

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2012**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-Jul-2012 RM '000	31-Jul-2011 RM '000	31-Jul-2012 RM '000	31-Jul-2011 RM '000
Revenue	86,820	65,814	341,063	247,726
Direct costs	(31,742)	(24,420)	(119,567)	(99,982)
Gross profit	55,078	41,394	221,496	147,744
Other items of income				
Interest income	383	306	1,179	921
Other income	269	129	1,060	2,213
Other item of expenses				
Staff expenses	(6,640)	(3,681)	(22,851)	(15,252)
Administrative expenses	1,181	(1,422)	(5,325)	(5,311)
Professional fees	(866)	(439)	(2,037)	(1,147)
	(6,325)	(5,542)	(30,213)	(21,710)
EBITDA	49,405	36,287	193,522	129,168
Depreciation	(16,977)	(9,956)	(61,626)	(33,830)
Amortisation	(3,176)	(3,979)	(11,913)	(13,037)
Provision for heavy repairs	-	1,782	-	-
Finance costs	(24,327)	(23,965)	(102,640)	(88,026)
	(44,480)	(36,118)	(176,179)	(134,893)
(Loss)/profit before taxation	4,925	169	17,343	(5,725)
Taxation	(4,911)	(1,510)	(7,953)	(6,176)
Net (loss)/profit for the period	14	(1,341)	9,390	(11,901)
Net (loss)/profit and total comprehensive income attributable to:				
Owners of the parent	(2,525)	(1,912)	(679)	(11,236)
Non-controlling interests	2,539	571	10,069	(665)
	14	(1,341)	9,390	(11,901)
(Loss)/earnings per share (sen)				
- basic	(0.65)	(0.50)	(0.18)	(2.95)
- diluted	(0.35)	(0.26)	0.07	(1.62)

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)

(Incorporated in Malaysia)

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

	31-Jul-2012 RM '000	31-Jul-2011 RM '000
Assets		
Non-current assets		
Property, vessels and equipment	898,553	871,329
Concession intangible assets	890,458	901,648
Goodwill on consolidation	647	647
Other investments	-	600
	<u>1,789,658</u>	<u>1,774,224</u>
Current assets		
Inventories	939	168
Trade and other receivables	85,009	56,380
Tax recoverable	804	1,743
Deposits with licensed financial institutions	51,746	52,546
Cash and bank balances	19,669	12,198
	<u>158,167</u>	<u>123,035</u>
Non-current assets classified as held for sale	630	1,071
Total assets	<u>1,948,455</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)	34,857	35,536
Reverse acquisition deficit	(92,791)	(92,791)
	<u>127,482</u>	<u>128,161</u>
Non-controlling interests	75,755	63,560
Total equity	<u>203,237</u>	<u>191,721</u>
Non-current liabilities		
Borrowings	1,391,614	1,361,901
Ijarah rental payable	118,604	98,988
Liability component of convertible preference shares	14,132	13,426
Liability component of convertible loan stocks	5,971	5,547
Deferred tax liabilities	52,660	46,490
Retirement benefits obligation	4,637	3,334
Provision for heavy repairs	2,536	3,703
	<u>1,590,154</u>	<u>1,533,389</u>
Current liabilities		
Borrowings	75,967	68,808
Trade and other payables	64,488	91,169
Ijarah rental payable	13,354	13,207
Provision for taxation	1,255	36
	<u>155,064</u>	<u>173,220</u>
Total liabilities	<u>1,745,218</u>	<u>1,706,609</u>
Total equity and liabilities	<u>1,948,455</u>	<u>1,898,330</u>
Net assets per share attributable to equity holders of the Company	RM 0.32	RM 0.33

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 (Company No: 405897-V)

Incorporated in Malaysia

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2012

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						Distributable	Non-Controlling interests RM'000	Total RM'000
	← Non-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		
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	-	-	-	-	-	-	(679)	10,069	9,390
Transaction with Owners:									
Contribution by minority shareholders	-	-	-	-	-	-	-	3,626	3,626
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(1,500)	(1,500)
	-	-	-	-	-	-	-	2,126	2,126
At 31 July 2012	99,262	53,670	(6,688)	1,901	37,271	(92,791)	34,857	75,755	203,237
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	-	-	-	-	-	-	(11,236)	(665)	(11,901)
Transaction with Owners:									
Conversion of preference shares	2,303	21	-	(256)	-	-	-	-	2,068
Contribution by minority shareholders	-	-	-	-	-	-	-	20,800	20,800
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(2,400)	(2,400)
	2,303	21	-	(256)	-	-	-	18,400	20,468
At 31 July 2011	99,262	53,670	(6,688)	1,901	37,271	(92,791)	35,536	63,560	191,721

SILK HOLDINGS BERHAD (405897-V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2012**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Jul-2012 RM '000	31-Jul-2011 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of revenue	316,859	250,600
Collection of other income	2,521	5,336
	<u>319,380</u>	<u>255,936</u>
Payment of expenses	(155,714)	(118,035)
Tax recovered/(paid)	375	(107)
Net cash generated from operating activities	<u>164,041</u>	<u>137,794</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, vessels and equipment	328	29,900
Proceeds from disposal of investments	600	-
Investment in subsidiaries by non-controlling shareholders	3,626	20,800
Purchase of property, vessels and equipment	(108,900)	(298,413)
Payment of expressway heavy repairs	(1,361)	(1,441)
Payment for other concession assets	(723)	-
Net cash used in investing activities	<u>(106,430)</u>	<u>(249,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	-
Drawdown of borrowings	101,185	256,639
Repayment of borrowings	(64,314)	(40,695)
Payment of finance costs	(86,311)	(63,370)
Dividends paid by a subsidiary to a minority shareholder	(1,500)	(2,400)
Net cash generated from financing activities	<u>(50,940)</u>	<u>150,174</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,671	38,814
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	64,744	27,839
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	71,415	66,653

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

	31-Jul-2012 RM '000	31-Jul-2011 RM '000
Short term deposits	51,746	52,546
Cash and bank balances	19,669	12,198
	<u>71,415</u>	<u>64,744</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.