

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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009 (UNAUDITED)

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SUMMARY OF KEY FINANCIAL INFORMATION

	3 MONTHS ENDED		9 MONTHS ENDED		12 MONTHS
	30 SEPT		30 SEPT		ENDED
	2009	2008	2009	2008	31 DEC 2008
	RM'000	RM'000	RM'000	RM'000	(audited)
					RM'000
Revenue	39,165	69,290	114,186	204,206	226,406
EBITDA [i]	14,665	18,685	43,951	52,559	72,129
Operating profit	13,506	17,613	40,421	49,397	67,585
Profit before tax	14,131	16,213	36,756	44,956	59,360
Profit after tax	10,372	11,983	27,141	32,467	46,284
EPS (sen) - Basic	2.7	3.2	7.1	8.6	12.2
- Diluted	2.6	3.0	6.7	8.3	11.1
Gross DPS (sen)	-	-	2.0	3.0	6.25
EBITDA margin	37%	27%	38%	26%	32%
Operating margin	34%	25%	35%	24%	30%
Pre-tax margin [ii]	36%	23%	32%	22%	26%
Net margin	26%	17%	24%	16%	20%
ROE [iii]			7%	10%	13%
ROA [iv]			4%	5%	7%

	30 SEPT 2009	30 SEPT 2008	31 DEC 2008
			(audited)
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.97	0.90	0.93
Net cash per share (RM)	0.12	0.11	0.11
Gearing (times)	0.66	0.69	0.66

[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 profit attributable to equity holders of the Company 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 profit attributable to equity holders of the Company 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	3 MONTHS ENDED		9 MONTHS ENDED	
		30 SEPT		30 SEPT	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	39,165	69,290	114,186	204,206
Operating expenses		(27,787)	(52,924)	(80,187)	(159,019)
Other operating income		2,128	1,247	6,422	4,210
Operating profit		13,506	17,613	40,421	49,397
Finance cost		(3,672)	(3,672)	(11,000)	(10,827)
Share of results of jointly controlled entity (net of tax)		4,185	2,142	6,691	5,951
Share of results of associates (net of tax)		112	130	644	435
Profit before tax	A8	14,131	16,213	36,756	44,956
Tax expense	B4	(3,759)	(4,230)	(9,615)	(12,489)
Profit for the financial quarter/period		10,372	11,983	27,141	32,467
Attributable to:					
Equity holders of the Company		10,127	11,873	26,607	32,357
Minority interest		245	110	534	110
Profit for the financial quarter/period		10,372	11,983	27,141	32,467
EPS (sen)	B11				
- Basic		2.7	3.2	7.1	8.6
- Diluted		2.6	3.0	6.7	8.3
DPS (sen)		-	-	2.0	3.0

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

<u>NOTE</u>	30 SEPT 2009 RM'000	31 DEC 2008 RM'000 (audited)
NON-CURRENT ASSETS		
Property, plant and equipment	26,041	28,136
Investment properties	437	444
Concession rights	15,600	16,286
Jointly controlled entity	68,219	61,528
Associates	4,281	24,214
Goodwill on consolidation	2,007	2,007
Deferred tax assets	72	172
Long term receivables	51,724	51,722
Deposits, bank and cash balances	12,448	14,201
	180,829	198,710
CURRENT ASSETS		
Inventories	986	1,286
Trade and other receivables	181,571	159,412
Amount due from a jointly controlled entity	29,150	38,500
Tax recoverable	5,866	4,712
Investments	245,831	205,714
Deposits, bank and cash balances	26,233	55,626
	489,637	465,250
LESS: CURRENT LIABILITIES		
Borrowings	18	1,539
Trade and other payables	60,990	71,893
Taxation	1,487	2,355
	62,495	75,787
NET CURRENT ASSETS	427,142	389,463
LESS: NON-CURRENT LIABILITIES		
Borrowings	238,294	231,091
Deferred tax liability	10	-
	369,667	357,082
CAPITAL AND RESERVES		
Share capital	188,347	188,295
Reserves	175,287	163,336
Shareholders' equity	363,634	351,631
Minority interest	6,033	5,451
Total equity	369,667	357,082
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.9653	0.9337

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<u>9 MONTHS</u> <u>ENDED</u> <u>30 SEPT 2009</u> RM'000	<u>9 MONTHS</u> <u>ENDED</u> <u>30 SEPT 2008</u> RM'000
OPERATING ACTIVITIES		
Profit before tax	36,756	44,956
Adjustments for:		
Non-cash items	(8,660)	(7,659)
Interest income	(371)	(716)
Finance cost	11,000	10,827
Operating profit before working capital changes	38,725	47,408
Changes in working capital:		
Net change in current assets	(21,947)	(42,977)
Net change in current liabilities	(12,156)	42,703
Amount due from jointly controlled entity	9,350	-
Net cash inflow from operations	13,972	47,134
Interest paid	(2,538)	(2,667)
Interest received	457	927
Tax paid	(11,527)	(13,155)
Net cash inflow from operating activities	364	32,239
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	74	31
Purchase of property, plant & equipment	(637)	(1,354)
Capital repayment from an associate	21,323	-
Placements in Investments, net of redemptions	(36,036)	(26,799)
Dividend received from Investments	-	1,426
Net cash outflow from investing activities	(15,276)	(26,696)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS options and Warrants	132	1,869
Dividends paid	(14,831)	(26,439)
Repayment of borrowings	(1,535)	(1,468)
Decrease in deposit balances pledged as security	1,753	3,910
Net cash outflow from financing activities	(14,481)	(22,128)
Net change during the financial period	(29,393)	(16,585)
At beginning of financial period	55,626	44,306
At end of financial period	26,233	27,721
Cash and cash equivalents comprised the following balance sheet amounts:		
Deposits with licensed banks	15,522	25,954
Bank and cash balances	23,159	20,341
Total deposits, bank and cash balances	38,681	46,295
Less: Deposits pledged as security	(12,448)	(18,574)
	26,233	27,721

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009	376,590	188,295	22,059	6,492	2,139	1,434	(71,500)	202,712	351,631	5,451	357,082
Net profit for the financial period	-	-	-	-	-	-	-	26,607	26,607	534	27,141
Issue of ordinary shares pursuant to:-											
- exercise of warrants	104	52	80	-	-	-	-	-	132	-	132
Transfer to/(from) reserve upon exercise of warrants	-	-	10	(10)	-	-	-	-	-	-	-
Dividends paid (Note A7)	-	-	-	-	-	-	-	(14,831)	(14,831)	-	(14,831)
Currency translation differences	-	-	-	-	-	95	-	-	95	48	143
At 30 September 2009	376,694	188,347	22,149	6,482	2,139	1,529	(71,500)	214,488	363,634	6,033	369,667
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 period	-	-	-	-	-	-	-	32,357	32,357	110	32,467
Issue of ordinary shares pursuant to:-											
- exercise of ESOS options	671	336	870	-	-	-	-	-	1,206	-	1,206
- exercise of warrants	522	261	402	-	-	-	-	-	663	-	663
Transfers to/(from) reserves upon exercise of ESOS options/warrants	-	-	842	(52)	(790)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(26,439)	(26,439)	-	(26,439)
Currency translation differences	-	-	-	-	-	1,263	-	-	1,263	390	1,653
At 30 September 2008	376,589	188,295	22,059	6,492	2,139	1,377	(71,500)	189,312	338,174	5,001	343,175

The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year.

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the most recent audited financial statements.

As at the date of this report, the Group has not applied the following new standards which have been issued by the Malaysian Accounting Standards Board, but are not yet effective:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4	Insurance Contracts
	1 January 2010
FRS 7	Financial Instruments: Disclosure
	1 January 2010
FRS 8	Operating Segments
	1 July 2009
FRS 101	Presentation of Financial Statements
	1 January 2010
FRS 123	Borrowing Costs
	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement
	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
	1 January 2010
Amendments to FRS 2	Share-based Payment:
	Vesting Conditions and Cancellations
	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and
	Discontinued Operations
	1 January 2010
Amendments to FRS 7	Financial Instruments: Disclosures
	1 January 2010
Amendments to FRS 8	Operating Segments
	1 January 2010
Amendments to FRS 107	Statement of Cash Flows
	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting
	Estimates and Errors
	1 January 2010
Amendments to FRS 110	Events after the Reporting Period
	1 January 2010
Amendments to FRS 116	Property, Plant and Equipment
	1 January 2010
Amendments to FRS 117	Leases
	1 January 2010
Amendments to FRS 118	Revenue
	1 January 2010
Amendments to FRS 119	Employee Benefits
	1 January 2010
Amendments to FRS 120	Accounting for Government Grants and
	Disclosure of Government Assistance
	1 January 2010
Amendments to FRS 123	Borrowing Costs
	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements:
	Cost of an Investment in a Subsidiary,
	Jointly Controlled Entity or Associate
	1 January 2010

A1 – Basis of Preparation (cont'd)

FRSs and Interpretations (cont'd)	Effective for financial periods beginning on or after
Amendments to FRS 128 Investments in Associates	1 January 2010
Amendments to FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendments to FRS 131 Interest in Joint Ventures	1 January 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2010
Amendments to FRS 134 Interim Financial Reporting	1 January 2010
Amendments to FRS 136 Impairment of Assets	1 January 2010
Amendments to FRS 138 Intangible Assets	1 January 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 140 Investment Property	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The Group will apply the above applicable standards from the financial periods beginning on 1 January 2010. The adoption of the above applicable FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group except for the changes in disclosures.

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

<u>Foreign currency</u>	<u>30 Sept 2009</u> RM	<u>30 Jun 2009</u> RM	<u>30 Sept 2008</u> RM
1 US Dollar	3.48	3.52	3.46
100 Hong Kong Dollars	44.94	45.45	44.52
100 Chinese Renminbi	51.01	51.55	50.49

A2 – Auditors' Reports

The auditors' report on the financial statements of the Company and its subsidiary companies for the most recent audited financial statements were 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 remaining unexercised as at the reporting period
ESOS options at RM1.31 per share *	-	-	240,000
ESOS options at RM1.90 per share *	-	-	# 4,498,000
Warrants at RM1.27 per share **	5,900	104,200	69,788,500

* expiring on 29 September 2010 (unless extended by the Company)

** expiring on 21 September 2010

after taking into account 27,000 ESOS options lapsed during the financial period

Unless redeemed or converted in accordance with the Principal Terms and Conditions, the RM225 million nominal value of the Convertible Bonds 2007/12 issued by the Company will mature on 5 December 2012. The Convertible Bonds can also be redeemed at the option of the holders at the end of the 3rd anniversary of the issuance. The final conversion price has been re-set to RM2.16 (subject to anti-dilution provisions) in accordance with the Trust Deed dated 29 November 2007 constituting the Convertible Bonds.

A7 – Dividends Paid

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

	<u>RM'000</u>
<u>In respect of the financial year ended 31 December 2008</u>	
• 2 nd interim gross dividend of 2.0 sen per share on 376,665,700 ordinary shares of RM0.50 each, less income tax at 25%, paid on 30 March 2009	<u>5,650</u>
• Final gross dividend of 1.25 sen per share on 376,694,500 ordinary shares of RM0.50 each, less income tax at 25%, paid on 29 July 2009	<u>3,531</u>
<u>In respect of the financial year ending 31 December 2009</u>	
• 1 st interim gross dividend of 2.0 sen per share on 376,694,500 ordinary shares of RM0.50 each, less income tax at 25%, paid on 18 September 2009	<u>5,650</u>

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 <u>30 Sept 2009</u> RM'000	3 Months Ended <u>30 Sept 2008</u> RM'000	9 Months Ended <u>30 Sept 2009</u> RM'000	9 Months Ended <u>30 Sept 2008</u> RM'000
Water business (Malaysia)	35,043	36,701	101,867	104,119
Construction (Malaysia)	-	29,239	442	91,444
Waste management (China)	4,122	3,350	11,877	8,643
	39,165	69,290	114,186	204,206

A8 – Segmental Reporting (cont’d)
(b) Profit Before Tax

	3 Months Ended 30 Sept 2009 RM’000	3 Months Ended 30 Sept 2008 RM’000	9 Months Ended 30 Sept 2009 RM’000	9 Months Ended 30 Sept 2008 RM’000
Water business	13,419	13,303	40,185	40,435
Construction	(554)	3,382	(1,788)	8,220
Waste management	859	1,190	2,659	2,184
Investment holding and others	(100)	(122)	(355)	(296)
	13,624	17,753	40,701	50,543
Elimination	(118)	(140)	(280)	(1,146)
Operating profit	13,506	17,613	40,421	49,397
Finance cost	(3,672)	(3,672)	(11,000)	(10,827)
Share of results of a jointly controlled entity	4,185	2,142	6,691	5,951
Share of results of associates	112	130	644	435
Profit before tax	14,131	16,213	36,756	44,956

A9 – Material Subsequent Events

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

Subsequent to the end of the interim period, the Group has proposed to issue RM395 million of secured bonds 2009/2024 via Destinasi Teguh Sdn Bhd, a special purpose vehicle that will act as a funding conduit to raise funds for the Group.

Kindly refer to the announcement by the RAM Rating Services Berhad on 10 November 2009.

A10 – 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.

A11 – 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>8,539</u>

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

B1 – Review of Performance

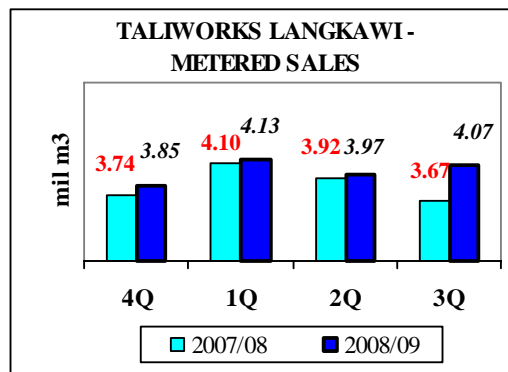
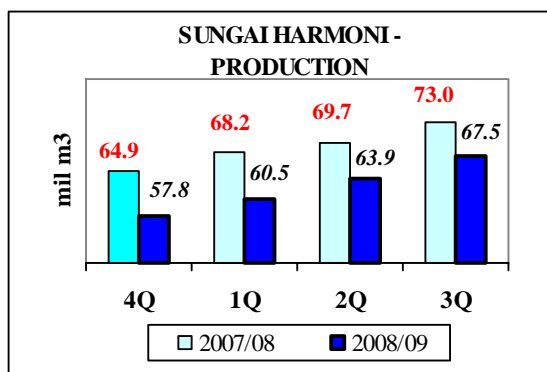
(a) *Revenue*

	3 Months Ended 30 Sept 2009 RM'000	3 Months Ended 30 Jun 2009 RM'000	3 Months Ended 30 Sept 2008 RM'000
Water business	35,043	33,750	36,701
Construction	-	442	29,239
Waste management	4,122	4,077	3,350
	39,165	38,269	69,290

(b) *Profit Before Tax*

	3 Months Ended 30 Sept 2009 RM'000	3 Months Ended 30 Jun 2009 RM'000	3 Months Ended 30 Sept 2008 RM'000
Water business	13,419	13,542	13,303
Construction	(554)	(550)	3,382
Waste management	859	621	1,190
Investment holding and others	(100)	(169)	(122)
	13,624	13,444	17,753
Elimination	(118)	(40)	(140)
Operating profit	13,506	13,404	17,613
Finance cost	(3,672)	(3,713)	(3,672)
Share of results of a jointly controlled entity	4,185	1,369	2,142
Share of results of associates	112	273	130
Profit before tax	14,131	11,333	16,213

The following are the production statistics of Sungai Harmoni Sdn Bhd (“SHSB”) and metered sales of Taliworks (Langkawi) Sdn Bhd (“TLSB”)



B1 – Review of Performance (cont'd)

Review of Y-o-Y Results

Group revenue dropped significantly by about RM30.1 million (or 43%) due primarily to non contribution from construction activities. The Group's current contract for the design and construction of the RM149 million water supply scheme in Padang Terap, Kedah has been delayed arising from the inability of the authorities to secure vacant possession of land on which the project is situated. This project is now scheduled for completion by next year.

Revenue from the water business dropped by 4.5% although production from the Sungai Selangor Water Treatment Works Phase I ("SSP1") was lower by 8%. The lower revenue was mitigated by increases in metered sales in the Langkawi operations and electricity rebates allowed under the contractual agreements.

Meanwhile, revenue from waste management division registered an increase of 23% driven by increases in tariff rates and/or production volume from both the Tianjin and Guanghan operations.

Despite the significant drop in revenue, profit before taxation ("PBT") declined by only 13% or by about RM2.1 million. The decline was attributable mainly to the absence of contribution from the construction activities. However, share of results from a jointly controlled entity i.e. Cerah Sama Sdn Bhd, was significantly higher from excess of tax credits over tax payable, write back of impairment upon disposal of its investments in SILK Holdings Berhad and higher Average Daily Traffic ("ADT") of 201,472 vehicles/day compared to 185,086 in the corresponding quarter.

Review of Q-o-Q Results

In the absence of significant construction activities in both quarters under review, there was only a 2% increase in revenue. This came mainly from the higher production in SSP1 and higher metered sales from the Langkawi operations.

On the other hand, the Group recorded a PBT of RM14.1 million against RM11.3 million. This was due primarily to the higher share of results of the jointly controlled entity.

B2 – Current Year Prospects

The financial results of the Group are largely driven by the performance of the water business as this segment contributes the bulk of the profits. The Group is optimistic that the overall water demand will be able to sustain at current levels although the production level has seen an increasing trend since the beginning of the year.

Whilst the domestic water business will provide recurring income, the Group is continuing with its efforts to expand its business specifically in the field of water, waste and infrastructure both locally and abroad.

In the absence of any significant contribution from construction activities this year, the Group expects the performance for the rest of the year to be in line with expectations.

B3 – Profit Forecasts or Profit Guarantees

Not applicable as no profit forecast or guarantees was published.



B4 – Taxation

	3 Months Ended 30 Sept 2009 RM'000	9 Months Ended 30 Sept 2009 RM'000
Malaysian income tax:-		
- Current year tax	3,496	9,242
- Under-provision in prior years	263	263
- Deferred Tax	-	110
	3,759	9,615

The tax expense is in respect of the estimated Malaysian income tax charge for the period. The effective tax rate of the Group is higher than the statutory tax rate principally 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.

B5 – Profits on Sale of Unquoted Investments and Properties

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

B6 – 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 of quoted money market unit trust funds included as Investments. As at the end of the reporting period, the Investments of the Group were as follows:-

	RM'000
Book value / carrying amount	245,831
Market value	247,059

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

B7 – 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 24 November 2009 (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 was as follows:-

	Total Net Proceeds Raised (RM'000)	Amount Unutilised (RM'000)
(i) For future local and overseas business expansion	196,400	170,916
(ii) For general working capital purposes (current requirements and those arising from future local and overseas business expansion)	21,850	9,150
TOTAL	218,250	180,066

B7 – Status of Corporate Proposals Announced But Not Completed (cont’d)

- (a) Depending on the funding requirements of the Company, its subsidiaries and its joint venture companies namely Cerah Sama Sdn Bhd (“CSSB”), 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.

There was no utilisation since the previous quarter.

B8 – 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	18	-	28	-
Government support loan	-	-	-	3,061
Convertible bonds	-	-	-	235,205
	18	-	28	238,266

All the borrowings of the Group are denominated in RM save and except for the Government Support Loan of RMB 6.0 million to be repaid by a subsidiary in the People’s Republic of China.

B9 – Off Balance Sheet Financial Instruments

As at 24 November 2009 (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.

B10 – Material Litigations

As at 24 November 2009 (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.

B11 – 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.

	3 Months Ended 30 Sept 2009	3 Months Ended 30 Sept 2008	9 Months Ended 30 Sept 2009	9 Months Ended 30 Sept 2008
Net Profit attributable to equity holders of the Company (RM’000)	10,127	11,873	26,607	32,357
Weighted average number of shares in issue (‘000)	376,694	376,578	376,671	375,964
Basic EPS (sen)	2.7	3.2	7.1	8.6

B11 – Earnings Per Share (“EPS”) (cont’d)
(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 after-tax effects of the financing costs of the Convertible Bonds 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 <u>30 Sept 2009</u>	3 Months Ended <u>30 Sept 2008</u>	9 Months Ended <u>30 Sept 2009</u>	9 Months Ended <u>30 Sept 2008</u>
Net Profit attributable to equity holders of the Company (as adjusted) (RM’000)	10,127	15,296	26,607	42,432
Weighted average number of shares in issue (as adjusted) (‘000)	394,426	508,487	396,737	511,599
Diluted EPS (sen)	2.6*	3.0	6.7*	8.3

* *The Convertible Bonds and/or ESOS options that could potentially dilute the earnings per share have been excluded from the computation because of its anti-dilutive effect.*

B12 – Dividends

No dividend is recommended for the current quarter.

B13 – Authorisation for Release

This Interim Financial Report for the current quarter and financial period ended 30 September 2009 has been seen and approved by the Board for public release.

By Order of the Board
 Ng Yim Kong
 Company Secretary (LS 0009297)
 30 November 2009

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>

