



**PRESS RELEASE IN CONJUNCTION WITH FINANCIAL RESULTS FOR FIRST HALF
30 JUNE 2007**

- **Core water business continues to generate strong cash flow**
- **Proposes 1st interim gross dividend of 3.0 sen per share**
- **Positioning to be a full-fledged infrastructure player via acquisition of Grand Saga**

Kuala Lumpur, Aug 29, 2007: Taliworks Corporation Berhad (“Taliworks”), an established water & waste management specialist, has today announced the Group unaudited financial results for the second quarter ended 30 June 2007.

For the second quarter ended 30 June 2007, Taliworks reported a 18% growth in group revenue to RM40.7 million, compared to the previous corresponding period. The Group’s profit before tax (PBT) increased marginally by 3% to RM12.8 million. Taliworks’ topline turnover growth was boosted by construction activities at the Padang Terap Water Supply Scheme, which commenced in the last quarter of 2006. However, its group PBT margin declined to 32% for the second quarter ended 30 June 2007 from 36% in the previous corresponding period due to the lower production volume recorded by SSP1 at Sungai Harmoni Sdn Bhd.

Consequently, for the cumulative six months period to 30 June 2007, the Group achieved revenue of RM80.1 million and profit before tax of RM25.9 million respectively.

Meanwhile, the Group’s core water business has continued to generate healthy operating cash flow to enable the group to declare a first interim dividend of 3.0 sen per share.

Tuan Haji Abdul Rahman bin Haji Siraj, Chief Executive Officer of Taliworks commented, “Overall, we are satisfied with our results performance for the first half of financial year 2007.

SUBSIDIARY COMPANIES:

- Air Kedah Sdn Bhd (580916-M)
- Sungai Harmoni Sdn Bhd (254154-U)
- Taliworks (Langkawi) Sdn Bhd (322591-H)
- Taliworks Technologies Sdn Bhd (622939-T)
- SWM Technologies (Malaysia) Sdn Bhd (650594-T)
- Taliworks International Limited (Incorporated in Hong Kong, SAR)
- Taliworks (Sichuan) Limited (Incorporated in Hong Kong, SAR)
- Taliworks (Shanghai) Co., Ltd (Incorporated in People’s Republic of China)
- Tianjin-SWM (M) Environment Ltd., Co (Incorporated in People’s Republic of China)

ASSOCIATED COMPANIES:

- Hydrovest Sdn Bhd (482724-D)
- C.G.E. Utilities (M) Sdn Bhd (314890-D)



TALIWORKS CORPORATION BERHAD (6052-V)

A Member of LGB Group

28, JALAN WAN KADIR 1, TAMAN TUN DR. ISMAIL, 60000 KUALA LUMPUR, MALAYSIA

Tel: 603-7725 7116 Fax: 603-7725 7099 Website: www.taliworks.com.my E-mail: info@taliworks.com.my

Given the strong net cash position of the group and strong cash flow generation of our core water business, the Company is able to adhere to the general dividend policy.”

Subsequent to the quarter ended, Taliworks, in collaboration with The South East Asian Strategic Assets Fund (SEASAF), has proposed to acquire 55% and 35% equity interest in Cerah Sama Sdn Bhd (CSSB) for a cash consideration of RM55.5 million and RM35.3 million respectively. CSSB owns and operates the Cheras – Kajang Highway Concession through Grand Saga Sdn. Bhd.

Taliworks also entered into a purchase agreement for Goldman Sachs to purchase RM180 million Convertible Bonds to fund Taliworks’ local and overseas expansion.

Tuan Haji Abdul Rahman added, “This new venture with SEASAF will elevate us into the next phase of growth and we intend to position Taliworks to be a full-fledged and formidable infrastructure player in the region. This is consistent with management initiatives of growth expansion via mergers and acquisitions and to make better use of the Group’s surplus cash position.”

“We are very excited with the Group’s prospects ahead. Going forward, we anticipate steady performance of our core water and waste related businesses, with opportunities both in Malaysia as well as in the region. Our partnership with SEASAF allows us to draw on each other’s strengths and capabilities to seek out viable investments in similar road concessions in the region”

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About Taliworks

Listed on the Main Board of the Bursa Malaysia Securities Berhad, Taliworks Corporation Berhad is an established specialist in water and waste related businesses.

Taliworks expanded its core business in the privatised water supply sector to include the operation and maintenance of the Sungai Selangor Water Treatment Works Phase 1 (SSP1), which supplies to large parts of Selangor and Kuala Lumpur, and the water supply and distribution system in Langkawi, Kedah. The Group currently manages a total of 6 water treatment plants with a combined capacity of 1,039.5 mld.

Apart from water sector businesses, the Group holds a 21-year concession rights for the Operation and Management of the Tianjin Panlou Life Waste Transfer Station, in Tianjin, China.

For the construction sector, Taliworks is currently undertaking the Padang Terap Water Supply Scheme in Kedah and which will be completed by early 2009.

In wastewater sector, Taliworks subsidiary Puresino (Guanghan) Water Co., Ltd. has been granted a 30-year concession to undertake, manage and operate the 50 million litres per day Guanghan San Xin Dui wastewater treatment plant in China.

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Taliworks Corporation Berhad (6052-V)

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