



JOINT PRESS RELEASE

SILK HOLDINGS INKS 100% SILK SALE WITH PNB FOR RM380 MILLION

KUALA LUMPUR, 18 JANUARY 2017 – SILK Holdings Berhad (“SHB” or “Company”), a Bursa Malaysia Main Market listed company involved in tolled highway concessionaire and offshore marine support services, today entered into a conditional share purchase agreement (“SPA”) with Permodalan Nasional Berhad (“PNB”) for the disposal of 100% of the issued and paid-up share capital of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd (“SILK”), a wholly-owned subsidiary of the Company, for a total cash consideration of RM380 million (“Proposed Disposal”).

SILK is the concession holder of the 37-kilometre Kajang Traffic Dispersal Ring Road (“SILK Highway”) under the concession agreement executed on 8 October 1997 to finance, design, construct, operate and maintain the SILK Highway for a total 36-year period ending 31 July 2037. SILK Highway is a primary urban road serving the south eastern corridor of Klang Valley, linking Balakong, Sungai Long, Kajang, Bangi, Serdang and Putrajaya as well as these townships to the Sungai Besi Highway, the North South Expressway, Cheras-Kajang Highway, Kajang-Seremban Highway, South Klang Valley Expressway, and in the future, to the East Klang Valley Expressway.

For the proceeds from the Proposed Disposal, SHB and its subsidiaries (“SHB Group”) intend to allocate up to RM200 million for future investments including enhancing and strengthening SHB Group’s existing offshore marine support services business and investment in related businesses in the oil and gas segment as well as other viable investment opportunities to be identified, up to RM70 million for distribution to shareholders of SHB, and RM110 million for general corporate and working capital, and others.

The Proposed Disposal is in line with SHB's strategy to monetise and unlock value of its infrastructure assets to allow SHB Group to streamline its operations and use its financial resources to focus on offshore marine support services. SHB Group will further enhance and strengthen its presence in the oil and gas support services industry and consider other viable investment opportunities. Proceeds from the Proposed Disposal will provide SHB Group with the ready funds to capitalise on such opportunities as and when they arise. These would be undertaken with a view to enhance shareholders' value.

The acquisition of SILK is part of PNB's strategy to expand and enhance its existing portfolio of highway infrastructure assets which provides recurring income stream, in line with its objective of enhancing long term sustainable returns for its unit holders. PNB's existing investment in highway concessions is through its wholly-owned subsidiary, Projek Lintasan Kota Holdings Sdn. Bhd., which operates three highways namely Ampang Kuala Lumpur Elevated Highway ("AKLEH"), Guthrie Corridor Expressway ("GCE") and Lebuhraya Kemuning Shah Alam ("LKSA"). Subject to all relevant approvals being obtained, the Proposed Disposal is expected to be completed by the first quarter of 2017.

Affin Hwang Investment Bank Berhad ("Affin Hwang IB") is the Principal Adviser for SHB, with Astramina Advisory Sdn Bhd ("Astramina") as the Financial Adviser. Affin Hwang IB and Astramina are the Joint Advisers for SHB for the Proposed Disposal. The Principal Adviser for PNB is Maybank Investment Bank Berhad.

Jointly Issued by: SILK Holdings Berhad and Permodalan Nasional Berhad

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For further media enquiries please contact:

Najidi Abdul Shukor
Tel: +603-8921 0103
Email: najidi@silk.my

Aminah Haji Mahadi
Tel: +603-2050 5445
Email: aminah_hm@pnb.com.my

ABOUT SILK HOLDINGS BERHAD (SHB)

SHB started as SILK Concessionaire Holdings Sdn Bhd on 14 October 1996. It is the concession holder for the 37-km Kajang Traffic Dispersal Ring Road ("SILK Highway), which started operations on 15 July 2004. This asset is at present, held through its wholly owned subsidiary Sistem Lingkaran Lebuhraya Kajang Sdn Bhd, which holds the concession until 2037.

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

JM 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. JM's principal activity is the provision of offshore support vessels services on medium to long-term charters to several oil and gas companies.

ABOUT PERMODALAN NASIONAL BERHAD (PNB)

PNB is an investment holding company with a diversified portfolio of interests that include asset management, unit trusts, institutional property trusts and property management. It owns the country's largest unit trust management companies amongst others, Amanah Saham Nasional Berhad ("ASNB") and Amanah Mutual Berhad ("AMB"). Together with its proprietary fund, PNB currently manages more than RM260 billion worth of assets under management.