



NEWS RELEASE (Final)

EMBARGO
NOT FOR PUBLICATION OR
BROADCAST UNTIL 5.30PM,
SEPTEMBER 29, 2015

SILK HOLDINGS RECORDS IMPROVED
PROFIT BEFORE TAX OF RM 6.7 MILLION FOR QUARTER

KUALA LUMPUR, 29 SEPTEMBER 2015 - SILK Holdings Berhad ("SILK Holdings" or "the Group") announced its results for the fourth quarter ended 31 July 2015 by reporting a revenue of RM 112.8 million, a 15% improvement over the RM 97.7 million recorded in the preceding year corresponding quarter. The improvement in top-line performance, despite an increasingly competitive and challenging economic landscape, allowed the Group to record a profit before tax ("PBT") for the quarter of RM 6.7 million, compared to RM 4 million recorded previously.

On a cumulative year-to-date ("YTD") basis, the Group recorded a revenue of RM 439.5 million, or a 20% improvement over the RM 364.8 million recorded in the previous year corresponding period. Nevertheless, pursuant to the one-off charge of RM 24.5 million associated with the distribution of the employee trust shares incurred in the previous quarter, the Group registered a pre-tax loss of RM 11.5 million for the cumulative period ended 31 July 2015, compared to a PBT of RM 1.4 million recorded previously.

Oil & Gas Support Services Division

The Oil & Gas Support Services Division remained the Group's main contributor to the overall revenue, contributing 65% to the overall top-line performance. During the quarter under review, the Oil & Gas Support Services Division deployed a total of 19 vessels and recorded a revenue of RM 70 million, 6% lower compared to the revenue of RM 74.4 million recorded in the preceding year corresponding quarter. This is mainly due to the prolonged weak sentiment in the Oil & Gas offshore



support services segment of the industry. Consequently, the pre-tax profit performance for the quarter dropped by 49% to RM 6 million from the pre-tax profit of RM 11.7 million recorded in the preceding year corresponding quarter.

The Division's revenue performance for the 12-months period ended 31 July 2015 stands at RM 301.8 million, a 9% improvement compared to the RM 276.9 million recorded in the previous corresponding 12-month period, due to increased capacity and higher fleet utilization. However, PBT for the Oil & Gas Support Services Division during the period decreased by 16% to RM 32.4 million from RM 38.8 million previously, due to the off-setting impact of higher maintenance. In addition, the result have also been affected by the increased depreciation expenses incurred as a result of operating an expanded fleet.

Highway Division

During the quarter under review, the Highway Division recorded an average daily traffic volume ("ADTV") of over 219,000 vehicles per day, a 8% improvement over the 203,000 vehicles per day recorded in the previous year's corresponding quarter. Revenue for the quarter, in line with growth in traffic volume and increase in toll collection as well as compensation from the Government, increased to RM 37.6 million from RM 23.3 million recorded in the previous year corresponding quarter. The increase in revenue resulted in the Highway Division recording a significantly lower segment pre-tax loss of RM 0.8 million compared with a segment pre-tax loss of RM 8.3 million in the preceding year corresponding quarter.

On a YTD basis, the Highway Division improved its revenue by 35% to RM 118.3 million from RM 87.9 million recorded in the previous year corresponding period as a result of the continued growth in toll collection as well as toll compensation from the Government during the period. Consequently, the Division's LBT for the 12-month period reduced to RM 24.5 million from RM 40.6 million recorded previously.



Quarterly results overview

Commenting on the results, Dato' Mohd Azlan Hashim, Chairman of SILK Holdings said, "Despite the increasingly competitive and challenging economic environment, the Group has remained steadfast and continue to show commendable performance across the Board. The Board is particularly pleased with the increase in traffic volume at its Highway Division and the revenue improvements that accrue from it. The continued development of the vicinity it serves has certainly contributed to the Highway' Division's performance."

Dato' Mohd Azlan added, "Whilst the Board takes note of the revenue improvement at the Oil & Gas Support Services Division despite the prolonged and ongoing weak sentiment within the industry, the Board also acknowledges many challenges that lie ahead, particularly if the weak sentiment within the oil & gas support services industry continue.

"At the same time, the Board is mindful of the strides the Highway Division has been making. All of these will be monitored closely going forward. Barring any unforeseen circumstances, it remains confident that the overall log-term prospects for the Group remains positive," concluded Dato' Mohd Azlan.

Concluding remarks

"Oil prices have fallen significantly since June 2014 and there is a move towards cost rationalisation within the industry going forward which may result in weaker revenue performance ahead. Despite the challenging conditions, the Board of Directors is positive of the Division's long-term prospects and is of the view that contributions from the Oil & Gas Support Services Division will remain positive. The Board will continue to monitor developments in this sector closely," explained Dato' Mohd Azlan.



SILK HOLDINGS BERHAD (Co.No.405897-V)

Plaza Tol Sungai Balak, KM28.3A Lebuhraya KAJANG SILK 43000 Kajang, Selangor Darul Ehsan
Tel : 603-8921 0000 Fax : 8921 0001

"In addition, it is also of the view that the Highway Division will continue to enjoy further growth in traffic volume due to the highway's excellent connectivity with other highways along its alignment together with the availability of installed capacity, and continuing and increasing development and urbanization in the surrounding vicinity of the highway. Although the Highway Division will continue to record accounting losses due to the existing high finance and amortization costs, it is expected to remain cash flow positive on an operational basis," concluded Dato' Mohd Azlan.



SILK Holdings Bhd (“SILK Holdings”) was incorporated as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996, and subsequently changed its name to Sunway Infrastructure Berhad on 14 February 2002. It was initially incorporated to facilitate the listing of Sistem Lingkaran Lebuhraya Kajang Sdn Bhd (“SILK Highway”), which holds the concession for the 37 km Kajang Traffic Dispersal Ring Road until 2037.

SILK Holdings assumed its present name on 31 October 2008, after its successful regularisation scheme on 14 October 2009 which included the acquisition of AQL Aman Sdn Bhd, the holding company of the 70% owned Jasa Merin (Malaysia) Sdn Bhd (“Jasa Merin”), an offshore marine support services company. The Terengganu State Government holds the remaining 30% of JM via Terengganu Incorporated Sdn Bhd.

Jasa Merin was incorporated in December 1980 as Jackson Marine (Malaysia) Sdn Bhd. It commenced operations in October 1982. In 1986, the company name was subsequently changed to its present name. Jasa Merin’s principal activity is the provision of offshore support vessels (“OSV”) services on medium to long-term charters to several oil and gas companies. It currently operates a fleet size of 20 owned vessels.

Forward looking statements

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of SILK Holdings Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Issued on behalf of: **SILK Holdings Berhad** By: **acorn communications sdn bhd**
For further information, please call: **Natalia Ghani** at 012 231 4782 or **Aaren Azhar** at 03 7958 8348
Or email: acorncommunications@acornco.com.my