

SILK HOLDINGS BERHAD (Company No: 405897-V)

Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.01.2011	31.01.2010	31.01.2011	31.01.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	60,635	57,604	118,807	106,417
Cost of sales	(25,499)	(27,303)	(48,657)	(52,003)
Gross profit	35,136	30,301	70,150	54,414
Other items of income				
Interest income				
Other income	826	11,307	2,269	11,330
Other items of expenses				
Staff expenses	(3,774)	(3,245)	(7,496)	(4,994)
Administrative expenses	(1,284)	(1,002)	(2,327)	(1,566)
Professional fees	(170)	(426)	(322)	(467)
Depreciation	(7,616)	(6,027)	(13,925)	(11,179)
Amortisation	(3,060)	(1,083)	(5,922)	(2,147)
Provision for heavy repairs	(594)	-	(1,188)	-
Finance cost	(21,443)	(20,214)	(41,673)	(27,374)
Profit before tax	(1,979)	9,611	(434)	18,017
Taxation	(1,212)	(4,185)	(4,007)	(6,780)
Net profit/(loss) for the period	(3,191)	5,426	(4,441)	11,237
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(3,191)	5,426	(4,441)	11,237
Net profit/(loss) and total comprehensive income attributable to:				
Owners of the parent	(3,191)	970	(4,441)	4,446
Minority interests	26	4,456	128	6,791
	(3,165)	5,426	(4,313)	11,237
Earnings/(loss) per share (sen)				
- Basic	(0.84)	0.26	(1.17)	1.50
- Diluted	(0.46)	0.15	(0.60)	0.79

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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.01.2011 RM'000	As at 31.07.2010 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, vessels and equipment	719,015	684,765
Expressway development expenditure	907,120	915,238
Expressway heavy repairs	-	1,521
Other investments	584	600
Goodwill on consolidation	647	647
	<u>1,627,366</u>	<u>1,602,771</u>
Current assets		
Inventories	169	165
Trade receivables	62,196	57,169
Other receivables	2,044	32,067
Tax recoverable	1,519	1,677
Deposits with licensed financial institutions	34,830	15,300
Cash and bank balances	18,348	12,538
	<u>119,106</u>	<u>118,917</u>
TOTAL ASSETS	<u>1,746,472</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	46,071	55,989
	<u>145,974</u>	<u>153,235</u>
Employee trust shares	(6,688)	(6,688)
	<u>139,286</u>	<u>146,547</u>
Minority interests	65,273	45,825
Total equity	<u>204,559</u>	<u>192,372</u>
Non-current liability		
Borrowings	1,218,352	1,191,300
Deferred tax liabilities	43,565	39,615
Retirement benefits obligation	2,755	2,176
Provision for heavy repairs	1,547	-
	<u>1,266,219</u>	<u>1,233,091</u>
Current liabilities		
Borrowings	46,736	44,444
Trade payables	51,646	39,310
Other payables	176,662	211,618
Taxation	650	853
	<u>275,694</u>	<u>296,225</u>
Total liabilities	<u>1,541,913</u>	<u>1,529,316</u>
TOTAL EQUITY AND LIABILITIES	<u>1,746,472</u>	<u>1,721,688</u>
Net assets per share attributable to equity holders of the Company	<u>RM 0.35</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 (Company No: 405897-V)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2011
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←← Attributable to equity holders of the Company →→									
				Non - distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Employee trust shares RM'000	Equity component of preference shares RM'000	Equity component of loan stocks RM'000	Reverse acquisition deficit RM'000	Retained earnings RM'000	Total net equity funds RM'000	Minority interests RM'000	Total equity funds 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 income/(loss) for the period	-	-	-	-	-	-	(4,313)	(4,313)	(128)	(4,441)
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	-	-	-	-	-	-	-	-	19,576	19,576
	2,303	21	-	(257)	590	-	-	2,657	19,576	22,233
At 31 January 2011	99,262	53,670	(6,688)	1,901	37,861	(92,791)	46,071	139,286	65,273	204,559
At 1 August 2009	90,000	53,632	-	-	-	-	36,737	180,369	-	180,369
Total comprehensive income for the period	-	-	-	-	-	-	4,446	4,446	6,791	11,237
Transaction with Owners:										
Par value reduction	(45,000)	-	-	-	-	-	-	(45,000)	-	(45,000)
Conversion of R-CULS	4,959	-	-	-	-	-	-	4,959	-	4,959
Issue of convertible preference shares	-	-	-	3,088	-	-	-	3,088	-	3,088
Acquisition of AQL Aman Sdn Bhd	43,750	33,250	(6,688)	-	6,943	(113,901)	-	(36,646)	35,420	(1,226)
	3,709	33,250	(6,688)	3,088	6,943	(113,901)	-	(73,599)	35,420	(38,179)
At 31 January 2010	93,709	86,882	(6,688)	3,088	6,943	(113,901)	41,183	111,216	42,211	153,427

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 (Company No: 405897-V)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31.01.2011	31.01.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	113,950	114,714
Collection of other income	2,222	1,394
	<u>116,171</u>	<u>116,108</u>
Payment of expenses	(48,791)	(59,331)
Tax (paid)/refunded	(102)	(58)
Net cash generated from operating activities	<u>67,278</u>	<u>56,718</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of vessel	29,900	-
Minority interests in subsidiaries	19,577	(1,200)
Purchase of property, vessels and equipment	(89,911)	(72,439)
Increase in expressway development expenditure and heavy repairs	(739)	(923)
Net cash used in investing activities	<u>(41,173)</u>	<u>(74,562)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	4,959
Drawdown of borrowings	58,097	67,033
Repayment of borrowings	(26,871)	(11,120)
Payment of finance costs	(31,992)	(21,458)
Net cash generated from/(used in) financing activities	<u>(766)</u>	<u>39,414</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,339	21,570
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	27,839	6,761
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>53,178</u>	<u>28,331</u>

Cash and cash equivalents at end of the financial period comprise the following:-

Short term deposits	34,830	9,435
Cash and bank balances	18,348	18,896
	<u>53,178</u>	<u>28,331</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.