

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	31-Jan-2012	Quarter	31-Jan-2012	Period
	RM '000	31-Jan-2011	RM '000	31-Jan-2011
		RM '000	RM '000	RM '000
Revenue	98,094	60,635	162,747	118,807
Direct costs	(36,381)	(25,499)	(56,049)	(48,657)
Gross profit	61,713	35,136	106,698	70,150
Other items of income:				
Interest income	246	376	621	489
Other income	169	450	404	1,780
Other item of expenses:				
Staff expenses	(5,172)	(3,774)	(10,592)	(7,496)
Administrative expenses	(3,973)	(1,284)	(5,297)	(2,327)
Professional fees	(375)	(170)	(767)	(322)
	(9,520)	(5,228)	(16,656)	(10,145)
EBITDA	52,608	30,734	91,067	62,274
Depreciation	(15,581)	(7,616)	(27,998)	(13,925)
Amortisation	(2,903)	(3,060)	(5,748)	(5,922)
Provision for heavy repairs	-	(594)	-	(1,188)
Finance costs	(26,981)	(21,443)	(51,285)	(41,673)
	(45,465)	(32,713)	(85,031)	(62,708)
Profit/(loss) before taxation	7,143	(1,979)	6,036	(434)
Taxation	(1,788)	(1,212)	(2,769)	(4,007)
Net profit/(loss) for the period	5,355	(3,191)	3,267	(4,441)
Net profit/(loss) and total comprehensive income attributable to:				
Owners of the parent	1,741	(3,165)	(446)	(4,313)
Non-controlling interests	3,614	(26)	3,713	(128)
	5,355	(3,191)	3,267	(4,441)
Earnings/(loss) per share (sen)				
- basic	0.46	(0.83)	(0.12)	(1.13)
- diluted	0.32	(0.45)	0.01	(0.58)

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)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31-Jan-2012 RM '000	Audited 31-Jul-2011 RM '000
Assets		
Non-current assets		
Concession intangible assets	895,908	901,648
Property, vessels and equipment	916,518	871,329
Goodwill on consolidation	647	647
Other investments	-	600
	<u>1,813,073</u>	<u>1,774,224</u>
Current assets		
Inventories	421	168
Trade and other receivables	112,478	56,380
Tax recoverable	1,310	1,743
Deposits with licensed financial institutions	19,307	52,546
Cash and bank balances	3,159	12,198
	<u>136,675</u>	<u>123,035</u>
Non-current assets classified as held for sale	1,071	1,071
Total assets	<u>1,950,819</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)	35,090	35,536
Reverse acquisition deficit	(92,791)	(92,791)
	<u>127,715</u>	<u>128,161</u>
Non-controlling interests	69,999	63,560
Total equity	<u>197,714</u>	<u>191,721</u>
Non-current liabilities		
Borrowings	1,396,875	1,361,901
Liability component of convertible preference shares	13,927	13,426
Liability component of convertible loan stocks	5,755	5,547
Deferred tax liabilities	48,861	46,490
Retirement benefits obligation	3,592	3,334
Provision for heavy repairs	2,439	3,703
	<u>1,471,449</u>	<u>1,434,401</u>
Current liabilities		
Borrowings	80,761	68,808
Trade and other payables	84,782	91,169
Ijarah rental payable	115,680	112,195
Provision for taxation	433	36
	<u>281,656</u>	<u>272,208</u>
Total liabilities	<u>1,753,105</u>	<u>1,706,609</u>
Total equity and liabilities	<u>1,950,819</u>	<u>1,898,330</u>
Net assets per share attributable to equity holders of the Company	<u>RM 0.50</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 JANUARY 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company						→		Total RM'000
	← 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	Non- Controlling interests 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	-	-	-	-	-	-	(446)	3,713	3,267
Transaction with Owners:									
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	3,626	3,626
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	(900)	(900)
	-	-	-	-	-	-	-	2,726	2,726
At 31 January 2012	99,262	53,670	(6,688)	1,901	37,271	(92,791)	35,090	69,999	197,714
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	-	-	-	-	-	-	(4,441)	128	(4,313)
Transaction with Owners:									
Conversion of CC-RPS	2,303	21	-	(256)	-	-	-	-	2,068
Issuance of new shares of subsidiaries	-	-	-	-	-	-	-	19,577	19,577
	2,303	21	-	(256)	-	-	-	19,577	21,645
At 31 January 2011	99,262	53,670	(6,688)	1,901	37,271	(92,791)	42,331	65,530	200,486

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 JANUARY 2012**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Jan-2012 RM '000	31-Jan-2011 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	104,172	113,950
Collection of other income	1,249	2,221
	<u>105,421</u>	<u>116,171</u>
Payment of expenses	(75,651)	(48,791)
Tax recovered/(paid)	433	(102)
Net cash generated from operating activities	<u>30,203</u>	<u>67,278</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	600	-
Proceeds from sale of property, vessels and equipment	81	29,900
Capital contributions by non-controlling interests	3,626	19,577
Purchase of property, vessels and equipment	(71,947)	(89,911)
Payment of expressway heavy repairs and upgrade of toll collection system	(1,370)	(739)
Net cash used in investing activities	<u>(69,010)</u>	<u>(41,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	85,407	58,097
Repayment of borrowings	(38,481)	(26,871)
Payment of finance costs	(50,397)	(31,992)
Net cash generated from financing activities	<u>(3,471)</u>	<u>(766)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(42,278)	25,339
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	64,744	27,839
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	22,466	53,178
Cash and cash equivalents at end of the financial period comprise the following:-		
	31-Jan-2012 RM '000	31-Jan-2011 RM '000
Short term deposits	19,307	34,830
Cash and bank balances	3,159	18,348
	<u>22,466</u>	<u>53,178</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.