
Reserves	142,898	141,426
Shareholders' equity	330,757	329,124
Minority interest	4,386	4,501
Total equity	335,143	333,625
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.8803	0.8767

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<u>3 MONTHS ENDED 31 MAR 2008</u> RM'000	<u>3 MONTHS ENDED 31 MAR 2007</u> RM'000
OPERATING ACTIVITIES		
Profit before tax	16,723	13,053
Adjustments for:		
Non-cash items	(1,700)	1,192
Interest income	(272)	(364)
Finance cost	3,559	119
Operating profit before working capital changes	18,310	14,000
Changes in working capital:		
Net change in current assets	(16,596)	12,855
Net change in current liabilities	8,110	(9,708)
Net cash inflow from operations	9,824	17,147
Interest paid	(4)	(4)
Interest received	283	671
Tax paid	(4,325)	(3,229)
Net cash inflow from operating activities	5,778	14,585
INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(223)	(250)
Placement in Investments, net of redemptions	(9,801)	(23,186)
Dividend received from Investments	534	120
Net cash outflow from investing activities	(9,490)	(23,316)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS options and Warrants	554	512
Dividends paid	(11,121)	-
Finance lease principal payments	(25)	(25)
Net cash (outflow)/inflow from financing activities	(10,592)	487
Net change during the financial quarter	(14,304)	(8,244)
At beginning of financial quarter	44,306	46,755
At end of financial quarter	30,002	38,511
Cash and cash equivalents comprised the following balance sheet amounts:		
Deposits with licensed banks	37,384	44,863
Bank and cash balances	15,102	19,014
Total deposits, bank and cash balances	52,486	63,877
Less: Deposits pledged as security	(22,484)	(25,366)
	30,002	38,511

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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	Share Option 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	RM'000
At 1 January 2008	375,396	187,698	19,945	6,544	2,929	114	(71,500)	183,394	329,124	4,501	333,625
Net profit for the financial quarter	-	-	-	-	-	-	-	11,916	11,916	(47)	11,869
Issue of ordinary shares pursuant to:-											
- exercise of ESOS options	309	155	383	-	-	-	-	-	538	-	538
- exercise of warrants	13	6	10	-	-	-	-	-	16	-	16
Transfer from warrant reserve upon exercise	-	-	1	(1)	-	-	-	-	-	-	-
2nd interim dividend FY07	-	-	-	-	-	-	-	(11,121)	(11,121)	-	(11,121)
Currency translation differences	-	-	-	-	-	284	-	-	284	(68)	216
At 31 March 2008	375,718	187,859	20,339	6,543	2,929	398	(71,500)	184,189	330,757	4,386	335,143
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 quarter	-	-	-	-	-	-	-	9,479	9,479	(32)	9,447
Issue of ordinary shares pursuant to:-											
- exercise of ESOS options	390	195	317	-	-	-	-	-	512	-	512
2nd interim dividend FY06	-	-	-	-	-	-	-	(8,185)	(8,185)	-	(8,185)
Minority interest on investment in subsidiary companies	-	-	-	-	-	-	-	-	-	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

The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to these interim financial statements.

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

A1 – Basis of Preparation

- (a) 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 2007. 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 2007.

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 of the following revised and amended Financial Reporting Standards (“FRS”) and new Interpretations issued by the Malaysian Accounting Standards Board (“MASB”) effective for financial periods beginning on or after 1 January 2008:

- FRS 107 Cash Flow Statements
 - FRS 111 Construction Contracts
 - FRS 112 Income Taxes
 - FRS 118 Revenue
 - FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
 - FRS 134 Interim Financial Reporting
 - FRS 137 Provisions, Contingent Liabilities and Contingent Assets
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- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in Foreign Operations
 - IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
 - IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments
 - IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
 - IC Interpretation 6 Liabilities arising from Participating in a Specific Market Waste Electrical and Electronic Equipment
 - IC Interpretation 7 Applying the Restatement Approach under FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies
 - IC Interpretation 8 Scope of FRS 2

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group and does not have any financial impact on these interim financial statements.

A1 – Basis of Preparation (continued)

(b) The principal closing rates used in translation of foreign currency amounts are as follows:

<u>Foreign currency</u>	<u>31 Mar 2008</u> RM	<u>31 Dec 2007</u> RM
1 US Dollar	3.19	3.32
100 Hong Kong Dollars	40.95	42.55
100 Chinese Renminbi	45.45	45.43

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 Cyclicity 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 new ordinary shares of RM0.50 each from the exercise of:-

	During the Current Quarter	Year-to-date	Balance remained unexercised as at year-to-date
ESOS options at RM1.31 per share	84,000	84,000	275,000
ESOS options at RM1.90 per share	225,000	225,000	5,011,500
Warrants 2005/10 at RM1.27 per share	12,800	12,800	70,401,900

A7 – Dividends Paid

During the current quarter and financial period, the following dividends were paid:-

In respect of the financial year ended 31 December 2007 RM'000

- 2nd interim gross dividend of 4.0 sen per share on 375,718,600 ordinary shares of RM0.50 each, less income tax at 26%, paid on 28 March 2008 11,121

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.

(a) Revenue

	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Mar 2007 RM'000	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Mar 2007 RM'000
Water business	33,581	31,988	33,581	31,988
Construction	29,294	5,651	29,294	5,651
Waste management	2,473	1,684	2,473	1,684
Investment holding and others	3	-	3	-
	65,351	39,323	65,351	39,323

(b) Profit Before Tax

	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Mar 2007 RM'000	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Mar 2007 RM'000
Water business	13,856	12,966	13,856	12,966
Construction	5,462	570	5,462	570
Waste management	78	95	78	95
Investment holding and others	(977)	(597)	(977)	(597)
	18,419	13,034	18,419	13,034
Elimination	(119)	(97)	(119)	(97)
Operating profit	18,300	12,937	18,300	12,937
Finance cost	(3,559)	(119)	(3,559)	(119)
Share of results of a jointly controlled entity	1,839	-	1,839	-
Share of results of associates	143	235	143	235
Profit before tax	16,723	13,053	16,723	13,053

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 most recent audited 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

There were no changes to the composition of the Group during the current quarter and 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

The contingent liabilities of the Group as at the end of the current financial period are as follows:-

	RM'000
<u>Secured</u>	
Bank guarantees issued to third parties for services rendered and as performance bonds on behalf of subsidiaries	<u>7,573</u>
Bank guarantees issued to third parties for services rendered and as performance bonds	<u>16,386</u>

PART B – EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 – Review of Performance (YoY)

	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Mar 2007 RM'000
Revenue	65,351	39,323
Operating profit	18,300	12,937
Profit before taxation	16,723	13,053

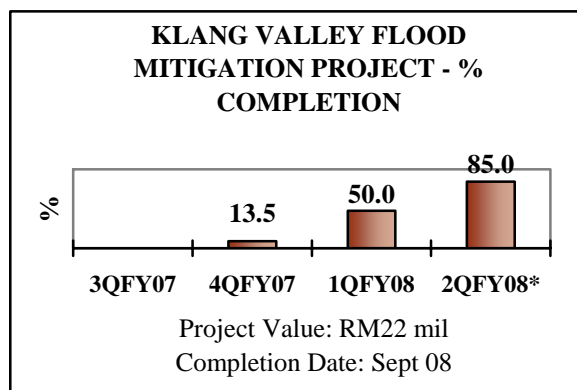
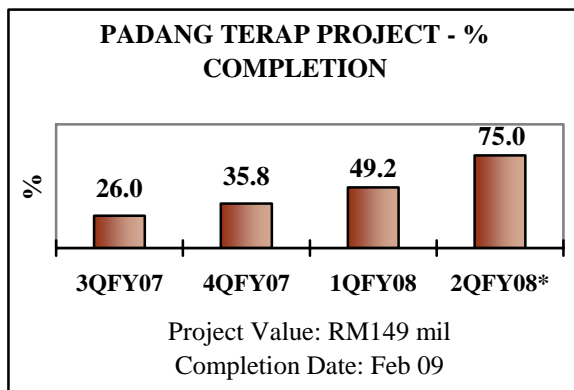
The review of YoY performance should be read in conjunction with the segmental information presented in Note A8.

Revenue (+66%)

Group revenue was about RM26.0 million higher YoY. This was mainly due to the higher construction activities where the revenue recognised on a percentage of completion method was at a larger quantum compared to the corresponding period i.e. 13.4% (1QFY07: 3.9%) and 36.5% (1QFY07: nil) for the Padang Terap project and Klang Valley Flood Mitigation project respectively.

Revenue from the water business also improved slightly by about 5% and this was mainly contributed by Taliworks Langkawi Sdn Bhd (“Taliworks Langkawi”) where Taliworks Langkawi enjoyed about 9% growth from 3.86 million m3 (43.0 MLD) to 4.10 m3 million (44.9 MLD). In addition, there was a hike in Bulk Sales Rate (“BSR”) from RM1.70/m3 to RM1.92/m3 effective 1 January 2008. The production from the Sungai Selangor Water Treatment Works Phase I (“SSP1”) was slightly up from 67.3 million m3 to 68.2 m3.

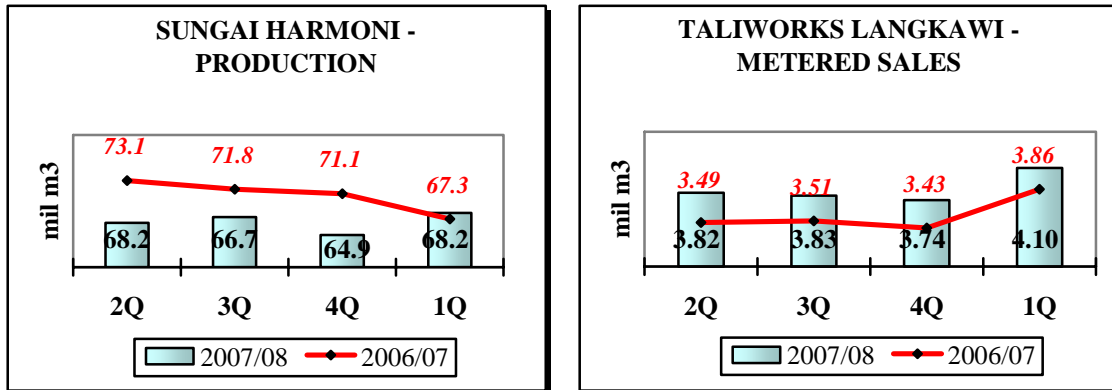
The following is the status of completion of the two existing construction projects undertaken by the Group:-



* The 2QFY08 represent the Group’s best estimates and there is no assurance that these can be achieved. Actual results may differ from the projections as a result of a number of risks and uncertainties, some of which are beyond the control of the Group.

B1 – Review of Performance (YoY) (continued)

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



Profit before Taxation (+28%)

The Group registered a strong growth in the profit before tax of about RM3.7 million primarily due to the higher contribution from construction activities and share of after-tax results from a newly acquired jointly controlled entity, Cerah Sama Sdn Bhd (“CSSB”), the acquisition of which was completed towards the end of last year.

However, the increased in profits was moderated by the higher financing costs incurred from the issuance of the RM225 million of convertible bonds in December 2007.

B2 – Review of Performance (QoQ)

Revenue (+28%)

	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Dec 2007 RM'000
Water business	33,581	30,821
Construction	29,294	17,637
Waste management	2,473	2,648
Investment holding and others	3	-
	65,351	51,106

Compared to the previous quarter, total revenue recorded was higher by RM14.2 million. This was due to the comparatively higher percentage of completion recognised from the construction activities.

On QoQ, production from SSP1 registered a growth of about 5% from 64.9 m³ (714 MLD) to 68.2 m³ (725 MLD) whilst metered sales from Taliworks Langkawi continue to report an increase of about 10% from 3.74 m³ (40.7 MLD) to 4.10 m³ (44.9 MLD). In addition, the hike in the BSR in Taliworks Langkawi also contributed to the higher revenue from the water business.

B2 – Review of Performance (QoQ) (continued)

Profit Before Tax (+85%)

	3 Months Ended 31 Mar 2008 RM'000	3 Months Ended 31 Dec 2007 RM'000
Water business	13,856	11,500
Construction	5,462	2,143
Waste management	78	(500)
Investment holding and others	(977)	66,881
	18,419	80,024
Elimination	(119)	(70,204)
Operating profit	18,300	9,820
Finance cost	(3,559)	(1,225)
Share of results of jointly controlled entity	1,839	300
Share of results of associates	143	149
Profit before tax	16,723	9,044

Profit before tax of the Group registered an increase of about RM7.7 million. The increase was attributable from the higher contribution from all divisions and after accounting for a full three months contribution from CSSB. In the previous quarter, the Group charged out about RM2.6 million as corporate expenses for the acquisition of CSSB and issuance of the convertible bonds.

B3 – Current Year Prospects

There are recent developments in the local environment particularly the coming into force of the Water Services Industry Act 2006 and the unfavourable external factors that may have an impact to the business of the Group.

Nevertheless, the Group expects to perform better compared to the previous year in view of a few positive developments that has taken place last year namely from (1) the acquisition of a 55% stake in CSSB (which holds a 100% equity in Grand Saga Sdn Bhd, the toll operator of the Cheras-Kajang Highway) and (2) the successful securing of a substantial funding from the issuance of the convertible bonds.

The issuance of the convertible bonds has raised net proceeds of about RM218 million and this will enhance the capability of the Group to expand its business (including acquisition of assets/business) specifically in any water, highway, toll road, construction, infrastructure and waste management projects, both locally and abroad.

B4 – Profit Forecasts or Profit Guarantees

Not applicable as no profit forecast or guarantees was published.

B5 – Taxation

The tax expense is in respect of the estimated Malaysian income tax charge for the period. The effective tax rate of the Group for the financial quarter is higher than the statutory tax rate of 26% primarily due to certain expenses not allowed as tax deductions, losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in other companies within the Group and tax effect of share of results of jointly controlled entity and associates.

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 Investments. As at the end of the reporting period, the Investments of the Group were as follows:-

	RM'000
Book value	207,615
Carrying amount	207,615
Market value	<u>208,694</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

- (i) *Status of Corporate Proposals*

There were no proposals announced but not completed as at end of the reporting period.

- (ii) *Status of Proposed Utilisation of Proceeds*

As at 23 May 2008 (being a date not earlier than 7 days from the date of this report), the status of utilisation of proceeds raised from the issuance of the convertible bonds by the Company on 6 December 2007 was as follows:-

	Total Net Proceeds Raised (RM'000)	Amount Unutilised (RM'000)
(i) For future local and overseas business expansion	196,400	176,166
(ii) For general working capital purposes (current requirements and those arising from future local and overseas business expansion)	21,850	20,150
TOTAL	218,250	196,316

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

(ii) Status of Proposed Utilisation of Proceeds (continued)

- (a) Depending on the funding requirements of the Company, its subsidiaries and its joint venture companies, the Company may re-allocate the amount of proceeds to be utilised between each of the abovementioned categories.
- (b) In addition, any proceeds not fully utilised under (i) above within the stipulated timeframe will be utilised for general working capital purposes if not re-allocated during the stipulated timeframe. Proceeds under (i) above may also be utilised to fund any shareholders' advances to CSSB.
- (c) The proceeds are to be utilised within 2 years from the issuance of the convertible bonds. There was no deviation in the utilisation of proceeds.

B9 – Group Borrowings and Debt Securities

Included in the borrowings are:-	Short Term		Long Term	
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000
Hire purchase	48	-	56	-
Bank borrowings	2,789	-	1,395	-
Government support loan	-	-	-	2,727
	2,837	-	1,451	2,727

Borrowings denominated in foreign currency are:-	US Dollars'000	Renminbi'000
Secured:		
Not later than one year	875	-
Later than one year but not later than two years	438	-
	1,313	-
Unsecured:		
Later than one year but not later than five years	-	6,000
	1,313	6,000

B10- Off Balance Sheet Financial Instruments

As at 23 May 2008 (being a date not earlier than 7 days from the date of this Report), the Group is not aware of any contracts on financial instruments with off balance sheet risk.

B11- Material Litigations

As at 23 May 2008 (being a date not earlier than 7 days from the date of this Report), the Group is not aware of any 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 payment 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.

(b) *Diluted earnings per share*

The diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company (as adjusted) by the weighted average number of shares in issue (as adjusted). The net profit attributable to equity holders of the Company is adjusted for net savings from the financing costs of the convertible bond as if the convertible bonds were converted into shares at the beginning of the financial period. The weighted average number of shares in issue is adjusted for potential dilutive shares from the exercise of outstanding ESOS options, Warrants and convertible bonds of the Company.

	3 Months Ended 31 Mar 2008	3 Months Ended 31 Mar 2007	3 Months Ended 31 Mar 2008	3 Months Ended 31 Mar 2007
(a) Basic earnings per share				
Net Profit attributable to equity holders of the Company (RM'000)	11,916	9,479	11,916	9,479
Weighted average number of shares in issue ('000)	375,509	373,553	375,509	373,553
Basic EPS (sen)	3.17	2.54	3.17	2.54
(b) Diluted earnings per share				
Net Profit attributable to equity holders of the Company (as adjusted) (RM'000)	15,394	9,479	15,394	9,479
Weighted average number of shares in issue (as adjusted) ('000)	497,700	373,553	497,700	373,553
Diluted EPS (sen)	3.09	2.41	3.09	2.41

B14 – Authorisation for Release

This Interim Financial Report for the current quarter and financial period ended 31 March 2008 has been seen and approved by the Board for public release.

By Order of the Board
Ng Yim Kong
Company Secretary (LS 0009297)
28 May 2008

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>