

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015**  
**(UNAUDITED)**

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**CONDENSED STATEMENTS OF FINANCIAL POSITION**

	<u>Note</u>	<u>31 Mar 2015</u> <u>RM'000</u>	<u>31 Dec 2014</u> <u>RM'000</u> <u>(Audited)</u>
<b>ASSETS</b>			
Property, plant and equipment		38,836	40,747
Investment properties		259	260
Intangible assets		1,722,829	1,689,672
Investment in joint venture		74,598	74,621
Investment in associate		6,238	5,881
Other investment		240	240
Goodwill on consolidation		131,889	131,889
Deferred tax assets		14,950	16,048
Long-term trade receivables	A1(c)	205,438	199,754
Long-term other receivables		702	625
Deposits, cash and bank balances	B14	32,427	32,877
<b>Total Non-Current Assets</b>		<b>2,228,406</b>	<b>2,192,614</b>
Inventories		1,453	1,207
Amount due from contract customers		7,057	1,411
Trade receivables	A1(c)	184,428	179,632
Other receivables, deposits and prepayments		74,736	88,951
Tax recoverable		7,426	7,983
Available-for-sale financial assets	B14	48,391	114,459
Deposits, cash and bank balances	B14	140,715	211,488
		<b>464,206</b>	<b>605,131</b>
Asset held-for-sale		125	125
<b>Total Current Assets</b>		<b>464,331</b>	<b>605,256</b>
<b>TOTAL ASSETS</b>		<b>2,692,737</b>	<b>2,797,870</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		218,269	218,246
Reserves		688,488	633,515
<b>Total Equity Attributable to Owners of the Company</b>		<b>906,757</b>	<b>851,761</b>
Non-controlling interests		360,030	523,668
<b>Total Equity</b>		<b>1,266,787</b>	<b>1,375,429</b>
<b>LIABILITIES</b>			
Long-term borrowings	B7	739,545	719,357
Deferred tax liabilities		254,584	254,514
Long-term trade payables		6,802	6,365
Deferred income		189,521	189,521
Provision for heavy repairs		9,976	9,099
<b>Total Non-Current Liabilities</b>		<b>1,200,428</b>	<b>1,178,856</b>
Trade payables		79,745	75,637
Other payables and accruals		86,829	129,193
Proposed dividends	A6	21,825	-
Tax liabilities		3,974	5,017
Short-term borrowings	B7	23,903	21,756
Deferred income		9,246	11,982
<b>Total Current Liabilities</b>		<b>225,522</b>	<b>243,585</b>
<b>TOTAL LIABILITIES</b>		<b>1,425,950</b>	<b>1,422,441</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,692,737</b>	<b>2,797,870</b>
Net assets per share attributable to owners of the Company (RM)		<u>2.0772</u>	<u>1.9514</u>

## **CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	3 Months Ended	
		31 Mar	
		2015	2014
		RM'000	RM'000
Revenue	B1	<b>97,017</b>	<b>75,603</b>
Cost of operations		(72,679)	(58,928)
<b>Gross profit</b>		<b>24,338</b>	<b>16,675</b>
Other operating income		23,110	8,857
Administrative and other expenses		(13,995)	(9,861)
<b>Operating profit</b>		<b>33,453</b>	<b>15,671</b>
Finance costs		(10,793)	(5,683)
Share of results of joint venture		(23)	2,176
Share of results of associate		357	234
<b>Profit before tax</b>	B4	<b>22,994</b>	<b>12,398</b>
Income tax expense	B5	(6,667)	(4,967)
<b>Profit for the financial period</b>		<b>16,327</b>	<b>7,431</b>
<b>Other comprehensive income/(loss):</b>			
Net fair value (loss)/gain on available-for-sale financial assets		(81)	38
Foreign currency translation differences for foreign operations		11,304	(5,029)
Share of other comprehensive income of joint venture		-	8
<b>Total other comprehensive income/(loss) for the financial period</b>		<b>11,223</b>	<b>(4,983)</b>
<b>Total comprehensive income for the financial period</b>		<b>27,550</b>	<b>2,448</b>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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>2015</u>	<u>2014</u>
		<u>RM'000</u>	<u>RM'000</u>
<b>Profit for the financial period attributable to:</b>			
Owners of the Company		15,028	3,753
Non-controlling interests		1,299	3,678
		<b>16,327</b>	<b>7,431</b>
<b>Total comprehensive income/(loss) for the financial period attributable to:</b>			
Owners of the Company		25,772	(934)
Non-controlling interests		1,778	3,382
		<b>27,550</b>	<b>2,448</b>
<b>Basic and diluted earnings per share attributable to owners of the Company (sen per share):</b>			
	B9	<u>3.44</u>	<u>0.86</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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

Note	Share capital RM'000	Share premium RM'000	Share Option reserve RM'000	Currency Translation reserve RM'000	Available- for-sale reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
<b>As of 1 January 2015</b>	<b>218,246</b>	<b>74,176</b>	<b>1,591</b>	<b>25,140</b>	<b>(2)</b>	<b>(71,500)</b>	<b>604,110</b>	<b>851,761</b>	<b>523,668</b>	<b>1,375,429</b>
Available-for-sale financial assets	-	-	-	-	(22)	-	-	(22)	(59)	(81)
Foreign currency translation differences	-	-	-	10,766	-	-	-	10,766	538	11,304
<b>Total other comprehensive income/ (loss) for the financial period</b>	-	-	-	10,766	(22)	-	-	10,744	479	11,223
Profit for the financial period	-	-	-	-	-	-	15,028	15,028	1,299	16,327
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	-	10,766	(22)	-	15,028	25,772	1,778	27,550
<b>Transaction with owners of the Company:</b>										
Proposed interim dividends	-	-	-	-	-	-	(21,825)	(21,825)	-	(21,825)
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(61,370)	(61,370)
Proceeds from issuance of ordinary shares	23	64	-	-	-	-	-	87	-	87
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	50,962	50,962	67,124	118,086
Reduction in non-controlling interest arising from increase in stake in a subsidiary	-	-	-	-	-	-	-	-	(198,086)	(198,086)
Non-controlling interest arising from issuance of redeemable preference shares	-	-	-	-	-	-	-	-	26,916	26,916
<b>Total transaction with owners of the Company</b>	<b>23</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,137</b>	<b>29,224</b>	<b>(165,416)</b>	<b>(136,192)</b>
<b>As of 31 March 2015</b>	<b>218,269</b>	<b>74,240</b>	<b>1,591</b>	<b>35,906</b>	<b>(24)</b>	<b>(71,500)</b>	<b>648,275</b>	<b>906,757</b>	<b>360,030</b>	<b>1,266,787</b>

**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>Share Option reserve</u> RM'000	<u>Currency Translation reserve</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 2014</b>	<b>218,246</b>	<b>74,176</b>	<b>2,111</b>	<b>17,347</b>	<b>40</b>	<b>(71,500)</b>	<b>365,137</b>	<b>605,557</b>	<b>4,990</b>	<b>610,547</b>
Available-for-sale financial assets	-	-	-	-	38	-	-	38	-	38
Share of other comprehensive income of joint venture	-	-	-	-	-	-	8	8	-	8
Foreign currency translation differences	-	-	-	(4,733)	-	-	-	(4,733)	(296)	(5,029)
<b>Total other comprehensive (loss)/income for the financial period</b>	-	-	-	(4,733)	38	-	8	(4,687)	(296)	(4,983)
Profit for the financial period	-	-	-	-	-	-	3,753	3,753	3,678	7,431
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	-	(4,733)	38	-	3,761	(934)	3,382	2,448
<b>As of 31 March 2014</b>	<b>218,246</b>	<b>74,176</b>	<b>2,111</b>	<b>12,614</b>	<b>78</b>	<b>(71,500)</b>	<b>368,898</b>	<b>604,623</b>	<b>8,372</b>	<b>612,995</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying significant events and transactions attached to these interim financial statements.

**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2015</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2014</u> <u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	22,994	12,398
Adjustments for:		
Non-cash items	(1,147)	7,581
Interest income	(1,492)	(148)
Finance costs	10,793	5,683
Operating Profit Before Working Capital Changes	31,148	25,514
Net increase/(decrease) in inventories, amount due from contract customers, trade and other receivables and amount due from joint venture	5,113	(20,177)
Net (decrease)/increase in amount due to contract customers and trade and other payables	(1,732)	2,824
Cash Generated From Operations	34,529	8,161
Income tax paid	(6,681)	(4,291)
Income tax refunded	735	812
Net Cash From Operating Activities	<b>28,583</b>	<b>4,682</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,579	201
Property, plant and equipment:		
- proceeds from disposal	22	7
- purchase	(392)	(2,911)
Purchase of intangible assets	(9,329)	(699)
Acquisition of ordinary shares in a subsidiary	(80,000)	-
Payment to non-controlling interests	(5,383)	-
Available-for-sale financial assets:		
- purchase	(8,369)	-
- proceeds from redemption	75,392	11,081
Withdrawal of deposits pledged as security	450	4,973
(Increase)/Decrease in proceeds deposited in the designated bank accounts	(2,886)	3,071
Net Cash (Used In)/From Investing Activities	<b>(28,916)</b>	<b>15,723</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(16,600)	(5,750)
Repayment of borrowings	(5,675)	(37,353)
Drawdown of borrowings	5,854	54,989
Dividends paid by a subsidiary to non-controlling interest	(61,370)	-
Repayment of finance lease payables	(115)	(76)
Proceeds from issuance of ordinary shares	87	-
Net Cash (Used In)/From Financing Activities	<b>(77,819)</b>	<b>11,810</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(78,152)	32,215
Effects of foreign exchange rate changes	1,937	454
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD</b>	197,088	15,044
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b>120,873</b>	<b>47,713</b>

## **CONDENSED STATEMENTS OF CASH FLOWS**

	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2015</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar</u> <u>2014</u> <u>RM'000</u>
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	99,692	19,699
Cash and bank balances	73,450	48,062
Total deposits, cash and bank balances	173,142	67,761
Less: Deposits pledged as security	(32,427)	(15,599)
Less: Proceeds deposited in the designated bank accounts	(15,065)	(448)
Less: Overdrafts	(4,777)	(4,001)
	<b><u>120,873</u></b>	<b><u>47,713</u></b>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying significant events and transactions attached to these interim financial statements.



**PART A – SIGNIFICANT EVENTS AND TRANSACTIONS 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 2014. 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:-

- (i) adoption of new Malaysian Financial Reporting Standards (MFRSs) and Amendments to MFRSs and IC Interpretations (“IC Int”) mandatory for annual financial periods beginning on or after 1 January 2015 relevant to the Group as follows:-

**MFRSs, Amendments to MFRSs and IC Interpretations**

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions  
Annual improvements to MFRSs 2010-2012 cycle (issued in February 2014)  
Annual improvements to MFRSs 2011 - 2013 cycle (issued in February 2014)

The application of the above Amendments to MFRS and Annual improvements to MFRS did not result in any significant changes in the accounting policies and presentation of the financial statements of the Group.

As at the date of authorisation of these interim financial statements, the following new MFRSs, Amendments to MFRSs and IC Interpretations were in issue but not yet effective and have not early adopted by the Group:-

**MFRSs and Amendments to MFRSs**

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 10, MFRS 12, and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10, and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116, and MFRS 138	Classification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual improvements to MFRSs 2012 - 2014 cycle (issued in November 2014)	

The Group plans to apply the abovementioned MFRSs in the annual financial statements 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>2015</u> <u>RM</u>	<u>31 Dec</u> <u>2014</u> <u>RM</u>	<u>31 Mar</u> <u>2014</u> <u>RM</u>
1 US Dollar (USD)	3.70	3.50	3.27
1 Singapore Dollar (SGD)	2.69	2.65	2.59
100 Hong Kong Dollars (HKD)	47.76	45.08	42.10
100 Chinese Renminbi (RMB)	59.74	56.34	52.52

(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 financial statements.

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

As at the end of the financial period, the invoiced amounts due and owing by Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“SPLASH”) amounted to RM351.554 million. Based on current repayment pattern, there had been improvements in the amount of collection from SPLASH as compared to the previous quarter. Therefore, based on its best estimates, the Group would expect a repayment of approximately RM100.6 million in the next twelve months (up from the previous estimate of RM88.8 million) which will reduce the amount outstanding. The remaining balance is assumed to be paid progressively between 2016 and 2019.

As a result of the expected higher repayments, a net reversal of provision for discounting of RM3.72 million was made in the current quarter, comprising an additional provision for discounting on a deferred payment consideration of RM13.11 million which was set-off against revenue and a reversal of discounting of receivables amounting to RM16.83 million recognised as Other Income.

The above critical accounting judgement and estimate will be re-assessed as they may have a significant impact to future amounts recognised in the financial statements.

## A2 – Comments about the Seasonal or Cyclicity 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 financial impact arising from the transaction referred to in Note A8 whereby the difference between the proportionate share of the carrying amount of the net assets in CSSB as at date of acquisition and the value of the consideration paid has been credited to retained earnings as follow :-

	<u>RM'000</u>
Proportionate share of the carrying amount of the net assets in CSSB as at date of acquisition	198,086
Less: Value of consideration paid	(80,000)
	<u>118,086</u>
	=====
Positive movement in equity	118,086
	=====
Positive movement in equity attributable to:-	
Owners of the Company	50,962
Non-controlling interests	67,124
	<u>118,086</u>
	=====

#### **A4 – Accounting Estimates**

Save as disclosed in Note A1(c) above, 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 equity or debt securities by the Company except for the issuance of 46,000 new ordinary shares of RM0.50 each from the exercise of the Employees' Share Option Scheme (“ESOS”) of the Company at the exercise price of RM1.90 per new share.

As at the end of the financial period, the Company has outstanding 21,000 ESOS options at RM1.31 per share and 3,437,000 ESOS options at RM1.90 per share respectively. The ESOS options, if not exercised, will expire on 29 September 2015.

#### **A6 – Dividends Paid**

On 26 February 2015, the Board declared a first interim single-tier dividend of 5.0 sen per share on 436,491,580 ordinary shares of RM0.50 each, amounting to approximately RM21,824,579 in respect of the financial year ending 31 December 2015. The dividends were subsequently paid on 1 April 2015.

#### **A7 – 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 save and except that on 26 February 2015, the Company accepted an offer to acquire 1,538 ordinary shares of RM1.00 each representing 15.38% of the ordinary share capital in Pinggiran Muhibbah Sdn Bhd (“PMSB”) and 26,916,218 redeemable preference shares of RM0.01 each in PMSB from a minority shareholder of PMSB for a cash consideration of RM22,851,538. Upon the completion of the acquisition on 21 April 2015, PMSB became a wholly-owned subsidiary of the Company.

#### **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 save and except that on 26 February 2015, TEI Sdn Bhd (“TEI”) (*formerly known as Pinggiran Infrastructure Sdn Bhd*), a 51% owned subsidiary of PMSB, accepted an offer to acquire 208,250 ordinary shares of RM1.00 each, representing 35% ordinary share capital in Cerah Sama Sdn Bhd (“CSSB”) from SEASAF Highway Sdn Bhd for a cash consideration of RM80,000,000. Upon the completion of the acquisition on 26 March 2015, CSSB became a wholly-owned subsidiary of TEI.

#### **A9 – Changes in Contingent Liabilities or Contingent Assets**

There were no material changes to the status of litigations requiring re-assessment of present obligations in relation to these litigations since the last audited date of the statement of financial position except for the outcome of the arbitral award in favour of the Applicant in the arbitration between Hua Sheng Construction Group Co. Ltd (as the Applicant) and Ningxia Eco Wastewater Treatment Co. Ltd, a subsidiary of the Company (as the Respondent) as announced to Bursa Securities on 17 April 2015.



<http://www.bursamalaysia.com/market/listed-companies/company-announcements/4708213>

As a result thereof, the penalty and other associated costs amounting to approximately RMB4.66 million (equivalent to RM2.72 million) have been accrued in these interim financial statements.

### 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 maker.

3 months ended 31Mar	<u>Water treatment, supply and distribution</u>		<u>Waste management</u>		<u>Construction</u>		<u>Toll operations</u>		<u>Others</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue												
Total revenue	54,330	54,840	16,028	13,323	27,035*	19,425	14,523	-	17,671 <sup>^</sup>	16,869	129,587	104,457
Inter-segment revenue	-	-	(176)	(153)	(1,609)	-	-	-	(17,671)	(16,719)	(19,456)	(16,872)
External revenue	54,330	54,840	15,852	13,170	25,426	19,425	14,523	-	-	150	110,131	87,585
Reconciliation: Difference in accounting policy (see note below)	(13,114)	(11,982)	-	-	-	-	-	-	-	-	(13,114)	(11,982)
Revenue as per statement of comprehensive income	41,216	42,858	15,852	13,170	25,426	19,425	14,523	-	-	150	97,017	75,603

\* Including RM10.31 million (Q1FY14: RM Nil) construction revenue recognised pursuant to IC 12 from the construction of a public service infrastructure.

<sup>^</sup> Including dividend income of RM 16.38 million (Q1FY14: RM 15,810,000) received from subsidiaries.

Note: Segment policy is to show the effect of discounting of revenue by reducing revenue recognised instead of within operating expenses.

**A10-Operating Segments (continued)**

3 months ended 31 Mar	<u>Water treatment, supply and distribution</u>		<u>Waste management</u>		<u>Construction</u>		<u>Toll operations</u>		<u>Others</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Earnings before finance costs, depreciation and amortisation and income tax expense	25,752	17,564	6,321	5,323	2,062	637	11,749	2,176	28,108	12,844	73,992	38,544
Depreciation and amortisation	(190)	(138)	(4,975)	(4,460)	(128)	(106)	(3,863)	-	(714)	(842)	(9,870)	(5,546)
Finance costs	25,562	17,426	1,346	863	1,934	531	7,886	2,176	27,394	12,002	64,122	32,998
Inter-segment results	-	-	(5,654)	(5,288)	(9)	(6)	(5,123)	-	(7)	(389)	(10,793)	(5,683)
Segment results	572	510	543	322	163	-	150	-	(32,120)	(15,983)	(30,692)	(15,151)
Share of results of associate	26,134	17,936	(3,765)	(4,103)	2,088	525	2,913	2,176	(4,733)	(4,370)	22,637	12,164
Profit before tax											357	234
Income tax expense											22,994	12,398
Profit for the financial period as per statement of comprehensive income											(6,667)	(4,967)
											<b>16,327</b>	<b>7,431</b>

As at 31 Mar	<u>Water treatment, supply and distribution</u>		<u>Waste management</u>		<u>Construction</u>		<u>Toll operations</u>		<u>Others</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Segment assets	412,355	362,295	597,634	506,109	36,282	33,163	1,502,124	124,430	144,342	37,597	2,692,737	1,063,594
Segment liabilities	(65,431)	(52,917)	(380,995)	(303,976)	(25,233)	(23,461)	(883,654)	-	(70,637)	(70,245)	(1,425,950)	(450,599)
Net segment assets/(liabilities)	<b>346,924</b>	<b>309,378</b>	<b>216,639</b>	<b>202,133</b>	<b>11,049</b>	<b>9,702</b>	<b>618,470</b>	<b>124,430</b>	<b>73,705</b>	<b>(32,648)</b>	<b>1,266,787</b>	<b>612,995</b>

## A10-Operating Segments (continued)

The Group earns revenues from external customers in two main geographical areas:

- (i) Malaysia\*- Water, construction, operation and maintenance of toll highway, and provision of technical services relating to waste management.
- (ii) China -Waste management, construction revenue recognised pursuant to IC 12 from the construction of a public service infrastructure and water treatment equipment and provision of related services.

\* The Company's home country.

The following is an analysis of the Group's revenue and total assets by geographical areas:

<u>3 months ended 31 Mar</u>	<u>Revenue</u>		<u>Total assets</u>	
	<u>2015</u> <u>RM'000</u>	<u>2014</u> <u>RM'000</u>	<u>2015</u> <u>RM'000</u>	<u>2014</u> <u>RM'000</u>
Malaysia	70,856 <sup>^</sup>	62,433	2,090,456	556,860
China / Hong Kong SAR	26,161 <sup>*</sup>	13,170	602,081	506,503
Singapore	-	-	200	231
	<b>97,017</b>	<b>75,603</b>	<b>2,692,737</b>	<b>1,063,594</b>

<sup>^</sup> including provision for discounting on the deferred payment consideration of RM13.114 million (Q1FY14: RM11.982 million)

<sup>\*</sup> including RM10.30 million (Q1FY14: RM Nil) construction revenue recognised pursuant to IC 12 from the construction of a public service infrastructure.

**PART B – SIGNIFICANT EVENTS AND TRANSACTIONS PURSUANT TO PARAGRAPH 9.22 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 – Analysis of Performance**

(a) *Revenue*

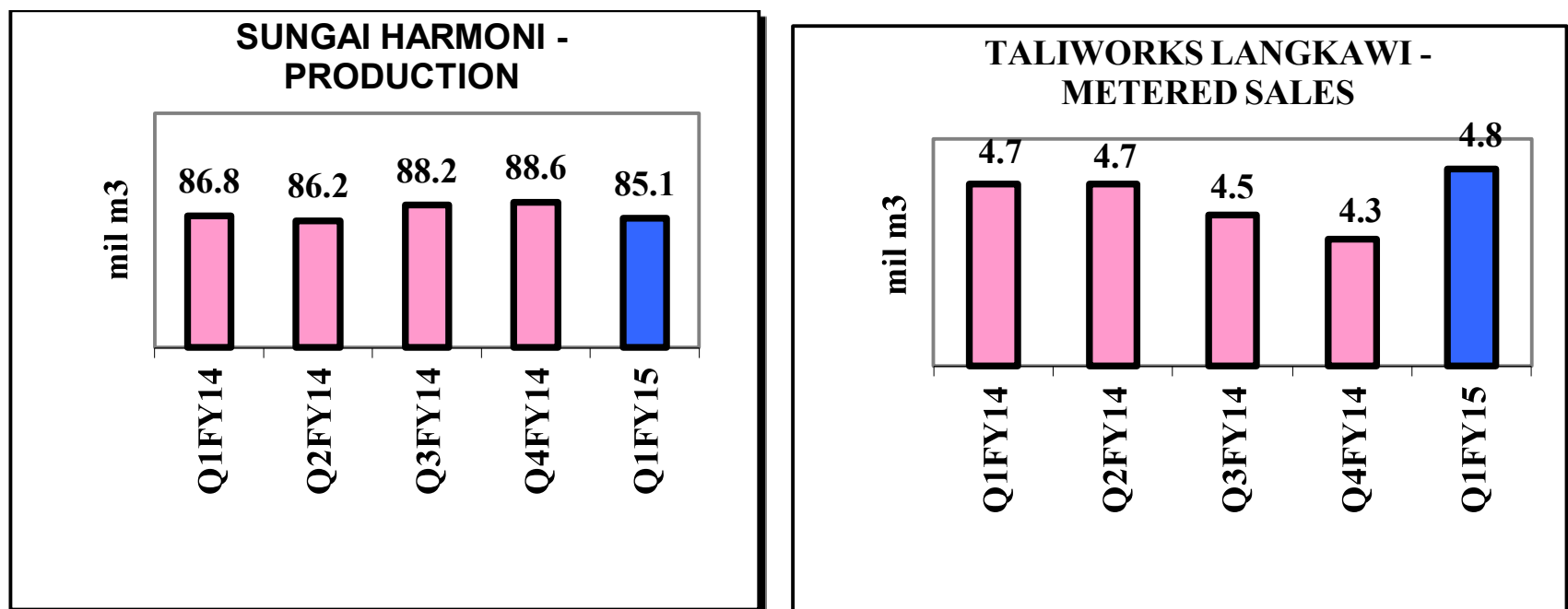
	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2015</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>31 Dec 2014</u> <u>RM'000</u> (Restated)	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2014</u> <u>RM'000</u>
Water treatment, supply and distribution	54,330	53,738	54,840
Construction	25,426	43,248	19,425
Waste management	15,852	14,827	13,170
Toll operations	14,523	14,616	-
Others	-	152	150
	<u>110,131</u>	<u>126,581</u>	<u>87,585</u>
Less: Provision for discounting on a deferred payment consideration	(13,114)	(12,359)	(11,982)
	<b><u>97,017</u></b>	<b><u>114,222</u></b>	<b><u>75,603</u></b>

(b) *Profit Before Tax*

	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2015</u> <u>RM'000</u>	<u>3 Months</u> <u>Ended</u> <u>31 Dec 2014</u> <u>RM'000</u> (Restated)	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2014</u> <u>RM'000</u>
Water treatment, supply and distribution	26,133	11,047	17,936
Construction	2,097	3,622	531
Waste management	1,889	2,871	1,185
Toll operations	8,059	3,759	-
Others	(4,725)	(3,564)	(3,981)
	<u>33,453</u>	<u>17,735</u>	<u>15,671</u>
<b>Operating profit</b>	<b>33,453</b>	<b>17,735</b>	<b>15,671</b>
Finance cost	(10,793)	(11,324)	(5,683)
Share of (loss)/profit of joint venture	(23)	(1,619)	2,176
Share of results of associate	357	292	234
<b>Profit before tax</b>	<b><u>22,994</u></b>	<b><u>5,084</u></b>	<b><u>12,398</u></b>

## B1 – Analysis of Performance (continued)

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



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

#### Overall Summary

The Group revenue increased from RM87.6 million to RM110.1 million (before impact from provision for discounting) mainly attributable to the consolidation of the financial results of CSSB as a subsidiary and higher contribution from both the construction and waste management segments. However, after taking into account the impact from the provision for discounting, the Group revenue reduced to RM97.0 million. Nevertheless, it is still higher than RM75.6 million achieved a year ago.

#### Water treatment, supply and distribution

At the operating level, the business segment registered a marginal drop in revenue by RM0.5 million to RM54.3 million. The drop was attributable to decrease in production by 2% in Sungai Selangor Water Treatment Works Phase I (“SSP1”) (i.e. from 86.83 million m<sup>3</sup> (or 965 million litres per day (“MLD”)) to 85.07 million m<sup>3</sup> (or 945 MLD)) although the Langkawi operations recorded a marginal growth in metered sales by 1.8% i.e. from 4.73 MLD to 4.81 MLD.

#### Construction

Revenue from construction segment increased by RM6.0 million to RM25.4 million mainly attributable to construction revenue recognised pursuant to IC 12 from the expansion and upgrading works in Wastewater Treatment Plant No. 3 in Taliworks Yinchuan of approximately RM10.3 million. Excluding this sum, revenue contribution from the on-going Mengkuang Dam Expansion Project came in lower due to lower percentage of completion recognised. Nevertheless, the dip in revenue was mitigated by revenue recognised in this quarter from Pengagihan Semula Kapasiti Reka Bentuk Air Terawat dari Loji Rawatan Air Sungai Selangor Fasa 3 – Sebagai Projek Mitigasi Kekurangan Bekalan Air di Selangor, Wilayah Persekutuan Kuala Lumpur dan Putrajaya (Pakej 3: Kerja-karya Membekal dan Memasang Paip Keluli Bergarispusat 1200 mm dan Kerja-karya Berkaitan dari Bukit Jelutong, Shah Alam ke Bukit Raja, Klang, Selangor) (“SSP3 Project”) that was secured in July of last year.



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

### Waste management

Revenue from this segment recorded an increase of RM2.7 million to RM15.8 million mainly attributable to the strength of the Chinese Renminbi and the higher contribution particularly from the Yinchuan and Guanghan wastewater treatment plants. The production of wastewater in Yinchuan operations was 7% higher due to damages of the intake pumps in the corresponding quarter which resulted in the production to be exceptionally low. Whereas, production in the Guanghan operations jumped by over 36% on account of the completion of a major rehabilitation which was completed in December 2014 and the temporary cessation of operations in early July 2013 to January 2014 following damages to the incoming wastewater pipeline caused by torrential floods.

### Toll highway

The Group consolidated the financial results of CSSB commencing September of last year when CSSB became a subsidiary. The Cheras-Kajang highway which recorded an Average Daily Traffic (“ADT”) of 134,361 vehicles per day contributed RM14.5 million to the group revenue in the current quarter.

## **(b) Current Quarter vs. Preceding Year’s Corresponding Quarter - Profit**

### Overall Summary

For the current quarter, the Group’s profit before taxation (“PBT”) was up significantly to RM23.0 million compared to the corresponding quarter’s RM12.4 million. This was primarily due to the net reversal of provision of discounting on the back of improved collections expected from SPLASH and the consolidation of the financial results of CSSB as a subsidiary. Nevertheless, Group profits were impacted by higher financing cost as a result of consolidating the ITMN financing cost in CSSB.

### Water treatment, supply and distribution

Despite the marginal decrease in revenue, profit recorded a hefty increase by RM8.2 million as compared to the corresponding quarter. Nevertheless, after stripping out the effects of the discounting, this segment reported a lower profit at RM22.4 million as compared to RM23.0 million a year ago. This was on account of higher operating costs, coupled with higher maintenance and rehabilitation expenses incurred in the Langkawi operations.

### Construction

In line with the higher revenue achieved, profit also registered an increase from contribution of the on-going projects and construction profits recognised pursuant to IC 12.

### Waste management

Whilst the segment was impacted by the accrual of arbitration claim as mentioned in Note A9, the segment still managed to report a higher operating profit of RM1.9 million compared to RM1.2 million achieved in the corresponding quarter on account of increase in top line numbers and lower unit operating costs in both the Yinchuan and Tianjin operations.

### Toll highway

The Cheras-Kajang highway has registered a marginal growth in ADT by 0.2% at 134,361 vehicles per day compared with corresponding quarter. The division has contributed RM8.1 million to group PBT as a subsidiary, resulting in the lower share of results from joint venture. Arising from the consolidation of the financial results of CSSB, finance costs of the Group have also increased due to the RM420 million of nominal value of ITMN issued by CSSB.

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

### **(c) Comparison with Preceding Quarter's Results - Revenue**

#### Overall Summary

Compared to the previous quarter, the Group registered a significant decrease in revenue of RM16.5 million from RM126.6 million to RM110.1 million (before taking into account the impact from provision for discounting) primarily from lower contribution from the construction segment.

#### Water treatment, supply and distribution

Revenue recorded a marginal increase from RM53.7 million to RM54.3 million on account of higher metered sales in Langkawi operations, i.e by 10.8% from 4.34 MLD to 4.81 MLD. Nevertheless, the increase in revenue was mitigated by drop in production level in SSP1 operation by 4% from 88.62 million m<sup>3</sup> (or 963 million litres per day (“MLD”)) to 85.07 million m<sup>3</sup> (or 945 MLD))

#### Construction

The construction segment reported lower revenue of RM25.4 million as compared to RM43.2 million on account of lower construction revenue recognised pursuant to IC12 and lower percentage of completion recognised from the existing on-going projects.

#### Waste management

At the operating level, Yinchuan operations recorded lower level of production of 4.5% compared to the previous quarter due to lesser number of operating days whereas higher production was recorded from Tianjin and Guanghan operations. The Guanghan operations resumed to normal level of operations after a major rehabilitation which was completed in December last year and production jumped by over 32%. The strengthening of RMB/MYR also contributed in part to the higher revenue.

#### Toll highway

The revenue contribution from toll division is almost similar between the quarters. In term of ADT, the Cheras-Kajang highway recorded 134,361 vehicles/day compared to 131,007 vehicles/day in the previous quarter, an improvement of 2.6%. Despite the higher ADT, revenue came in marginally lower due to lower recognition of deferred income from lesser number of days compared to the previous quarter.

### **(d) Comparison with Preceding Quarter's Results - Profit**

#### Overall Summary

Whilst the group recorded a significant drop in revenue, the Group's PBT was significantly higher primarily due to the reversal of discounting of receivables in the current quarter of RM3.72 million, compared to a provision for discounting on a deferred payment consideration of RM10.1 million recognised in the previous quarter. Nevertheless, stripping out the effects from the discounting, the Group's PBT still higher at RM19.3 million, an increase from RM15.0 million recorded in previous quarter.

#### Water treatment, supply and distribution

At operating level, the profit contribution was higher by RM1.4 million compared to previous quarter on account of higher metered sales from the Langkawi operations whilst profit contribution from SSP1 operations is almost similar due to lower rehabilitation, maintenance and upkeep incurred in the current quarter.

### Construction

In line with the decrease in revenue, profit has also decreased.

### Waste management

The segment recorded a lower operating profit attributable to accrual of arbitration claim in the current quarter as mentioned in Note A9. Excluding this claim, the operating profit was higher mainly due to additional impairment from the Linhe Project of RM2.9 million in the previous quarter.

### Toll highway

Although revenue was similar, operating profit was much higher primarily due to incurrence of specific pavement repair works which significantly increased the maintenance costs in the previous quarter.

The Group recorded a higher share of profit from joint venture attributable to incidental expenses incurred on the take-over of the North Klang Straits Bypass Expressway (“NNKSB”) in the previous quarter. For the quarter, NNKSB recorded a ADT of 87,802 vehicles per day compared to 86,089 vehicles per day in the previous 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 SSP1, 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.

However, the current uncertainties in the outcome of the position of SPLASH in the restructuring of the Selangor water sector may weigh down on the Group’s performance given the fair value adjustments are required on deferred consideration from continued delays in receiving payments if the matter is not resolved.

In the construction segment, the on-going Mengkuang Dam Expansion Project in Pulau Pinang is expected to continue to contribute positively to the Group given that the project has advanced into its third year of construction. In the second half of last year, the Group commenced work on the SSP3 Project to be completed within a year. Although there are only two on-going projects, the Group is actively tendering for infrastructure projects to boost its order book.

In the waste management division, the Group is expected to progressively undertake the expansion and upgrading of the four wastewater treatment plants under the Yinchuan TOT Project in the next two years. Our first undertaking is to upgrade and expand one of the water treatment plants for an estimated amount of RMB130 million (RM73.242 million) before proceeding to the following phases. The upgrade and expansion of the Wastewater Treatment Plant No. 3 has commenced in the first half of last year and is anticipated to take a year to complete. The upgrade and expansion of the Wastewater Treatment Plant No. 4 is currently in the planning stage and is expected to commence in the second half of 2015.

In the toll highway division, the recent successful taking over the North Klang Straits Bypass Expressway is in line with the Group’s strategy to further develop and leverage the Group’s infrastructure business by acquiring mature operating assets with stable cash flow in Malaysia and the developed markets. The take-over of the concession will generate a valuable new revenue stream, providing a recurring source of income to the Group.

In the short to medium term, the Group is optimistic on the prospects of new infrastructure businesses, in particular mature operating infrastructure assets, which the Group has identified to be a new growth area. The recent establishment of a special purpose vehicle, TEI Sdn Bhd (*formerly known as Pinggiran Infrastructure Sdn Bhd*), strengthens the Group’s position to pursue this business opportunity both locally and abroad, given that the core expertise of the Group lies in the management and operations of concession-based assets/businesses.

The recent proposed placement of new shares is intended to raise proceeds to enable the Group to pursue future investments with a view to further strengthen and grow its businesses this year.

### 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 Year-to-date 3 Months Ended 31 Mar 2015 RM'000</u>
<i>Revenue</i>	
Provision for discounting on receivables ( <i>Note A1(c)</i> )	(13,114)
<i>Other operating income:</i>	
Interest income on fixed deposits with licensed banks	1,492
Interest income imputed on retention sum	458
Dividend from available-for-sale financial assets	771
Rental income	162
Unwinding of discount on receivables	9
Reversal of discounting of receivables ( <i>Note A1(c)</i> )	16,835
Unrealised foreign exchange gain	1,411
Realised gain on available-for-sale financial assets	266
Waiver of value-added tax	1,465
<i>Cost of operations, administrative and other expenses:</i>	
Depreciation and amortisation	(9,870)
Imputed interest on borrowing	(137)
Unrealised foreign exchange losses	(11)

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 and Year-to-date 3 Months Ended 31 Mar 2015 RM'000</u>
Malaysian income tax:-	
- Current year tax	5,460
Deferred tax expense	1,207
	<u>6,667</u>

The income tax expense is in respect of the estimated Malaysian income tax charges and deferred tax for the financial period. 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

As at 21 May 2015 (being a date not earlier than 7 days from the date of this Interim Financial Report), there were no corporate proposals announced but not completed save and except for the proposed placement of new ordinary shares of RM0.50 each in the Company, representing up to 10% of the existing issued and paid-up share capital of the Company as announced on 19 January 2015. The listing of and quotation for the new placement shares was approved by Bursa Securities on 18 March 2015.

## B7 – Group Borrowings and Debt Securities

Included in the borrowings of the Group are:-

	←-----Short Term-----→			←-----Long Term-----→		
	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Finance lease liabilities	262	-	262	780	-	780
Overdraft	-	4,777	4,777	-	-	-
Government loan	-	3,584	3,584	-	-	-
Term loans	15,280	-	15,280	323,757	-	323,757
IMTN	-	-	-	415,008	-	415,008
	15,542	8,361	23,903	739,545	-	739,545

The currency profile of borrowings is as follows:

	←-----Short Term-----→			←-----Long Term-----→		
	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Chinese Renminbi	15,280	3,584	18,864	323,757	-	323,757
Ringgit Malaysia	262	4,777	5,039	415,788	-	415,788
	15,542	8,361	23,903	739,545	-	739,545

## B8 – Changes in Material Litigations

As at 21 May 2015 (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 the material litigations since the date of the last annual statement of financial position date, save and except as disclosed in Note A9.

## 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 financial period.

	<u>Current Quarter and</u> <u>Year-to-date</u>	
	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2015</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2014</u>
Profit for the financial period attributable to owners of the Company (RM'000)	15,028	3,753
Weighted average number of ordinary shares in issue ('000)	436,538	436,492
Basic EPS (sen)	<u>3.44</u>	<u>0.86</u>

## B9 – Earnings Per Share (“EPS”) (continued)

### (b) Diluted earnings per share

Diluted 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 financial period adjusted for potential dilutive ordinary shares from the exercise of ESOS options.

	<u>Current Quarter and</u> <u>Year-to-date</u>	
	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2015</u>	<u>3 Months</u> <u>Ended</u> <u>31 Mar 2014</u>
Profit for the financial period attributable to owners of the Company (RM'000)	15,028	3,753
Weighted average number of ordinary shares in issue ('000)	436,538	436,492
Effects of dilution from ESOS Options ('000)	594	-
Adjusted weighted average number of ordinary shares in issue ('000)	437,132	436,492
Diluted EPS (sen)	<u>3.44</u>	<u>0.86</u>

## B10 – Dividends

The Board is not recommending any dividend payment for the current quarter.

As at the end of the financial period, the total dividends declared was 5.0 sen per share in respect of the financial year ending 31 December 2015.

## 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 in a subsidiary and the key bases and assumptions used by the Directors in estimating the recoverable amounts of the Intangible Assets of subsidiaries in China.

Pursuant to Section 174(3) of the Companies Act 1965, the Group's auditor also reported that the auditors' reports of certain subsidiaries have included an emphasis of matter regarding the ability of these subsidiaries to continue as a going-concern in view of their capital deficiency position as at the end of the reporting period. The financial statements of these subsidiaries have been prepared on a going-concern basis as the Company has undertaken to provide continued financial support to these subsidiaries.

In addition, the subsidiary auditor of a subsidiary, Puresino (Guanghan) Water Co Ltd has also included an emphasis of matter on the going concern basis used in the preparation of the financial statements which is dependent on the resolution of the disputes between the shareholders of the 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 2015 RM'000</u>	<u>Preceding Quarter Ended 31 Dec 2014 RM'000 (Audited)</u>
<b>Total retained earnings of the Company and its subsidiaries:</b>		
- Realised profits	629,130	585,384
- Unrealised profits	16,350	16,265
	645,480	601,649
<b>Total share of retained earnings from associate:</b>		
- Realised profits	4,497	4,140
<b>Total share of retained earnings from joint venture:</b>		
- Realised profits/(loss)	(1,702)	(1,679)
	648,275	604,110
Total Group's retained earnings		

## B13 – Restatement of Comparatives

Certain comparatives may differ from the unaudited consolidated results announced for the 4th quarter of 2014 as they have been adjusted to take into account the audited results of the Group for the year ended 31 December 2014.

## B14 – 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 RM221.5 million are:-

- (a) RM32.4 million held as securities for banking facilities secured by the Company and its subsidiaries;
- (b) RM30.4 million held in subsidiaries operating in the People's Republic of China which are subject to exchange control restrictions of that country. The restrictions will only apply if the monies are to be remitted outside the country;
- (c) RM92.1 million held in a subsidiary that is subject to financial covenants imposed under an IMTN program; and
- (d) RM21.8 million which was committed as dividends referred to in Note A6.

## **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  
27 May 2015

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 had participated in the CMDF-Bursa Research Scheme to facilitate greater investors' understanding of the Group. Previous copies of independent research reports on the Company can be downloaded from <http://www.bursamalaysia.com>