

SILK HOLDINGS BERHAD

UNAUDITED INTERIM REPORT FOR THE PERIOD ENDED 31 OCTOBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.10.2010	31.10.2009	31.10.2010	31.10.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	58,173	48,813	58,173	48,813
Cost of sales	(23,158)	(24,919)	(23,158)	(24,919)
Gross profit	35,015	23,894	35,015	23,894
Other items of income				
Interest income				
Other income	1,443	24	1,443	24
Other items of expenses				
Staff expenses	(3,722)	(1,566)	(3,722)	(1,566)
Administrative expenses	(1,044)	(528)	(1,044)	(528)
Professional fees	(152)	(41)	(152)	(41)
Depreciation	(6,309)	(5,546)	(6,309)	(5,546)
Amortisation	(2,861)	(697)	(2,861)	(697)
Provision for heavy repairs	(594)	-	(594)	-
Finance cost	(20,230)	(7,165)	(20,230)	(7,165)
Profit before tax	1,545	8,375	1,545	8,375
Taxation	(2,795)	(2,527)	(2,795)	(2,527)
Net profit/(loss) for the period	(1,250)	5,848	(1,250)	5,848
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(1,250)	5,848	(1,250)	5,848
Net profit/(loss) and total comprehensive income attributable to:				
Owners of the parent	(1,147)	3,513	(1,147)	3,513
Minority interests	(103)	2,335	(103)	2,335
	(1,250)	5,848	(1,250)	5,848
Earnings/(loss) per share (sen)				
- Basic	(0.30)	1.61	(0.30)	1.61
- Diluted	(0.13)	0.89	(0.13)	0.89

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD

UNAUDITED INTERIM REPORT FOR THE PERIOD ENDED 31 OCTOBER 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 October 2010

	As at 31.10.2010 RM'000	As at 31.07.2010 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, vessels and equipment	717,766	684,765
Expressway development expenditure	909,733	915,238
Expressway heavy repairs	-	1,521
Other investments	584	600
Goodwill on consolidation	647	647
	<u>1,628,730</u>	<u>1,602,771</u>
Current assets		
Inventories	165	165
Trade receivables	67,120	57,169
Other receivables	36,657	32,067
Tax recoverable	1,519	1,677
Deposits with licensed financial institutions	24,800	15,300
Cash and bank balances	1,552	12,538
	<u>131,813</u>	<u>118,917</u>
TOTAL ASSETS	<u>1,760,543</u>	<u>1,721,688</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Capital and reserves		
Share capital	99,262	96,959
Share premium	53,670	53,649
Equity component of preference shares	1,901	2,158
Equity component of loan stocks	37,861	37,271
Reverse acquisition deficit	(92,791)	(92,791)
Retained earnings	49,237	55,989
	<u>149,140</u>	<u>153,235</u>
Employee trust shares	(6,688)	(6,688)
	<u>142,452</u>	<u>146,547</u>
Minority interests	56,233	45,825
Total equity	<u>198,685</u>	<u>192,372</u>
Non-current liability		
Borrowings	1,206,644	1,172,076
Liability component of preference shares	12,902	14,483
Liability component of loan stocks	4,547	4,741
Deferred tax liabilities	42,354	39,615
Provision for heavy repairs	1,692	-
Retirement benefits obligation	2,465	2,176
	<u>1,270,604</u>	<u>1,233,091</u>
Current liabilities		
Borrowings	41,161	44,444
Trade payables	41,287	39,310
Other payables	208,138	211,618
Taxation	668	853
	<u>291,254</u>	<u>296,225</u>
Total liabilities	<u>1,561,858</u>	<u>1,529,316</u>
TOTAL EQUITY AND LIABILITIES	<u>1,760,543</u>	<u>1,721,688</u>
Net assets per share attributable to equity holders of the Company	<u>RM 0.36</u>	<u>RM 0.38</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD
UNAUDITED INTERIM REPORT FOR THE PERIOD ENDED 31 OCTOBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						→ Distributable →			
	Share capital RM'000	Share premium RM'000	Employee trust shares RM'000	Non - distributable		Reverse acquisition deficit RM'000	Retained earnings RM'000	Total net equity funds RM'000	Minority interests RM'000	Total equity funds RM'000
Equity component of preference shares RM'000				Equity component of loan stocks RM'000						
At 1 August 2010	96,959	53,649	(6,688)	2,158	37,271	(92,791)	55,989	146,547	45,825	192,372
Effect of adopting IC Interpretation 12	-	-	-	-	-	-	(5,589)	(5,589)	-	(5,589)
Effect of adopting FRS 139	-	-	-	-	-	-	(16)	(16)	-	(16)
At 1 August 2010 (restated)	96,959	53,649	(6,688)	2,158	37,271	(92,791)	50,384	140,942	45,825	186,767
Total comprehensive loss for the period	-	-	-	-	-	-	(1,147)	(1,147)	(103)	(1,250)
Transaction with Owners:										
Conversion of CC-RPS	2,303	21	-	(257)	-	-	-	2,067	-	2,067
Issuance of loan stocks	-	-	-	-	590	-	-	590	-	590
Issuance of new shares of subsidiaries	-	-	-	-	-	-	-	-	10,511	10,511
	2,303	21	-	(257)	590	-	-	2,657	10,511	13,168
At 31 October 2010	99,262	53,670	(6,688)	1,901	37,861	(92,791)	49,237	142,452	56,233	198,685
At 1 August 2009	90,000	53,632	-	-	-	-	36,737	180,369	-	180,369
Total comprehensive income for the period	-	-	-	-	-	-	3,513	3,513	-	3,513
Transaction with Owners:										
Par value reduction	(45,000)	-	-	-	-	-	-	(45,000)	-	(45,000)
Conversion of R-Culs	4,959	-	-	-	-	-	-	4,959	-	4,959
Acquisition of AQL Aman Sdn Bhd	43,750	33,250	(6,688)	-	6,943	(113,638)	-	(36,383)	-	(36,383)
	3,709	33,250	(6,688)	-	6,943	(113,638)	-	(76,424)	-	(76,424)
At 31 October 2009	93,709	86,882	(6,688)	-	6,943	(113,638)	40,250	107,458	-	107,458

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.

SILK HOLDINGS BERHAD
UNAUDITED INTERIM REPORT FOR THE PERIOD ENDED 31 OCTOBER 2010

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31.10.2010	31.10.2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	37,692	33,345
Collection of other income	1,392	5
	<u>39,084</u>	<u>33,350</u>
Payment of expenses	(29,136)	-
Tax (paid)/refunded	(83)	-
	<u>9,865</u>	<u>33,350</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of vessel	5,990	-
Minority shareholders investment in subsidiaries	10,511	-
Purchase of property, vessels and equipment	(52,935)	(21,380)
	<u>(36,435)</u>	<u>(21,380)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	47,081	19,953
Repayment of borrowings	(15,798)	(6,738)
Payment of finance costs	(6,201)	(4,263)
	<u>25,083</u>	<u>8,952</u>
NET DECREASE IN CASH & CASH EQUIVALENTS	(1,487)	20,922
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	27,839	6,761
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>26,352</u>	<u>27,683</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 July 2010 and the accompanying explanatory notes attached to the interim financial statements.