

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 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
	31-Oct-2011 RM '000	31-Oct-2010 RM '000	31-Oct-2011 RM '000	31-Oct-2010 RM '000
Revenue	64,652	58,173	64,652	58,173
Direct costs	(19,669)	(23,158)	(19,669)	(23,158)
Gross profit	44,983	35,015	44,983	35,015
Other items of income:				
Interest income	403	113	403	113
Other income	207	1,329	207	1,329
Other item of expenses:				
Staff expenses	(5,420)	(3,722)	(5,420)	(3,722)
Administrative expenses	(1,323)	(1,044)	(1,323)	(1,044)
Professional fees	(392)	(152)	(392)	(152)
	(7,135)	(4,918)	(7,135)	(4,918)
EBITDA	38,458	31,539	38,458	31,539
Depreciation	(12,416)	(6,309)	(12,416)	(6,309)
Amortisation	(2,845)	(2,861)	(2,845)	(2,861)
Provision for heavy repairs	-	(594)	-	(594)
Finance costs	(24,304)	(20,230)	(24,304)	(20,230)
	(39,565)	(29,994)	(39,565)	(29,994)
(Loss)/profit before taxation	(1,107)	1,545	(1,107)	1,545
Taxation	(981)	(2,795)	(981)	(2,795)
Net loss for the period	(2,088)	(1,250)	(2,088)	(1,250)
Net loss and total comprehensive income attributable to:				
Owners of the parent	(2,187)	(1,147)	(2,187)	(1,147)
Non-controlling interests	(99)	(103)	(99)	(103)
	(2,088)	(1,250)	(2,088)	(1,250)
Loss per share (sen)				
- basic	(0.57)	(0.30)	(0.57)	(0.30)
- diluted	(0.30)	(0.13)	(0.30)	(0.13)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2011 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 31 OCTOBER 2011**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31-Oct-2011 RM '000	Audited 31-Jul-2011 RM '000
Assets		
Non-current assets		
Concession intangible assets	898,811	901,648
Property, vessels and equipment	910,640	871,329
Other investments	-	600
Goodwill on consolidation	647	647
	<u>1,810,098</u>	<u>1,774,224</u>
Current assets		
Inventories	187	168
Trade and other receivables	70,841	56,380
Tax recoverable	1,760	1,743
Deposits with licensed financial institutions	49,277	52,546
Cash and bank balances	5,812	12,198
	<u>127,877</u>	<u>123,035</u>
Non-current assets classified as held for sale	1,071	1,071
Total assets	<u>1,939,046</u>	<u>1,898,330</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	99,262	99,262
Share premium	53,670	53,670
Equity component of loan stocks	37,271	37,271
Equity component of preference shares	1,901	1,901
Employee trust shares	(6,688)	(6,688)
Retained earnings/(accumulated losses)	33,349	35,536
Reverse acquisition deficit	(92,791)	(92,791)
	<u>125,974</u>	<u>128,161</u>
Non-controlling interests	63,059	63,560
Total equity	<u>189,033</u>	<u>191,721</u>
Non-current liabilities		
Borrowings	1,388,712	1,361,901
Liability component of convertible preference shares	13,670	13,426
Liability component of convertible loan stocks	5,650	5,547
Deferred tax liabilities	47,470	46,490
Retirement benefits obligation	3,539	3,334
Provision for heavy repairs	2,391	3,703
	<u>1,461,432</u>	<u>1,434,401</u>
Current liabilities		
Borrowings	64,358	68,808
Trade and other payables	97,056	91,169
Ijarah rental payable	127,131	112,195
Provision for taxation	36	36
	<u>288,581</u>	<u>272,208</u>
Total liabilities	<u>1,750,013</u>	<u>1,706,609</u>
Total equity and liabilities	<u>1,939,046</u>	<u>1,898,330</u>
Net assets per share attributable to equity holders of the Company	<u>RM 0.48</u>	<u>RM 0.48</u>

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SILK HOLDINGS BERHAD (Company No: 405897-V)

Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						Distributable	Non-Controlling interests	Total
	Share capital	Share premium	Employee trust shares	Equity component of preference shares	Equity component of loan stocks	Reverse acquisition deficit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2011	99,262	53,670	(6,688)	1,901	37,271	(92,791)	35,536	63,560	191,721
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(2,187)	99	(2,088)
Transaction with Owners:									
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(600)	(600)
	-	-	-	-	-	-	-	(600)	(600)
At 31 October 2011	99,262	53,670	(6,688)	1,901	37,271	(92,791)	33,349	63,059	189,033
At 1 August 2010	96,959	53,649	(6,688)	2,157	37,271	(92,791)	55,989	45,825	192,371
Effect of adopting IC Interpretation 12	-	-	-	-	-	-	(9,217)	-	(9,217)
At 1 August 2010 (restated)	96,959	53,649	(6,688)	2,157	37,271	(92,791)	46,772	45,825	183,154
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(1,147)	(103)	(1,250)
Transaction with Owners:									
Conversion of CC-RPS	2,303	21	-	(256)	-	-	-	-	2,068
Issuance of new shares of subsidiaries	-	-	-	-	-	-	-	10,511	10,511
	2,303	21	-	(256)	-	-	-	10,511	12,579
At 31 October 2010	99,262	53,670	(6,688)	1,901	37,271	(92,791)	45,625	56,233	194,483

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2011**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Oct-2011	31-Oct-2010
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	50,500	37,692
Collection of other income	455	1,392
	<u>50,955</u>	<u>39,084</u>
Payment of expenses	(21,573)	(29,136)
Tax paid	(17)	(83)
Net cash generated from operating activities	<u>29,365</u>	<u>9,865</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	600	-
Proceeds from sale of property, vessels and equipment	82	5,990
Capital contributions by non-controlling interests	-	10,511
Purchase of property, vessels and equipment	(48,967)	(52,935)
Payment of expressway heavy repairs	(1,361)	-
Net cash used in investing activities	<u>(49,646)</u>	<u>(36,434)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	35,910	47,081
Repayment of borrowings	(13,550)	(15,798)
Payment of finance costs	(11,734)	(6,201)
Net cash generated from financing activities	<u>10,626</u>	<u>25,082</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,655)	(1,487)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	64,744	27,839
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	55,089	26,352

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

	31-Oct-2011	31-Oct-2010
	RM '000	RM '000
Short term deposits	49,277	24,800
Cash and bank balances	5,812	1,552
	<u>55,089</u>	<u>26,352</u>
Less bank overdrafts	-	-
	<u>55,089</u>	<u>26,352</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 2011 and the accompanying explanatory notes attached to the interim financial statements.