



SILK Holdings Berhad (Co. No. 405897-V)

BRIEFING TO ANALYSTS ON SILK HOLDINGS BHD

20-21 JAN 2014

AGENDA



- Group Overview
 - SILK Group
 - Group structure
 - Highway Infrastructure Division's (HID)
 - Oil & Gas Support Services Division's (OGSSD)
 - ❖ Key clients
 - ❖ Awards & achievements
 - 5-Year Historical Financial Performance
 - Q1 FY2014 Performance
- Highway Infrastructure Division
 - 5-Year Historical Financial Performance
 - Q1 FY2014 Performance
 - Key Factors Moving Forward
 - Prospects for FY 2014
 - Long-term prospects

AGENDA (continued)



- Oil & Gas Support Services Division
 - 5-Year Historical Financial Performance
 - Q1 FY2014 Performance
 - Key Factors Moving Forward
 - Prospects for FY 2014
 - Long-term prospects
- Additional Information
- Q&A



SILK Holdings Berhad (Co. No. 405897-V)

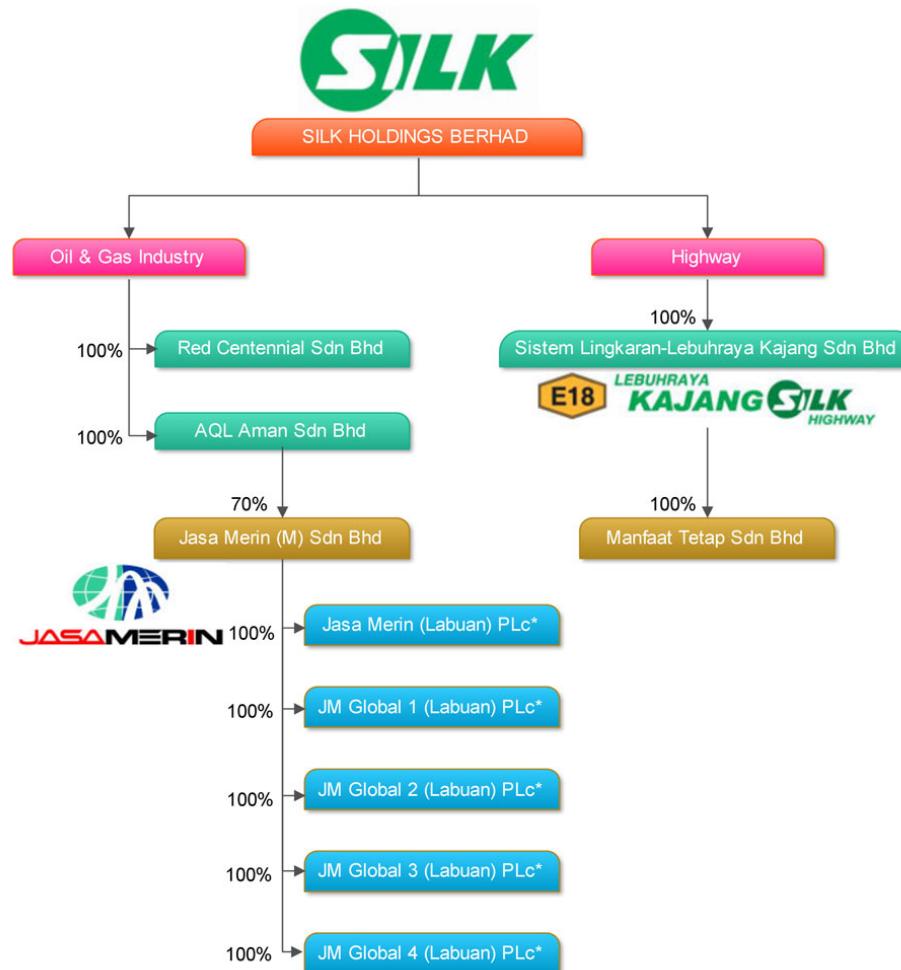
GROUP OVERVIEW

BRIEF INTRODUCTION TO SILK GROUP



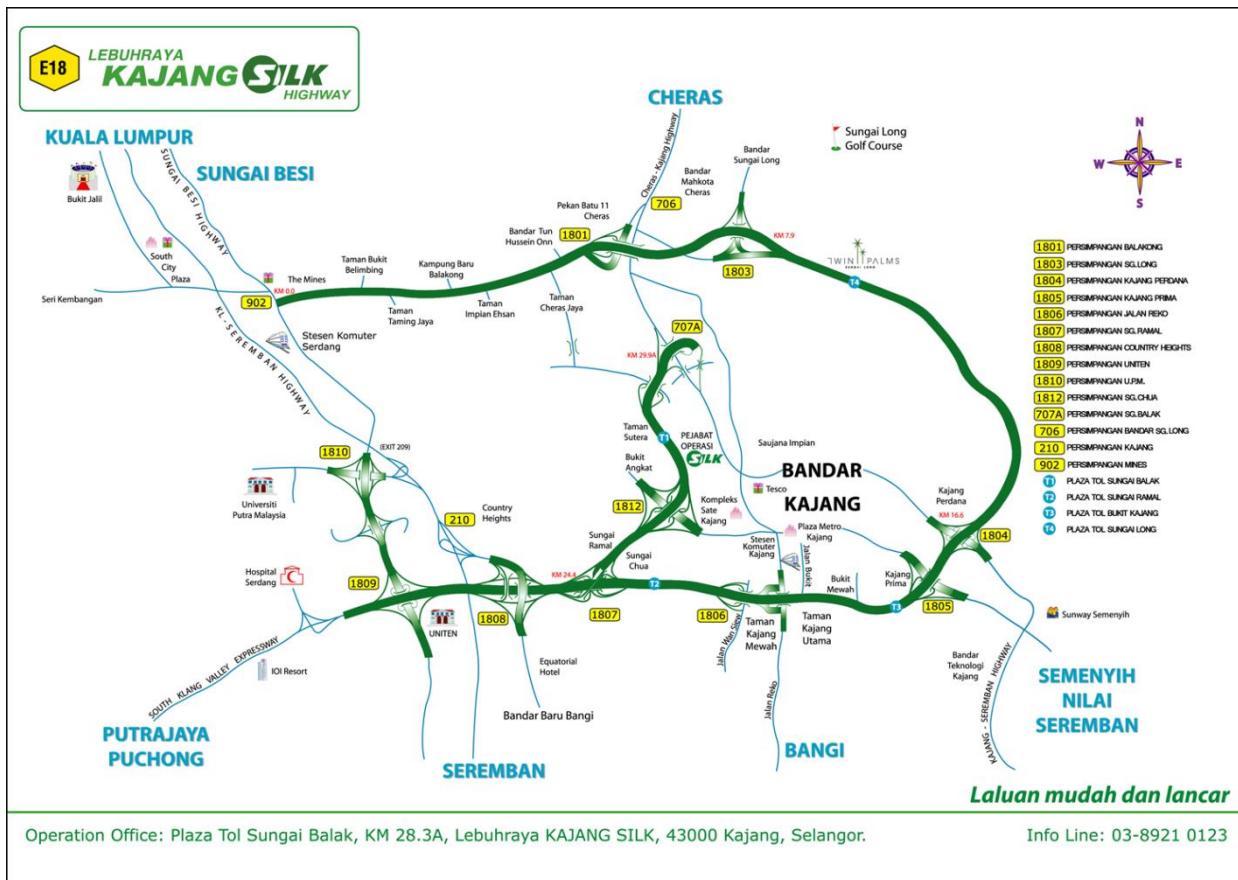
- SILK Holdings Bhd ("SILK") started as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996.
- Renamed Sunway Infrastructure Bhd on 14 February 2002.
- Listed on Bursa Malaysia on 17 December 2003
- The company assumed its present name on 31 October 2008.
- Assumed its present structure after successful regularisation scheme out of PN17 status on 14 October 2009:
 - Involving the acquisition of AQL Aman Sdn Bhd ("AQL")
 - Holding company of the 70% owned Jasa Merin (Malaysia) Sdn Bhd ("JM")
 - JM is an offshore marine support services company operating since 1982

GROUP STRUCTURE



- Operates through Sistem Lingkaran Lebuhraya Kajang Sdn Bhd (“SILK HIGHWAY”).
- Owns and operates a 37 kilometer highway (216 lane kilometers) known as Kajang SILK Highway or Kajang Traffic Dispersal Ring Road (“the Ring Road”).
- The concession commenced in 2001 and operations commenced in 2004.
- The concession expires on 31/7/2037.
- Ring road encircles Kajang Town, with multiple connectivity. Links with:
 - Federal Route 1
 - Cheras Kajang Highway (Grand Saga)
 - Lebuhraya Sungai Besi (Besraya)
 - North-South Expressway (PLUS)
 - Lebuhraya Kajang Seremban (LEKAS)
 - South Klang Valley expressway (SKVE)

HIGHWAY INFRASTRUCTURE DIVISION'S (HID) (continued)



- Length : 37km (216 lane km)
- 11 graded-separated interchanges
- Dual 3 and 4 lanes carriageway
- 4 toll plazas
- Open toll system
- Current installed capacity of 600,000 vehicles per day

OIL & GAS SUPPORT SERVICES DIVISION'S (OGSSD)



- Division spearheaded by AQL, the holding company of the 70% owned JM, an offshore marine support services company.
- Terengganu State Government owns 30% of JM via State investment company, Terengganu Incorporated Sdn Bhd (TI)
- JM has more than 30-year history. Incorporated as Jackson Marine Sdn Bhd in 1980 and commenced operations in 1982. Assumed present name in 1987
- JM's principal activity is provision of offshore support vessels (OSV) services, principally for supply and anchor-handling services.
- Customers include Petronas Carigali, ExxonMobil, Shell, Murphy, Petrofac, Carigali Hess etc.
- Excellent safety record and recognised by oil majors.

OGSSD: RECENT AWARDS & ACHIEVEMENTS

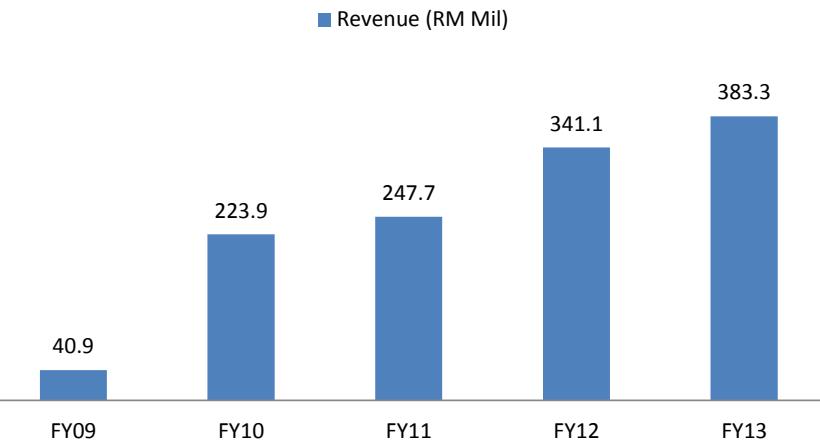
YEAR	AWARDS
2013	SHELL MALAYSIA (EP) - Upstream Logistics : Appreciation Award - JM Bayu
2013	EMEPMI Marine Vessel of the Quarter Award – 2Q 2013 - JM INDAH
2012	LUNDIN Certificate of Achievement 2012 / 2013 – MV JM BAYU
2012	LUNDIN Certificate of Achievement 2012 / 2013 – MV IDS DARUL EHSAN
2011	Gold Award - EMEPMI 2011 Safety Recognition for Hurt Free Operations Exceeding 100,000 MH
2011	PSCB Best HSE Performance Marine Contractor FY 2011
2011	EMEPMI Marine Vessel of the Year Award 2011 – JM Murni
2011	EMEPMI Marine Contractor of the Year Award 2011
2011	EMEPMI Marine Contractor of the Quarter Award – 3Q 2011
2011	EMEPMI Marine Contractor of the Quarter Award – 2Q 2011
2010	PCSB / DD Best HSE Performance Awards - 2010 / 2011
2010	EMEPMI Vessel of the Year Awards - MV JM Indah
2010	Petrofac 5 Million Man Hours Without Lost Time Incident
2010	2010 EMEPMI Safety Recognition for Hurt Free Operations < 100,000 Manhours
2009	ExxonMobil Safety Recognition. Gold Award
2008	Petronas Carigali Safety Recognition. HSE Award for Excellent Achievement
2006	Petronas Carigali Safety Recognition. HSE Award for Excellent Achievement
2005	Petronas Carigali Safety Recognition. HSE Award for Excellent Achievement



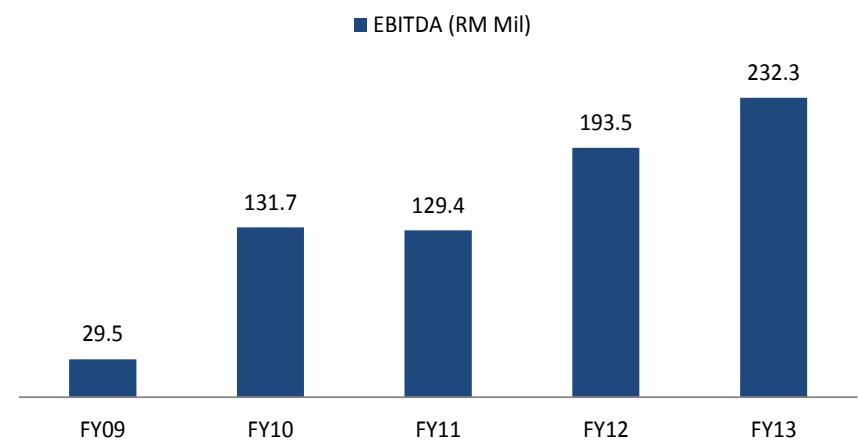
GROUP: 5-YEAR HISTORICAL PERFORMANCE



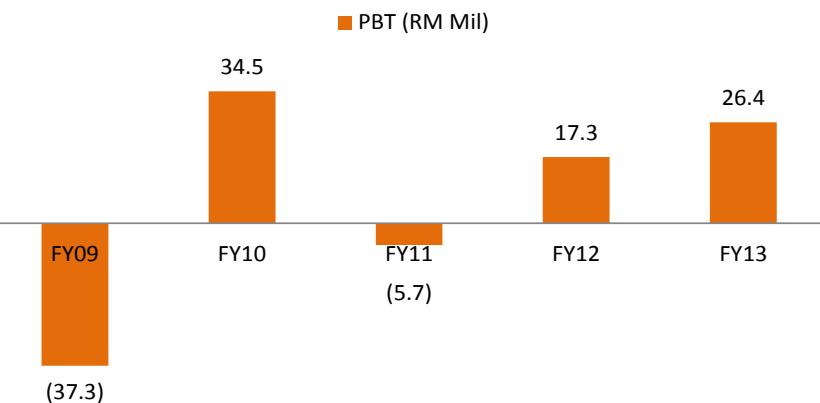
Group Annual Revenue



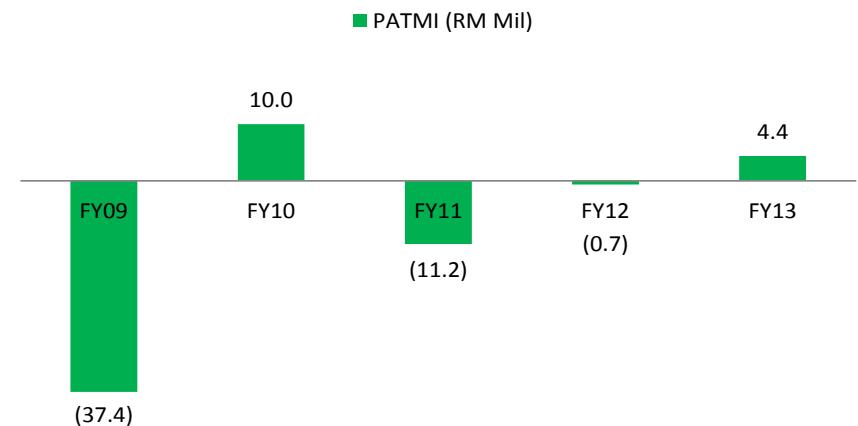
Group Annual EBITDA



Group Annual PBT



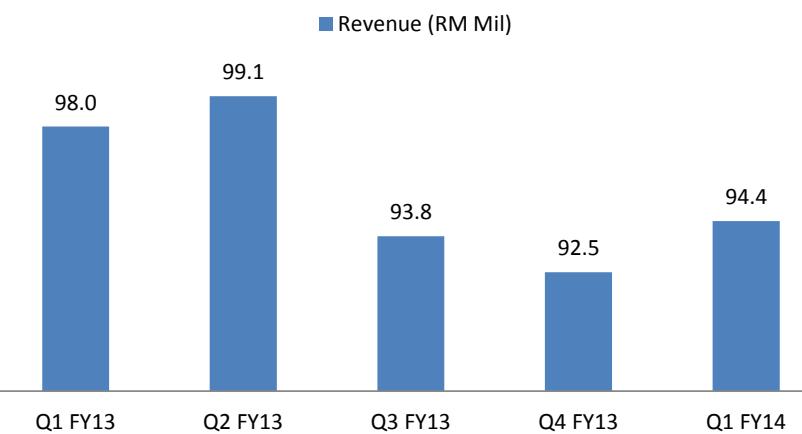
Group Annual PATMI



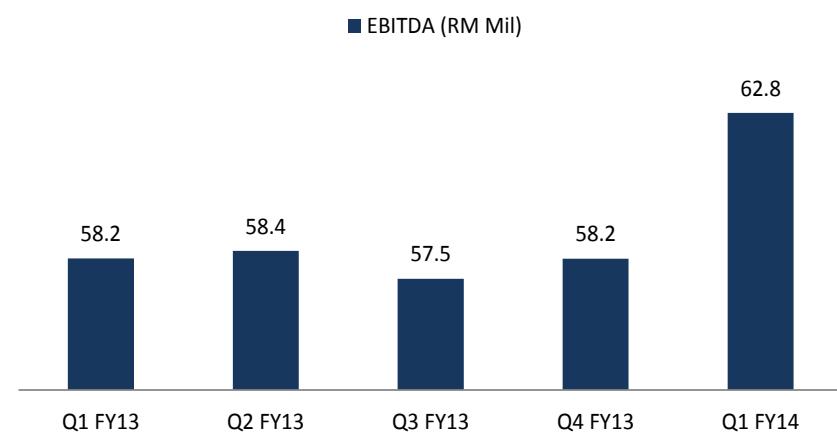
GROUP: Q1 FY2014



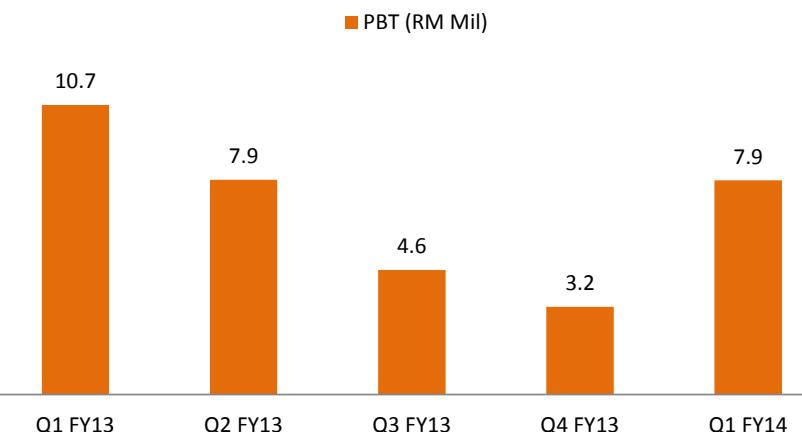
Group Quarterly Trend - Revenue



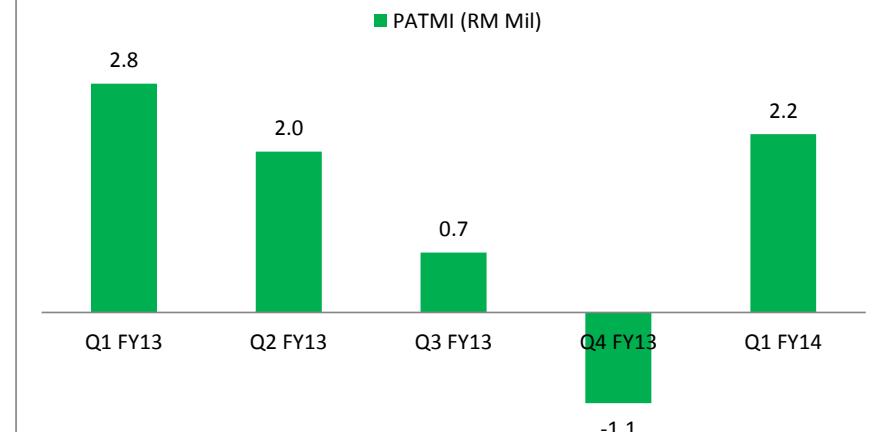
Group Quarterly Trend - EBITDA



Group Quarterly Trend - PBT



Group Quarterly Trend - PATMI



GROUP: GEARING

Year	Net Debt / (Capital + Net Debt)
2010	90%
2011	92%
2012	93%
2013	93%

- 46% of total borrowings (RM863 mil) represents Sukuk and its accrued finance cost at SILK Highway.
- Future cashflows sufficient to cover commitment.
 - Tenure for another 15 years
 - Limited guarantee security by SILK
- 50% of the total borrowings (RM942m) mainly for vessel financing.
 - The O&G sector has a bright outlook in the foreseeable future
 - Vessel demand and charter rates getting increasingly firmer



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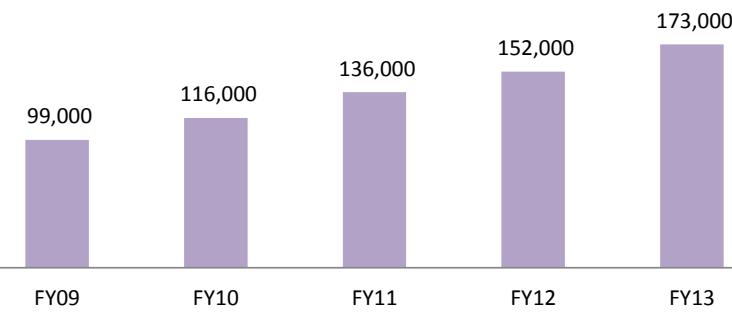
HIGHWAY INFRASTRUCTURE DIVISION

HID: 5-YEAR HISTORICAL PERFORMANCE



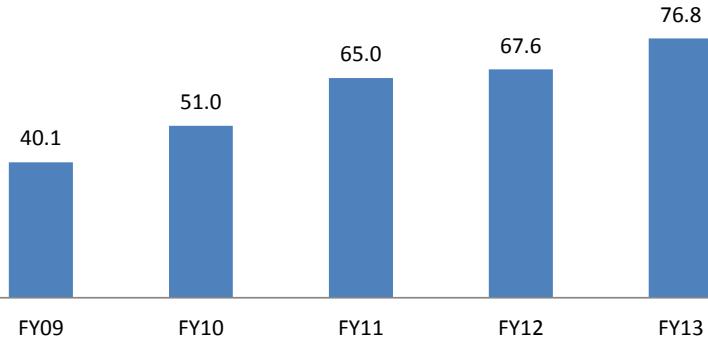
Highway Annual Average Daily Traffic Volume (Approx)

■ ADTV (Units)



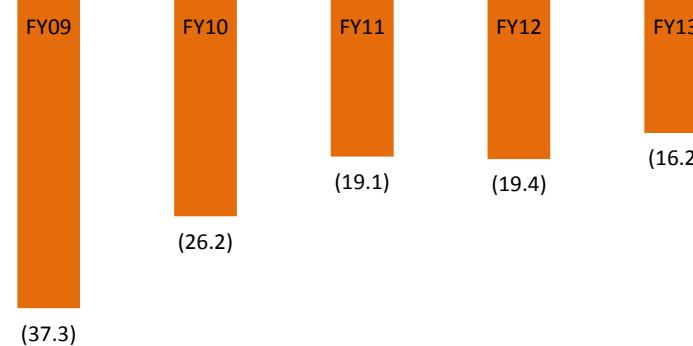
Highway Annual Revenue

■ Revenue (RM Mil)



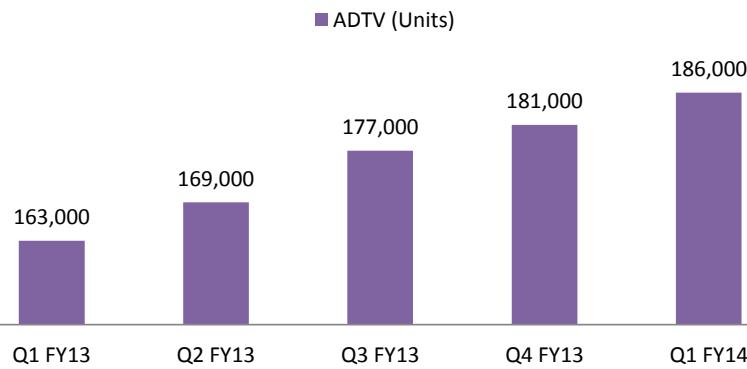
Highway Annual Trend - LBT

■ PBT/(LBT) (RM Mil)

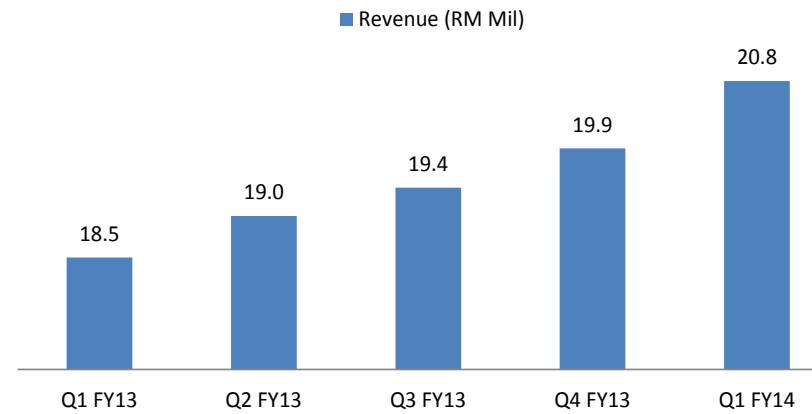


HID: Q1 FY2014

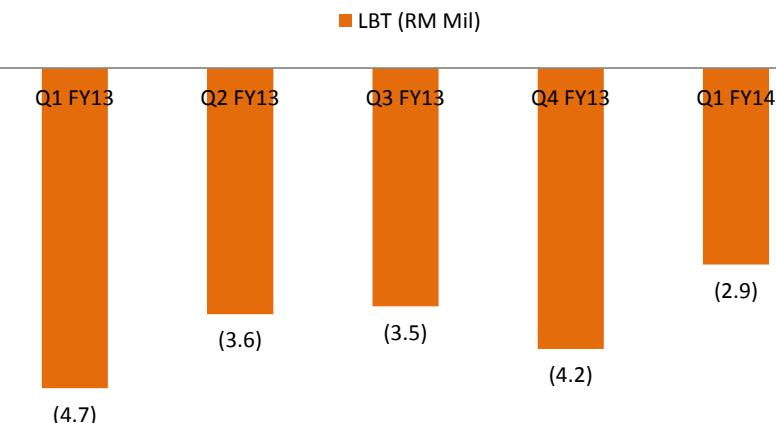
Highway Quarterly Trend - Average Daily Traffic Volume (Approx)



Highway Quarterly Trend - Revenue



Highway Quarterly Trend - LBT



HID: KEY FACTORS MOVING FORWARD

- Ring Road is built to rated capacity of 600,000 vehicles per day. Minimal capital expenditure for capacity expansion in immediate to medium term.
- Located in the high growth area of Kajang / Klang Valley. Stands to benefit from the Greater Kuala Lumpur NKEA.
- Ample low density areas within highway catchment area representing good potential for future growth.
- Excellent linkages and connectivity with other thoroughfares.
- Sustainable borrowing structure, positive operating cashflow, operating profit and continued attractive growth prospects.

- ADTV for Q1 FY2014 stands at 186,000 vehicles per day - growth of 14% Y-O-Y.
- HID expects another double digit improvement in traffic volume for FY2014.
- Expected increase in ADTV should allow HID to improve revenue for FY2014.
- HID's accounting losses for FY2014 expected to continue reducing trend.
- Already compliant with MFRS 137 and MFRS 139.

- Traffic volume is expected to continue to grow due to:
 - Continuing and increasing development and urbanization in the surrounding vicinity of Kajang SILK Highway, and
 - SILK Highway's connectivity with other highways along its alignment together with the availability of installed capacity
- Division has been cash flow positive as a result of the restructuring of the long term debt whereby the Sukuk Mudharabah obligation payments until 25 January 2015 will be limited to the available cash flows.
- Financial performance of the Division is expected to improve in line with the traffic volume growth.
- Given current trends of traffic growth, continued cost volume management and existing accounting rules, HID is expected to achieve accounting breakeven in a few years.



SILK Holdings Berhad (Co. No. 405897-V)

OIL & GAS SUPPORT SERVICES DIVISION

OGSSD: VESSEL ROSTER



Straight Supply Vessels

		Delivery Date
1.	JM Aman	2004
2.	JM Indah	2007
3.	JM Murni	2007

Anchor-Handling Tug & Supply Vessels

70 Meters

4.	JM Bayu	2010
5.	JM Sepoi	2011
6.	JM Samudera	2011
7.	JM Setia	2011
8.	JM Ehsan	2011
9.	IDS Darussalam	2011

60 Meters

10.	JM Damai	2005
11.	JM Hadhari	2008
12.	JM Seri Besut	2008
13.	JM Tenang	2009
14.	JM Intan	2009
15.	JM Gagah 2	2010
16.	JM Perkasa 2	2010
17.	JM Purnama	2011
18.	JM Permai	2012
19.	JM Gemilang	2013

Total costs

Average age (years) 3.63

To Be Delivered in FY2014

20.	JM Cemerlang	AHTS 62M
21.	JM Abadi	AHTS 70M

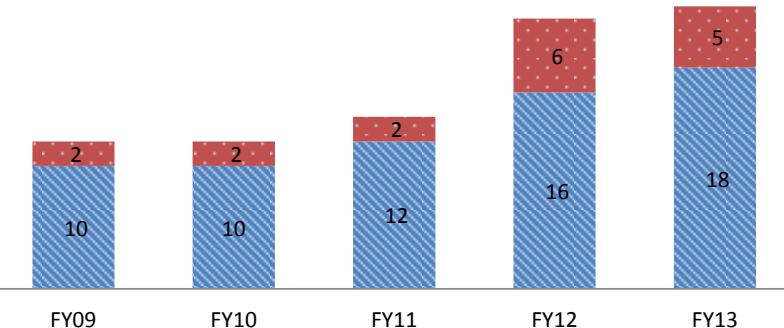
- Current fleet size is 19 vessels. Fleet to expand to 21 vessels by end of FY2014
- The average age of vessels owned is under 4 years.
- Ability to serve both shallow-water and deep-water segments.
- Newest vessel JM Gemilang entered roster early CY2014.

OGSSD: 5-YEAR HISTORICAL PERFORMANCE



O&G Annual Vessels Deployed

■ Owned (Units) ■ 3rd Party



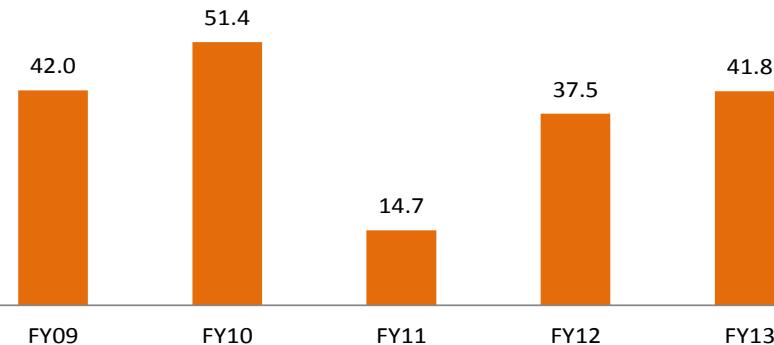
O&G Annual Revenue

■ Revenue (RM Mil)



O&G Annual Trend - PBT

■ PBT (RM Mil)

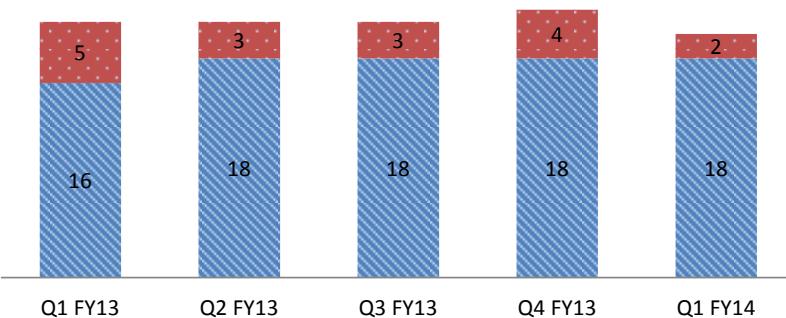


OGSSD: Q1 FY2014



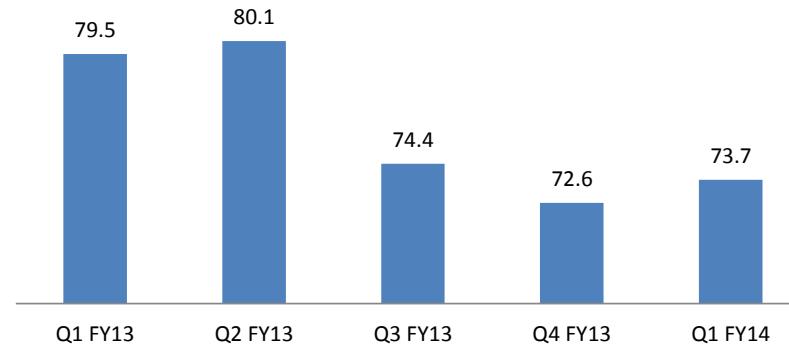
O&G Quarterly Trend - Vessels Deployed

■ Owned (Units) ■ 3rd Party



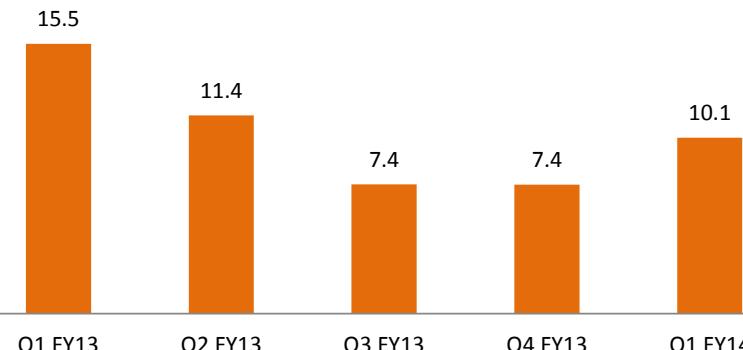
O&G Quarterly Trend - Revenue

■ Revenue (RM Mil)



O&G Quarterly Trend - PBT

■ PBT (RM Mil)



OGSSD: KEY FACTORS GOING FORWARD



- Sector's future expected to be good given its part of NKEA and Petronas' planned capex of RM 275 -300 billion between 2011-2015.
- Clear focus on enhancing domestic activity/participation bodes well for local operators.

- JM, mainly due to vessel mix & age as well as safety & delivery track record, remains competitive for renewals and new contracts/mandates
- Current fleet enjoying good utilisation rates, which should translate to better yield.
- 3 new vessels to enter roster in FY2014 - 2 60-m/60 MT BP AHTS and 1 70-m/120 MT BP AHTS. Revenue is expected to increase with increase vessel deployment. PBT to improve in tandem. Increase in depreciation and financing costs from additional vessels will offset revenue gains somewhat.
- Acquisition of remaining interest in JMG1, JMG2, JMG3 and JMG4 (completed in Dec 2013) will have an overall positive impact on the SHB Group in terms of net profits attributable to the equity holders of SHB.

- As relatively young fleet, accordingly should benefit from higher reliability and lower maintenance. Hence will enjoy better utilisation and better yields.
- Ability to serve deep-water segment with addition of JM Bayu and JM Sepoi in late 2010, JM Samudera and JM Setia in 2011, as well as JM Darul Ehsan and JM Darussalam (as owned vessels in 2013).
- Inclusion of JM Abadi once delivered in mid 2014 will add to capability to serve deep-water segment.
- Acquisition of JMG1, JMG2, JMG3 and JMG4 will allow better control of vessels previously co-owned with GMV-Jasa.



THANK YOU

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