

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Apr-2011 RM '000	30-Apr-2010 RM '000	30-Apr-2011 RM '000	30-Apr-2010 RM '000
Revenue	63,105	57,908	181,835	164,326
Direct costs	(26,906)	(26,785)	(75,485)	(80,040)
Gross profit	36,199	31,123	106,350	84,286
Other items of income				
Interest income	127	182	616	268
Other income	117	10,970	1,897	22,215
Other item of expenses				
Staff expenses	(4,075)	(3,588)	(11,601)	(8,655)
Administrative expenses	(1,150)	(965)	(3,446)	(2,519)
Professional fees	(385)	(346)	(709)	(814)
	(5,610)	(4,899)	(15,756)	(11,988)
EBITDA	30,833	37,376	93,107	94,781
Depreciation	(9,950)	(5,236)	(23,874)	(16,415)
Amortisation	(3,136)	(1,401)	(9,058)	(3,548)
Provision for heavy repairs	(594)	-	(1,782)	-
Finance costs	(22,614)	(19,502)	(64,287)	(46,875)
	(36,294)	(26,138)	(99,001)	(66,838)
(Loss)/profit before taxation	(5,461)	11,238	(5,894)	27,942
Taxation	(659)	(4,082)	(4,666)	(10,468)
Net (loss)/profit for the period	(6,120)	7,155	(10,561)	17,474
Net (loss)/profit and total comprehensive income attributable to:				
Owners of the parent	(5,012)	3,218	(9,324)	7,100
Minority interest	(1,108)	3,938	(1,237)	10,374
	(6,120)	7,155	(10,561)	17,474
(Loss)/earnings per share (sen)				
- basic	(1.31)	0.86	(2.45)	2.20
- diluted	(0.75)	0.50	(1.33)	1.21

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 (405897-V)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Apr-2011 RM '000	As at 31-Jul-2010 RM '000
Assets		
Non-current assets		
Expressway development expenditure	904,490	915,238
Property, vessels and equipment	843,061	684,765
Expressway heavy repairs	-	1,521
Other investments	584	600
Goodwill on consolidation	647	647
	<u>1,748,782</u>	<u>1,602,771</u>
Current assets		
Inventories	166	166
Trade receivables	63,042	57,169
Other receivables	3,063	32,067
Tax recoverable	1,519	1,677
Deposits with licensed financial institutions	27,905	15,300
Cash and bank balances	16,237	12,538
	<u>111,932</u>	<u>118,917</u>
Total assets	<u>1,860,714</u>	<u>1,721,688</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	99,262	96,959
Share premium	53,670	53,649
Equity component of loan stocks	38,457	37,271
Equity component of preference shares	1,901	2,158
Employee trust shares	(6,688)	(6,688)
Retained earnings/(accumulated losses)	41,060	55,989
Reverse acquisition deficit	(92,791)	(92,791)
	<u>134,871</u>	<u>146,547</u>
Minority interests	63,565	45,825
Total equity	<u>198,436</u>	<u>192,372</u>
Non-current liabilities		
Borrowings	1,224,630	1,191,300
Deferred tax liabilities	44,242	39,615
Retirement benefits obligation	3,044	2,176
Provision for heavy repairs	1,439	-
Deferred income	1,556	-
	<u>1,274,911</u>	<u>1,233,091</u>
Current liabilities		
Borrowings	56,691	44,444
Trade payables	35,977	39,310
Other payables	294,086	211,618
Provision for taxation	613	853
	<u>387,367</u>	<u>296,225</u>
Total liabilities	<u>1,662,278</u>	<u>1,529,316</u>
Total equity and liabilities	<u>1,860,714</u>	<u>1,721,688</u>
Net assets per share attributable to equity holders of the Company	RM 0.34	RM 0.38

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2011**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	30-Apr-2011	30-Apr-2010
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	175,221	171,403
Collection of other income	3,913	2,200
	<u>179,134</u>	<u>173,603</u>
Payment of expenses	(95,796)	(90,192)
Tax (paid)/refunded	(121)	(200)
Net cash generated from operating activities	<u>83,217</u>	<u>83,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, vessels and equipment	29,900	-
Minority shareholders investment in subsidiaries	20,777	40
Purchase of property, vessels and equipment	(121,344)	(108,007)
Payment of expressway heavy repairs	(1,442)	(1,122)
Net cash used in investing activities	<u>(72,109)</u>	<u>(109,089)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	4,959
Drawdown of borrowings	80,261	96,695
Repayment of borrowings	(32,825)	(22,881)
Payment of finance costs	(40,441)	(24,854)
Dividends paid by a subsidiary to a minority shareholder	(1,800)	(1,800)
Net cash generated from/(used in) financing activities	<u>5,195</u>	<u>52,119</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,304	26,241
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	27,839	6,761
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	44,142	33,002
Cash and cash equivalents at end of the financial period comprise the following:-		
	30-Apr-2011	30-Apr-2010
	RM '000	RM '000
Short term deposits	27,905	18,263
Cash and bank balances	16,237	14,739
	<u>44,142</u>	<u>33,002</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.