



SILK HOLDINGS BERHAD

(Company No. 405897-V)

(Incorporated in Malaysia)

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of **SILK Holdings Berhad** ("the Company") will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 23 November 2012 at 10.00 am for the following purposes :

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2012 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To re-elect the following Directors who retire by rotation pursuant to Article 107 of the Company's Articles of Association, and being eligible, offer themselves for re-election :
 - (i) Dato' Harun bin Md Idris (Resolution 2)
 - (ii) Encik Nik Abdul Malik bin Nik Mohd Amin (Resolution 3)
3. To approve the Directors' fees amounting to RM160,000 in respect of the financial year ended 31 July 2012. (Resolution 4)
4. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to determine their remuneration. (Resolution 5)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

5. **Re-Appointment of Datuk Seri Razman M Hashim as a Director Pursuant to Section 129(6) of the Companies Act, 1965** (Special Resolution 6)

"THAT Datuk Seri Razman M Hashim, being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."
6. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965** (Resolution 7)

"THAT pursuant to Section 132D of the Companies Act, 1965 and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any point of time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the issued share capital of the Company for the time being AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
7. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** (Resolution 8)

"THAT approval be and is hereby given to the Company and its subsidiary to enter into recurrent related party transactions with Dekon Holdings Group ("Dekon") from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 1 November 2012 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to Dekon than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until: -

 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company to be held in year 2013 at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."
8. To transact any other business of the Company of which due notice shall have been given.

By Order of the Board

KWAN WAI KEIN (MAICSA 7055765)
SOTHIRAJEN a/ S. PARANJOTHI (LS 0005734)
WAN ROHAYAH BINTI WAN HASSAN (MAICSA 0731667)

Company Secretaries

Kuala Lumpur
1 November 2012

NOTES:

1. Appointment of Proxy

- i. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- ii. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorized.
- iii. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
- iv. The instrument appointing a proxy must be deposited at the Registered office of the Company at D2-3-2, Solaris Dutamas, 1 Jalan Dutamas 1, 50480 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (03) 6207-9933. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- v. Only members whose names appear in the Register of Depositors as at 19 November 2012 will be entitled to attend and vote at the meeting.

2. Explanatory Notes on Special Businesses

i) Special Resolution 6 – Section 129(6) of the Companies Act, 1965

The Special Resolution proposed under Agenda 5 is to seek shareholders approval for the appointment of a Director who is over the age of 70 years.

ii) Ordinary Resolution 7 – Authority to Allot and Issue new Ordinary Shares pursuant to Section 132D of the Companies Act 1965

The Ordinary Resolution proposed under Agenda 6 is to seek a renewal of the general mandate which was approved at the 14th Annual General Meeting of the Company held on 28 October 2011 and will lapse at the conclusion of the forthcoming Annual General Meeting to be held on 23 November 2012.

The general mandate, if approved, will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment project(s) and acquisition(s) and for strategic reasons.

In order to eliminate any delay and costs in convening a general meeting to specifically approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed under item 6 of the Agenda, to allot and issue new shares in the Company up to an amount not exceeding in total ten percent (10%) of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was approved at the 14th Annual General Meeting of the Company.

iii) Ordinary Resolution 8 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution proposed under Agenda 7 is to renew the Shareholders' Mandate granted by the shareholders of the Company at the previous Annual General Meeting held on 28 October 2011. The proposed renewal of Shareholders' Mandate will enable a subsidiary of the Company to enter into the Recurrent Related Party Transaction of a revenue or trading nature which are necessary for the day-to-day operations involving the interests of Directors, Major Shareholders or persons connected to the Directors and/or Major Shareholders of the Company and its subsidiaries ("Related Parties"), subject to the transactions being in the ordinary course of business on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

This authority unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company. Details of the proposal are set out in the Circular to Shareholders dated 1 November 2012.