

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2017**  
**(UNAUDITED)**

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**CONDENSED STATEMENTS OF FINANCIAL POSITION**

	Note	31 Mar 2017 RM'000	31 Dec 2016 RM'000 (Audited)
<b>ASSETS</b>			
Property, plant and equipment		19,527	21,050
Investment properties		245	247
Intangible assets		1,148,489	1,155,333
Investment in joint venture		67,402	67,655
Investment in associates		237,559	251,854
Other investment		240	240
Goodwill on consolidation		129,385	129,385
Deferred tax assets		34,369	31,906
Long-term trade receivable	A1(c)	323,272	277,470
Deposits, cash and bank balances	B13	152,759	154,123
<b>Total Non-Current Assets</b>		<b>2,113,247</b>	<b>2,089,263</b>
Inventories		1,569	1,488
Amount due from contract customers		12,831	13,101
Trade receivables	A1(c)	127,904	152,783
Other receivables, deposits and prepayments		24,138	21,342
Tax recoverable		1,808	1,466
Available-for-sale financial assets	B13	61,534	63,020
Deposits, cash and bank balances	B13	92,977	113,576
<b>Total Current Assets</b>		<b>322,761</b>	<b>366,776</b>
<b>TOTAL ASSETS</b>		<b>2,436,008</b>	<b>2,456,039</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		438,561	241,898
Reserves		665,095	879,074
<b>Total Equity Attributable to Owners of the Company</b>		<b>1,103,656</b>	<b>1,120,972</b>
Non-controlling interests		276,714	277,270
<b>Total Equity</b>		<b>1,380,370</b>	<b>1,398,242</b>
<b>LIABILITIES</b>			
Long-term borrowings	B7	416,318	416,185
Deferred tax liabilities		238,932	238,866
Long-term trade payables		8,238	7,250
Deferred income		156,294	156,294
Provision for heavy repairs		17,923	16,720
<b>Total Non-Current Liabilities</b>		<b>837,705</b>	<b>835,315</b>
Trade payables		89,424	88,003
Amount due to contract customers		-	184
Other payables and accruals		37,700	45,361
Tax liabilities		2,114	2,081
Short-term borrowings	B7	76,158	70,213
Deferred income		12,537	16,640
<b>Total Current Liabilities</b>		<b>217,933</b>	<b>222,482</b>
<b>TOTAL LIABILITIES</b>		<b>1,055,638</b>	<b>1,057,797</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,436,008</b>	<b>2,456,039</b>
Net assets per share attributable to owners of the Company (RM)		<b>0.9125</b>	<b>0.9269</b>

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Note</u>	<u>3 Months Ended</u>	
		<u>31 Mar</u>	
		<u>2017</u>	<u>2016</u>
		<u>RM'000</u>	<u>RM'000</u>
<b>Continuing operations</b>			
Revenue	B1	<b>71,353</b>	<b>75,215</b>
Cost of operations		(56,220)	(52,467)
Gross profit		<b>15,133</b>	<b>22,748</b>
Other operating income		10,066	9,405
Administrative and other expenses		(11,712)	(11,472)
Operating profit		<b>13,487</b>	<b>20,681</b>
Finance costs		(5,977)	(5,230)
Share of results of joint venture		(253)	317
Share of results of associates		2,792	61
Profit before tax	B4	<b>10,049</b>	<b>15,829</b>
Income tax expense	B5	(2,095)	(3,205)
Profit for the financial period from continuing operations		<b>7,954</b>	<b>12,624</b>
<b>Discontinued operations</b>			
Loss for the financial period from discontinued operations, net of tax	B14(a)	-	(9,684)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>7,954</b>	<b>2,940</b>
<b>Other comprehensive income/(loss):</b>			
Net fair value gain on available-for-sale financial assets		324	209
Currency translation differences of foreign operations		-	(17,574)
<b>Total other comprehensive income/(loss) for the financial period</b>		<b>324</b>	<b>(17,365)</b>
<b>Total comprehensive income/(loss) for the financial period</b>		<b>8,278</b>	<b>(14,425)</b>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying significant events and transactions attached to these interim financial statements.

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Note</u>	<u>3 Months Ended</u>	
		<u>31 Mar</u>	
		<u>2017</u>	<u>2016</u>
		<u>RM'000</u>	<u>RM'000</u>
<b>Profit/(Loss) for the financial period attributable to:</b>			
Owners of the Company		6,683	(225)
Non-controlling interests		1,271	3,165
		<b>7,954</b>	<b>2,940</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>			
Owners of the Company		6,874	(16,774)
Non-controlling interests		1,404	2,349
		<b>8,278</b>	<b>(14,425)</b>
<b>Earnings/(loss) per share attributable to owners of the Company (sen per share):</b>	B9		
Basic			
- From continuing operations		0.55	0.77
- From discontinued operations		-	(0.79)
Total		0.55	(0.02)
Diluted			
- From continuing operations		0.55	0.77
- From discontinued operations		-	(0.79)
Total		0.55	(0.02)

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying significant events and transactions attached to these interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

Attributable to owners of the Company

	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Available- for-sale reserve</u> RM'000	<u>Merger deficit</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000	<u>Non- controlling interest</u> RM'000	<u>Total Equity</u> RM'000
<b>As of 1 January 2017</b>	<b>241,898</b>	<b>196,663</b>	<b>(66)</b>	<b>(71,500)</b>	<b>753,977</b>	<b>1,120,972</b>	<b>277,270</b>	<b>1,398,242</b>
Available-for-sale financial assets	-	-	191	-	-	191	133	324
<b>Total other comprehensive income for the financial period</b>	-	-	191	-	-	191	133	324
Profit for the financial period	-	-	-	-	6,683	6,683	1,271	7,954
<b>Total comprehensive income for the financial period</b>	-	-	191	-	6,683	6,874	1,404	8,278
<b>Transactions with owners of the Company:</b>								
Dividends paid ( <i>Note A6</i> )	-	-	-	-	(24,190)	(24,190)	-	(24,190)
Dividends paid by a subsidiary to non- controlling interest	-	-	-	-	-	-	(1,960)	(1,960)
Transition to no-par value regime*	196,663	(196,663)	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	196,663	(196,663)	-	-	(24,190)	(24,190)	(1,960)	(26,150)
<b>As of 31 March 2017</b>	<b>438,561</b>	<b>-</b>	<b>125</b>	<b>(71,500)</b>	<b>736,470</b>	<b>1,103,656</b>	<b>276,714</b>	<b>1,380,370</b>

\* Effective from 31 January 2017, the new Companies Act 2016 ('the Act') abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium account of RM196,663,333 becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

## CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	<u>Share capital</u>	<u>Share premium</u>	<u>Currency Translation reserve</u>	<u>Available-for-sale reserve</u>	<u>Merger deficit</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As of 1 January 2016</b>	<b>241,898</b>	<b>196,663</b>	<b>56,397</b>	<b>(164)</b>	<b>(71,500)</b>	<b>723,308</b>	<b>1,146,602</b>	<b>286,553</b>	<b>1,433,155</b>
Available-for-sale financial assets	-	-	-	209	-	-	209	-	209
Currency translation differences	-	-	(16,758)	-	-	-	(16,758)	(816)	(17,574)
<b>Total other comprehensive (loss)/income for the financial period</b>	<b>-</b>	<b>-</b>	<b>(16,758)</b>	<b>209</b>	<b>-</b>	<b>-</b>	<b>(16,549)</b>	<b>(816)</b>	<b>(17,365)</b>
Profit/(Loss) for the financial period	-	-	-	-	-	(225)	(225)	3,165	2,940
<b>Total comprehensive (loss)/income for the financial period</b>	<b>-</b>	<b>-</b>	<b>(16,758)</b>	<b>209</b>	<b>-</b>	<b>(225)</b>	<b>(16,774)</b>	<b>2,349</b>	<b>(14,425)</b>
<b>Transactions with owners of the Company:</b>									
Dividends paid by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	(4,410)	(4,410)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,410)</b>	<b>(4,410)</b>
<b>As of 31 Mar 2016</b>	<b>241,898</b>	<b>196,663</b>	<b>39,639</b>	<b>45</b>	<b>(71,500)</b>	<b>723,083</b>	<b>1,129,828</b>	<b>284,492</b>	<b>1,414,320</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying significant events and transactions attached to these interim financial statements.

**CONDENSED STATEMENTS OF CASH FLOWS**

	<b><u>3 Months</u></b> <b><u>Ended</u></b> <b><u>31 Mar</u></b> <b><u>2017</u></b> <b><u>RM'000</u></b>	<b><u>3 Months</u></b> <b><u>Ended</u></b> <b><u>31 Mar</u></b> <b><u>2016</u></b> <b><u>RM'000</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,049	6,630
Adjustments for:		
Non-cash items	18,119	19,564
Interest income	(980)	(982)
Finance costs	5,977	11,192
Operating Profit Before Working Capital Changes	33,165	36,404
Net increase in inventories, amount due from contract customers, trade and other receivables	(35,826)	(30,040)
Net decrease in amount due to contract customers and trade and other payables	(417)	(10,065)
Cash Used In Operations	(3,078)	(3,701)
Income tax paid	(4,872)	(4,282)
Income tax refunded	71	-
<b>Net Cash Outflows From Operating Activities</b>	<b>(7,879)</b>	<b>(7,983)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	981	1,281
Property, plant and equipment:		
- proceeds from disposal	74	-
- purchase	(539)	(727)
Purchase of intangible assets	-	(541)
Compensation received for reduction of investment in associate	17,087	-
Available-for-sale financial assets:		
- purchase	(23,000)	(65,163)
- proceeds from redemption	25,087	104,313
Placement of deposits pledged as security	1,364	38
Increase in proceeds deposited in designated bank accounts	-	(11)
<b>Net Cash Inflows from Investing Activities</b>	<b>21,054</b>	<b>39,190</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(11,503)	(16,474)
Repayment of bank borrowings	-	(4,225)
Drawdown of bank borrowings	-	9,415
Dividends paid by a subsidiary to non-controlling interest	(1,960)	(4,410)
Repayment of finance lease payables	(99)	(89)
Dividends paid ( <i>Note A6</i> )	(24,190)	-
<b>Net Cash Outflows from Financing Activities</b>	<b>(37,752)</b>	<b>(15,783)</b>

**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2017</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2016</u> <u>RM'000</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(24,577)	15,424
Effects of foreign exchange rate changes	(2,064)	(8,059)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD</b>	113,576	157,939
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b>86,935</b>	<b>165,304</b>
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	236,635	112,788
Cash and bank balances	9,101	102,575
Total deposits, cash and bank balances	245,736	215,363
Less: Deposits pledged as security	(152,759)	(36,844)
Less: Proceeds deposited in the designated bank accounts	-	(10,173)
Less: Overdrafts	(6,042)	(3,042)
	<b>86,935</b>	<b>165,304</b>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying significant events and transactions attached to these interim financial statements.



## **PART A – DISCLOSURES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING**

### **A1 – Basis of Preparation**

- (a) The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Board Listing Requirements of Bursa Securities Sdn Bhd (“Bursa Securities”).

The interim financial statements should be read in conjunction with the latest audited financial statements of the Company and its subsidiaries (“Group”) for the financial year ended 31 December 2016. The significant events and transactions 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 previous financial year.

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the latest audited financial statements, except for the following:-

#### **Adoption of new and revised Malaysian Financial Reporting Standards (MFRSs)**

In the current financial period, the Group adopted all the new and revised MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board that are effective for annual financial periods beginning on or after 1 January 2017.

#### **MFRSs, Amendments to MFRSs**

Amendments to MFRS 107 Disclosure Initiative  
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses  
Annual Improvements to MFRSs 2014-2016 Cycle

The application of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

#### **Standards in issue but not yet effective**

As at the date of authorisation of these interim financial statements, the new and revised MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:-

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
Amendments to MFRS 2	Clarification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarification to MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvements to MFRSs 2014-2016 Cycle	

The Board anticipates that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these standards will have no material impact on the financial statements of the Group in the period of initial application.

## A1 – Basis of Preparation (continued)

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

<u>Foreign currency</u>	<u>31 Mar</u> <u>2017</u> <u>RM</u>	<u>31 Dec</u> <u>2016</u> <u>RM</u>	<u>31 Mar</u> <u>2016</u> <u>RM</u>
1 US Dollar (USD)	4.42	4.49	3.90
1 Singapore Dollar (SGD)	-	-	2.90
100 Hong Kong Dollars (HKD)	-	-	50.32
100 Chinese Renminbi (RMB)	-	-	60.36

Source: Bank Negara Malaysia's website at [http://www.bnm.gov.my/index.php?ch=statistic&pg=stats\\_exchangerates](http://www.bnm.gov.my/index.php?ch=statistic&pg=stats_exchangerates)

- (c) Critical Accounting Judgment and Key Sources of Estimation Uncertainty

The preparation of these interim financial statements requires the Board to make critical judgments, estimates and assumptions that may affect the application of accounting policies and the amounts recognised in these interim financial statements.

In these interim financial statements, critical judgments, estimates and assumptions were made to the classification and carrying amount of a trade receivable in Sungai Harmoni Sdn Bhd (“SHSB”), a wholly owned subsidiary of the Company, as follows:-

- (i) In 2014, the Selangor state and Federal governments executed a heads of agreement for Pengurusan Air Selangor Sdn Bhd (“Air Selangor”), a special purpose vehicle created by the Selangor state government, to take over the water supply services in Selangor, Kuala Lumpur and Putrajaya (“Supply Area”) by acquiring all the concessionaires (“Water Restructuring”) namely, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“SPLASH”), the concessionaire for the Sungai Selangor Water Supply Scheme Phase 1, Puncak Niaga (M) Sdn Bhd, the concessionaire for the Sungai Selangor Water Supply Scheme Phase 2, Syarikat Bekalan Air Selangor Sdn Bhd (“SYABAS”), the concessionaire for the distribution of treated water in the Supply Area and Titisan Modal (M) Sdn Bhd, the holding company of Konsortium ABASS Sdn Bhd (“ABASS”). ABASS operates and maintains the Sungai Semenyih Water Supply Scheme.
- (ii) The Selangor state government, through Air Selangor, completed the acquisitions of Puncak Niaga (M) Sdn Bhd and SYABAS in October 2015 and Titisan Modal (M) Sdn Bhd in January 2016. However, the proposed take-over of SPLASH did not proceed due to pricing disagreements. SPLASH has been given a one-year grace period until 7 October 2016 to re-negotiate terms with the Selangor state government but there were subsequent extensions given until October 2017. Pending the acquisition of SPLASH by Air Selangor, SYABAS has not been making full monthly payments to SPLASH and SPLASH in turn is unable to make full monthly payments to SHSB resulting in the gross invoiced amount from SPLASH to SHSB as of 31 March 2017 to be RM531.112 million (31.12.16 : RM502.186 million), an increase of RM28.926 million (“Amount Due from SPLASH”).
- (iii) In July 2016, the quantum of payments from SPLASH had been reduced from about 60% of the monthly billings to approximately 34% with no indication that the quantum will be increased or decreased in the future. The Group has had discussions with the Selangor Economic Planning Unit and Air Selangor to reach a possible settlement on the Amount Due from SPLASH. Whilst several settlement terms have been discussed, no final terms have been concluded.

## **A1 – Basis of Preparation (continued)**

### (c) Critical Accounting Judgment and Key Sources of Estimation Uncertainty (cont'd)

- (iv) In assessing the timing of repayment of Amount Due from SPLASH, the Board has taken the probability-weighted average approach on three (3) different scenarios, using the repayment terms as parameters to determine the provision for discounting on a deferred payment consideration. Under this approach, the Board has set out the scenarios and placed an equal probability of one-third to each of the scenario. These scenarios are based on the Board's assumptions as to future events which the Board expect to take place as of the time the assumptions were made but the actual outcome could differ from the scenarios taken.

A net impact of RM12,295,000 (31.3.2016: RM10,833,000) on the provision for discounting has been made in the current quarter, comprising:

- (a) provision for discounting on a deferred payment consideration of RM20,527,000 (31.3.2016: RM17,290,000) which was set-off against revenue; and
- (b) a reversal of discounting of receivables amounting to RM8,232,000 (31.3.2016: RM6,457,000) recognised as other operating income.
- (v) As at the end of the financial period, the total accumulated provision for discounting of receivables made was approximately RM136.411 million (31.3.2016: RM85.491 million). Assuming that subsequent to the financial period, the repayment from SPLASH can be addressed pursuant to the conclusion of the Water Restructuring, the Group will potentially recognise back as income the accumulated provision for discounting of receivables on the assumption that the amount owing by SPLASH is paid in full, without any deductions and not deferred over a period.
- (vi) It should be noted that the above critical judgment, estimate and assumption requires to be re-assessed from time to time in light of developments in the Water Restructuring as it may have a significant impact to amounts recognised in the financial statements. In this respect, the Board will re-assess its position before the release of the next interim financial statements after taking into account of these developments, if any.

## **A2 – Comments about the Seasonal or Cyclical of Interim Operations**

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

## **A3 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There are 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, except for the receipt of a compensation amounting to RM17,087,000 from LGB Holdings Sdn Bhd as disclosed in Note 47 of the Audited Financial Statements - Subsequent Events. The Compensation received has been recognised as a reduction to the carrying amount of investment in associate in these interim financial statements.

The table below provide summaried financial information for the associate - SWM Environment Holdings Sdn. Bhd. ("SWMH") to the Group. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with MFRS, adjusted by the Group for equity accounting purposes.

<b>Summarised statement of financial position as at 31 Mar 2017</b>	<u>SWMH</u> <u>RM'000</u>
Non-current assets	3,632,681
Current assets	841,343
Current liabilities	(260,104)
Non-current liabilities	(2,021,459)
Non-controlling interest	<u>(1,494,956)</u>
<b>Net Assets</b>	<u><u>697,505</u></u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in SWMH recognised in the financial statements of the Group is as follows:

Net assets of SWMH	697,505
Proportion of the Group's ownership interest in the associates	35%
	<u>244,123</u>
Adjustment for stamp duties	735
Adjustment for compensation	<u>(17,087)</u>
Carrying amount of the investment in associates	<u><u>227,771</u></u>

#### **A4 – Accounting Estimates**

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

#### **A5 – Issuance, Repurchases and Repayments of Debt and Equity Securities**

During the current quarter and financial period, there was no issuance, repurchase and repayment of debt and equity securities by the Company. As at the end of the financial period, the Company has 241,897,740 outstanding Warrants 2015/2018 (“Warrants”) at an exercise price of RM1.70 per share. The Warrants, if not exercised, will expire on 11 November 2018.

#### **A6 – Dividends Paid**

On 16 February 2017, the Board declared a fourth interim single-tier dividend of 2.0 sen per share on 1,209,489,000 ordinary shares, amounting to approximately RM24,189,780 in respect of the financial year ended 31 December 2016. The dividends were subsequently paid on 31 March 2017.

The total dividends paid to shareholders during the year amounted to RM24,189,780 (2016:RM24,189,779).

#### **A7 – Material Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in these interim financial statements.

#### **A8 – 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.

#### **A9 – Other Significant Events and Transactions**

Other than disclosed elsewhere in these interim financial statements, there are no other transactions and events that are significant to an understanding of the changes in the financial position and performance of the Group since the end of the last annual reporting period.

## A10 - Operating Segments

Segmental information is presented in respect of the Group's business segments, which reflect the Group's management structure and the way financial information is internally reviewed by the Group's chief operating decision makers.

3 months ended 31 Mar	Water		Waste management		Construction		Toll highway		Others		Total		Reconciliation		<u>Amount as per Statement of comprehensive income</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Income Statement</u>																
Revenue	57,873	56,492	74,472	-	12,141	15,567	16,108	14,405	1,316	-	161,910	86,464	(90,557)	(11,249)	71,353	75,215
Operating profit	21,890	23,490	25,685	-	(367)	218	5,829	7,731	(4,383)	(4,152)	48,654	27,287	(35,167)	(6,606)	13,487	20,681
Profit/(Loss) before tax	21,879	23,489	18,335	-	(171)	213	1,879	4,077	(5,164)	(4,152)	36,758	23,627	(26,709)	(7,798)	10,049	15,829
Profit/(Loss) after tax	19,810	20,369	15,436	-	(171)	137	1,363	3,653	(5,164)	(4,152)	31,274	20,007	(23,320)	(7,383)	7,954	12,624
<u>Other Financial Information</u>																
Depreciation and amortisation	(243)	(220)	(8,546)	-	(100)	(128)	(6,256)	(3,412)	(457)	(700)	(15,602)	(4,460)	6,881	(1,364)	(8,721)	(5,824)
EBITDA	22,134	23,710	34,232	-	(67)	347	12,085	11,143	(3,926)	(3,451)	64,458	31,749	(39,711)	(4,866)	24,747	26,883
EBDA	20,053	20,589	23,982	-	(71)	266	7,619	7,065	(4,707)	(3,451)	46,876	24,469	(30,201)	(6,021)	16,675	18,448
CAPEX	329	49	615	-	38	605	113	110	-	15	1,095	779				

## A10 - Operating Segments (continued)

- (i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation costs.  
(ii) EBDA is defined as earnings before depreciation and amortisation.  
(iii) CAPEX is defined as capital expenditure based on the Group's proportionate share on capital expenditure incurred for the year.

### Notes

- The Group monitors the performance of its business by four main business divisions namely water, waste management, construction and toll highway. Others refer to holding company and other non core businesses.
- The revenue and profit performance represent the Group's proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the Statements of Profit or Loss and Other Comprehensive Income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.
- The segmental information on the water division excluded a total provision of RM12.295 million (2016: RM10.833 million) which was charged to profit, comprising a provision for discounting on a deferred payment consideration and a reversal of discounting of receivables as disclosed in Note A1(c)(iv) above.
- The segmental information on the waste management division excluded the fair value measurement adjustments made at the Group level. The segmental results (including the calculation of the EBITDA and EBDA), which is solely from the concession business, after proportionate deduction of the dividend on the cumulative preferences shares held by parties other than the Group. No comparatives have been disclosed as the acquisition of SWM Environment Holdings Sdn Bhd was completed on 17 May 2016.
- The information on revenue and profit performance related to the People's Republic of China which previously been classified under "waste management" in the comparative has been excluded in the above segmental information upon the Disposal of Foreign Operations (referred to Note B14(a) below) and therefore their information is no longer relevant for management decision making purposes.

As at 31 Mar	Water		Waste management		Construction		Toll highway		Others		Discontinued operations		Total	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Segment assets	500,461	449,750	227,771	-	47,483	37,300	1,477,809	1,508,193	182,484	199,682	-	650,833	2,436,008	2,845,758
Segment liabilities	(91,059)	(70,516)	-	-	(29,252)	(27,727)	(847,113)	(875,413)	(88,214)	(11,305)	-	(446,477)	(1,055,638)	(1,431,438)
Net segment assets	<b>409,402</b>	<b>379,234</b>	<b>227,771</b>	-	<b>18,231</b>	<b>9,573</b>	<b>630,696</b>	<b>632,780</b>	<b>94,270</b>	<b>188,377</b>	-	<b>204,356</b>	<b>1,380,370</b>	<b>1,414,320</b>

**PART B – DISCLOSURES PURSUANT TO PARAGRAPH 9.22 OF THE LISTING  
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 – Analysis of Performance**

**Part A – Operating Segments Review**

(a) *Revenue*

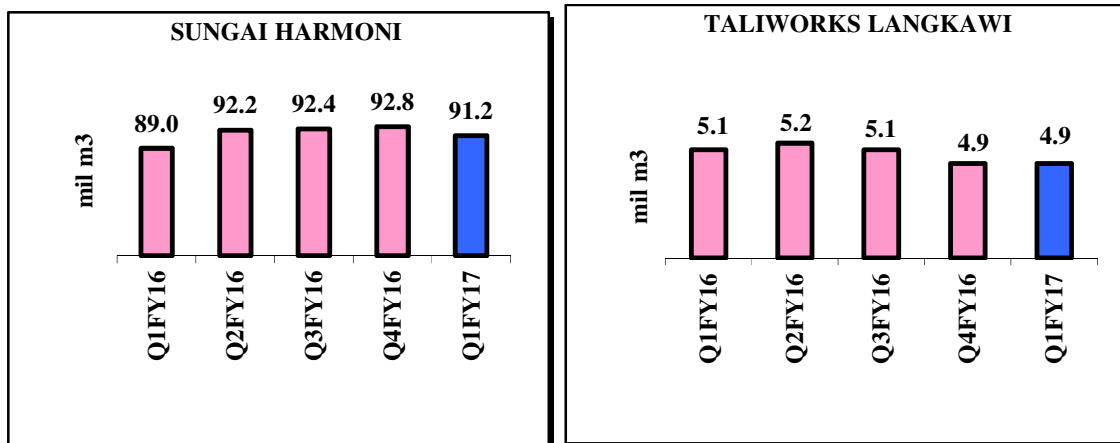
	<u>3 Months Ended</u> <u>31 Mar 2017</u> <u>RM'000</u>	<u>3 Months Ended</u> <u>31 Mar 2016</u> <u>RM'000</u>
Water	57,873	56,492
Construction	11,885	15,567
Toll highway	20,806	20,446
Others	1,316	-
	<u>91,880</u>	<u>92,505</u>
Less: Provision for discounting on a deferred payment consideration	(20,527)	(17,290)
Revenue from continuing operations	71,353	75,215
Revenue from discontinued operations	-	18,536
<b>Total revenue</b>	<b>71,353</b>	<b>93,751</b>

(b) *Profit Before Tax*

	<u>3 Months Ended</u> <u>31 Mar 2017</u> <u>RM'000</u>	<u>3 Months Ended</u> <u>31 Mar 2016</u> <u>RM'000</u>
Water	9,595	12,657
Construction	(267)	298
Toll highway	8,539	11,878
Others	(4,380)	(4,152)
<b>Operating profit</b>	<b>13,487</b>	<b>20,681</b>
Finance cost	(5,977)	(5,230)
Share of results of joint venture	(253)	317
Share of results of associates	2,792	61
Profit before tax from continuing operations	10,049	15,829
Loss before tax from discontinued operations	-	(9,199)
<b>Profit before tax for the period</b>	<b>10,049</b>	<b>6,630</b>

## B1 – Analysis of Performance (continued)

The following are the metered sales of Sungai Harmoni Sdn Bhd (“SHSB”) and Taliworks (Langkawi) Sdn Bhd (“TLNB”):



### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter

#### *Continuing operations*

##### Overall Summary

Before the impact from provision for discounting, the Group recorded a slight decline from RM92.5 million to RM91.9 million in the current quarter mainly due to lower contribution from construction business. However, after taking into account the impact from the provision for discounting, the Group revenue reduced to RM71.4 million compared to RM75.2 million achieved a year ago.

On the Group’s profit before tax (“PBT”), the Group registered a sharp decline of about RM5.8 million to RM10.0 million compared to RM15.8 million in the corresponding quarter primarily due to higher amortisation expenses arising from the change in the method of amortisation of Highway Development Expenditure (“HDE”) in the previous quarter coupled with higher operating costs in both the water treatment plants. However, the lower PBT was mitigated by higher share of results from associates, mainly from SWM Environment Holdings Sdn. Bhd. (“SWMH”) which was acquired during the second quarter of last year.

##### Water

Revenue from the water segment for the current quarter registered an increase of 2.4%. In Sungai Selangor Water Treatment Works Phase I (“SSP1”), metered sales was higher by 2.4% (i.e. from 89.0 million m3 (or 978 million litres per day (“MLD”)) to 91.2 million m3 (or 1,002 MLD)). Nevertheless, in Langkawi operations, metered sales decreased by 3.9% i.e. from 5.1 million m3 to 4.9 million m3.

In spite of higher revenue, the operating profit (excluding the effects of discounting) was lower at RM21.9 million compared to RM23.5 million achieved a year ago on account of higher operating costs incurred in both water treatment plants during the current quarter primarily arising from higher rehabilitation and maintenance costs incurred as well as higher unit electricity costs due to increase in TNB’s Special Industrial Tariff commencing January 2017.



## **B1 – Analysis of Performance (continued)**

### **(a) Current Quarter vs. Preceding Year's Corresponding Quarter (cont'd)**

#### Construction

The construction revenue declined significant by RM3.7 million to RM11.9 million compared to RM15.6 million achieved a year ago as the Mengkuang Dam Expansion Project is nearing completion and the SSP3-Package 3 Pipeline Project having been completed in mid-last year. However, the dip in revenue was mitigated by revenue recognised from Ganchong-Package 3A Project that was secured in September of last year. In line with decreased in revenue, the profit contribution was also lower compared to the corresponding quarter.

The other project undertaken by the Group namely the proposed development of Langat 2 water treatment plant and water reticulation system in Selangor and Wilayah Persekutuan Kuala Lumpur (“Langat 2 - Package 7 Balancing Reservoir Project”) is at the initial stage of site clearing and earth works.

Currently, the Group is in discussion with a client on a Variation of Pricing (“VOP”) amounting to a maximum of RM5.6 million which can potentially be recognised in the subsequent quarters.

#### Toll highway - Subsidiary

The revenue contribution from Grand Saga Sdn. Bhd; the operator of the Cheras-Kajang highway, was higher by RM0.4 million at RM20.8 million compared to RM20.4 million achieved in the corresponding quarter due to the higher Average Daily Traffic (“ADT”) by 4.2% i.e. 139,588 vehicles per day compared to 134,025 vehicles per day. Nevertheless, the segment recorded a drop in operating profit due to higher amortisation expenses arising from the change in the method of amortisation of HDE in the previous quarter, coupled with higher repairs and maintenance costs.

#### Toll highway – Joint venture

The Group’s share of results in Grand Sepadu (NK) Sdn. Bhd; the operator of the New North Klang Straits Bypass Expressway, was lower compared to the corresponding quarter due to higher amortisation expenses arising from change in method of amortisation of HDE in the previous quarter. In terms of overall ADT, there was a slight decrease by 0.3% at 87,758 vehicles per day from 87,984 vehicles per day. Nevertheless, revenue increased by 3.6% due to significantly higher ADT recorded at three of the toll plazas where the toll rate in one of the toll plaza is comparatively higher.

#### Waste management – Associate

The Group’s share of results amounting to RM2.6 million in the current quarter was mainly attributable to the results of SWMH which was acquired during the second quarter of last year.

#### ***Discontinued operations***

There was no contribution to the Group revenue and PBT from the Disposal Companies due to the completion of the Disposal of Foreign Operations on 17 May 2016 as disclosed in Note B14(a).

**B1 – Analysis of Performance (continued)**

**Part B – Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter**

(a) *Revenue*

	<u>3 Months Ended</u> <u>31 Mar 2017</u> <u>RM'000</u>	<u>3 Months Ended</u> <u>31 Dec 2016</u> <u>RM'000</u>
Water	57,873	58,287
Construction	11,885	4,295
Toll highway	20,806	21,183
Others	1,316	1,316
	<u>91,880</u>	<u>85,081</u>
Less: Provision for discounting on a deferred payment consideration	(20,527)	(16,069)
<b>Total revenue</b>	<b><u>71,353</u></b>	<b><u>69,012</u></b>

(b) *Profit Before Tax*

Water	9,595	3,966
Construction	(267)	2,239
Toll highway	8,539	1,693
Others	(4,380)	9,800
<b>Operating profit</b>	<b><u>13,487</u></b>	<b><u>17,698</u></b>
Finance cost	(5,977)	(5,246)
Share of results of joint venture	(253)	(477)
Share of results of associate	2,792	9,375
<b>Profit before tax for the period</b>	<b><u>10,049</u></b>	<b><u>21,350</u></b>

The Group recorded an increase in revenue from RM85.1 million to RM91.9 million primarily from higher recognition of revenue from on-going projects in the construction segment. After taking into account the impact from the provision for discounting, the Group revenue was lower at RM71.4 million but was still higher than RM69.0 million achieved in the previous quarter.

The Group's PBT (after stripping out the effects of discounting) registered a significant decrease of RM16.1 million to RM22.3 million compared to RM38.4 million in the previous quarter due to the following:-

- (a) upward revision in the construction margin for the SSP3 Project and lower overhead costs in the previous quarter;
- (b) higher share of results from associates, mainly from SWMH, in previous quarter on account of group consolidation adjustments arising from the FVM Exercise (referred to in Note 21 of the Audited Financial Statements - Investment in Associates);
- (c) unrealised loss on foreign exchange amounting to RM2.1 million recognised in the current quarter compared to an unrealised gain on foreign exchange of RM12.6 million in the previous quarter, arising from depreciation of USD/MYR from the remaining USD proceeds from the Disposal of Foreign Operations.

## **B1 – Analysis of Performance (continued)**

### **Part B – Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter (cont'd)**

Nevertheless, the impact of the change in method of amortisation of HDE which was applied prospectively with effect from 1 January 2016 and accounted for in the previous quarter, resulted in a higher profit contribution from toll division in the current quarter.

## **B2 – Current Year Prospects**

The operating profit of the Group is largely driven by the performance of the water treatment, supply and distribution business as this segment contributes the bulk of the revenue and profits. The Group expects that the SSP1 operation, which is the main contributor to the Group, will continue to run its production above its design capacity of 950 MLD due to continuous increase in demand for treated water in the Klang Valley. The YTD average metered production stood at about 1,002 MLD compared to 978 MLD a year ago. It is anticipated that the Water Restructuring exercise can be concluded in the near term which will address the long outstanding issue on the repayment from SPLASH. Nevertheless, pending the final outcome, the Group will continue to provide for discounting on a deferred payment consideration in respect of delay in payments from SPLASH.

In the construction segment, the Mengkuang Dam Expansion Project in Pulau Pinang which commenced in 2011 has received the certificate of practical completion. The Ganchong-Package 3A Project which commences work during the current quarter will be due to complete by third quarter of 2018. The other project in the pipeline is the Langat 2 - Package 7 Balancing Reservoir Project which is currently at its initial stage of site clearing and earth works, is due to complete by first quarter of 2019. Currently, the Group has three on-going projects and the Group will continue to tender for more infrastructure projects to boost its order book.

In the toll highway division, the growth in ADT at both the Cheras-Kajang Highway and the New North Klang Straits Bypass Expressway is expected to be moderate. The commencement of the Kuala Lumpur to Kajang portion of the Klang Valley Mass Rapid Transit (“MRT”) service anticipated to be operational in July 2017, may see a decline in ADT at the Cheras-Kajang Highway. However, it is envisaged that the impact of the MRT operations is likely to be temporary and over the long term, the MRT service would complement the Highway’s growth by providing connectivity and aiding the development of new townships in surrounding areas.

In the waste management division, SWMH is expected to grow its revenue with the ever increasing solid waste generation as well as improving its operational efficiency to deal with the escalating costs in managing solid waste in the concession areas where it is currently serving.

The Group will continue with its strategy to focus on mature operational cash-generating utilities/infrastructure businesses with a view of generating new income stream and provide a recurring and stable source of cash flow to the Group to support the Company’s dividend policy.

## **B3 – Profit Forecasts or Profit Guarantees**

Not applicable as no profit forecasts or guarantees were issued or published.

**B4 – Profit before tax**

Included in the profit before tax are the following items:-

	<u>Current Quarter and</u> <u>Year-to-date</u> <u>3 Months Ended</u> <u>31 Mar 2017</u> RM'000
<i>Revenue</i>	
Provision for discounting on receivables ( <i>Note A1(c)</i> )	(20,527)
<i>Other operating income:</i>	
Interest income on fixed deposits with licensed banks	980
Dividend from available-for-sale financial assets	270
Rental income	120
Reversal of discounting of receivables	8,232
Gain on redemption of available-for-sale financial assets	11
Realised foreign exchange gain	15
<i>Cost of operations, administrative and other expenses:</i>	
Depreciation and amortisation	(8,721)
Imputed interest on borrowing	(135)
Loss on redemption of available-for-sale financial assets	(5)
Unrealised foreign exchange losses	(2,063)
Reversal of interest income imputed on retention sum	(506)

Save as disclosed above, the other items required under Chapter 9, Appendix 9B, Part A(16) of the Listing Requirements of Bursa Securities are not applicable.

**B5 – Income Tax Expense**

	<u>Current Quarter</u> <u>3 Months Ended</u> <u>31 Mar 2017</u> RM'000
Malaysian income tax:	
-Current year tax	4,492
Deferred tax expense	(2,397)
Income tax expense	2,095

The income tax expense is in respect of the estimated Malaysian income tax charges and deferred tax expenses. The effective tax rate of the Group varied from the statutory tax rate principally due to non deductibility of certain expenses and/or non taxability of certain income, as the case maybe, tax effect of share of profits of joint venture and associate and losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in other companies within the Group.

**B6 – Status of Corporate Proposals Announced But Not Completed and Status of Utilisation of Proceeds Raised from Corporate Proposals**

As at 15 May 2017 (being a date not earlier than 7 days from the date of this Interim Financial Report),

- (a) there were no corporate proposals announced but not completed;
- (b) the status of utilisation of proceeds raised from the Disposal of Foreign Operations was as follows:-

	<u>Gross proceeds raised</u>		<u>Actual utilisation</u>	<u>Intended timeframe for utilisation</u>
	<u>USD'000</u>	<u>RM'000 Equivalent</u>	<u>RM'000</u>	<u>RM'000</u>
Part finance the acquisition of SWMH /future investments/ working capital purposes/payment of dividends/ repayment of borrowings	53,448	231,964	94,115 (N1)	Within 24 months
Estimated expenses for the proposals	1,152	5,000	5,000	Immediate
	<u>54,600</u>	<u>236,964</u>	<u>99,115</u>	
	=====	=====	=====	

- (N1) The Company has utilised approximately RM93.70 million (USD24.0 million) for payment of dividends and working capital purposes. The remaining balance of RM0.42 million was for payment of actual expenses incurred in connection with the Disposal of Foreign Operations, which was higher than estimated.
- (N2) In the absence of any investments abroad, the remaining proceeds in USD are expected to be converted to RM. Other than using the proceeds for future investments/working capital, the Board proposes to use some of the proceeds for payment of dividends and repayment of the revolving credit.

**B7 – Group Borrowings and Debt Securities**

Included in the borrowings of the Group are borrowings denominated in Ringgit Malaysia as follows:-

	<u>←-----Short Term-----→</u>			<u>←-----Long Term-----→</u>		
	<u>Secured RM'000</u>	<u>Unsecured RM'000</u>	<u>Total RM'000</u>	<u>Secured RM'000</u>	<u>Unsecured RM'000</u>	<u>Total RM'000</u>
Finance lease liabilities	116	-	116	215	-	215
Bank overdraft	1,000	5,042	6,042	-	-	-
Revolving credit	70,000	-	70,000	-	-	-
Islamic Medium Term Notes (“IMTN”)	-	-	-	416,103	-	416,103
	<u>71,116</u>	<u>5,042</u>	<u>76,158</u>	<u>416,318</u>	<u>-</u>	<u>416,318</u>

The revolving credit is secured by an assignment and charge over 110% marginal deposits placed in a USD Escrow account with the lender.

**B8 – Changes in Material Litigations**

As at 15 May 2017 (being a date not earlier than 7 days from the date of this Interim Financial Report), the Group is not aware of any significant changes in material litigations of the Company or its subsidiary companies since the date of the last annual statement of financial position date.

## B9 – Earnings Per Share (“EPS”)

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the reporting date.

	<u>Current Quarter and Year-to-date</u>	
	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2017</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2016</u>
Profit/(Loss) for the financial period attributable to owners of the Company (RM'000)	6,683	(225)
Loss for the financial period from discontinued operations used in the calculation of basic EPS from discontinued operations (RM'000)	-	9,591
Earnings used in the calculation of basic EPS from continued operations (RM'000)	6,683	9,366
Weighted average number of ordinary shares in issue ('000)	1,209,489	1,209,489
Basic EPS/(loss) (sen)		
- From continuing operations	0.55	0.77
- From discontinued operations	-	(0.79)
Total Basic EPS (sen)	<u>0.55</u>	<u>(0.02)</u>

### (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year adjusted for potential dilutive ordinary shares from the exercise of Warrants.

The diluted earnings per share is the same as basic earnings per share calculated above as the Warrants were excluded from the calculation of the diluted earnings per share as they were anti-dilutive.

## B10 – Dividends

The Board is pleased to declare a first interim single-tier dividend of 2.0 sen per share on 1,209,489,000 ordinary shares amounting to approximately RM24,189,780 in respect of the financial year ending 31 December 2017, to be payable on 14 July 2017.

For the financial year ending 31 December 2017, the Board has declared a total single-tier dividend of 2.0 sen per share to shareholders amounting to RM24,189,780 (2016: 2.0 sen per share amounting to RM24,189,779).

## B11 – Auditors' Reports

The auditors' report on the financial statements of the Group and the Company for the most recent audited financial statements were not subject to any qualification. However, an emphasis of matter had been included by the Group's auditors to draw attention on the uncertainty over the collectability of amounts owing by a customer of a subsidiary.

## B12 – Supplementary Information Disclosed Pursuant to the Listing Requirements of Bursa Securities

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<u>Current Quarter Ended 31 Mar 2017 RM'000</u>	<u>Preceding Quarter Ended 31 Dec 2016 RM'000</u>
<b>Total retained earnings of the Company and its subsidiaries:</b>		
- Realised profits	653,748	658,854
- Unrealised gains	62,291	77,231
	716,039	736,085
<b>Total share of retained earnings from associates:</b>		
- Realised profits	20,202	17,410
<b>Total share of retained earnings from joint venture:</b>		
- Realised profit	229	482
Total Group's retained earnings	736,470	753,977

## B13 – Available-for-Sale Financial Assets and Deposits, Bank and Cash Balances

As at the end of the financial period, included in the available-for-sale financial assets and deposits, bank and cash balances totalling RM307.3 million are approximately:-

- (a) RM154.1 million held as securities for banking facilities secured by the Group, and
- (b) RM100.9 million held in a subsidiary that is subject to restrictions imposed under an IMTN program.

## B14 – Reclassification of Comparatives

- (a) On 25 February 2016, the Company entered into a Disposal SSA with LGB (Group) HK Limited for an aggregate cash consideration of USD 54.6 million for the Disposal of Foreign Operations, as disclosed in Note 14 of the Audited Financial Statements - Discontinued Operations. Upon completion of the Disposal SSA on 17 May 2016, Taliworks International Limited, Taliworks Sichuan Limited, SWM Technologies (Malaysia) Sdn Bhd and their subsidiaries ("Disposal Companies") ceased to be subsidiaries of the Company.

For the avoidance of doubt, the comparatives information in the Condensed Statements of Comprehensive Income (as disclosed in page 2 of this Interim Financial Reports) has been adjusted in this interim financial statements to conform to the current period's presentation to reflect the reclassification of discontinued operations.

**B14 – Reclassification of Comparatives (cont’d)**

- (b) Certain comparatives differ from the unaudited consolidated results announced for the fourth quarter of 2016 as they have been adjusted to take into account the audited results of the Group for the year ended 31 December 2016.

**B15 – Authorisation for Release**

This Interim Financial Report has been seen and approved by the Board for public release.

By Order of the Board  
Tan Bee Hwee (MAICSA 7021024)  
Queck Wai Fong (MAICSA 7023051)  
Company Secretaries  
22 May 2017