



SILK HOLDINGS BERHAD

(Company No. : 405897-V)
(Incorporated in Malaysia)

NOTICE OF 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth 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 Wednesday, 21 June 2017 at 10.00 am for the following purposes:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note*
- To re-elect the following Directors who retire by rotation pursuant to Article 107 of the Company's Constitution, and being eligible, offer themselves for re-election :
 - Dato' Abdul Hamid bin Sh. Mohamed (Resolution 1)
 - Dato' Haji Razali bin Mohd Yusof (Resolution 2)
- To re-appoint Tan Sri Datuk Seri Razman M Hashim. (Resolution 3)
Please refer to Explanatory Note
- To approve the payment of Directors' fees for the financial year ending 31 December 2017 of up to RM700,000 on quarterly basis after the end of each quarter. (Resolution 4)
- To approve the payment of Directors' remunerations (excluding Directors' fees) of up to RM350,000 to the Non-executive Directors for the period from 1 January 2017 until the next Annual General Meeting of the Company. (Resolution 5)
- To re-appoint Messrs KPMG PLT as Auditors and to authorise the Directors to determine their remuneration. (Resolution 6)

AS SPECIAL BUSINESS

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

- Continuing in Office as Independent Non-Executive Directors**
 - THAT subject to the passing of Ordinary Resolution No. 1, authority be and is hereby given to Dato' Abdul Hamid bin Sh. Mohamed, who has served as an Independent Non-Executive Director of the Company for a cumulative term of near to nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company. (Resolution 7)
 - THAT authority be and is hereby given to Tai Keat Chai, who has served as an Independent Non-Executive Director of the Company for a cumulative term of near to nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company. (Resolution 8)
- Authority to Allot and Issue Shares Pursuant to Section 75 of the Companies Act, 2016** (Resolution 9)
"THAT pursuant to Section 75 of the Companies Act, 2016 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 ten percent (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."
- Proposed Change of Name from SILK Holdings Berhad to Marine & General Berhad** (Special Resolution 1)
"THAT the name of the Company be changed from SILK HOLDINGS BERHAD to MARINE & GENERAL BERHAD to take effect from the date of notice of registration of new name to be issued by the Companies Commission of Malaysia ("CCM") and that all references in the Constitution of the Company in relation to the name SILK HOLDINGS BERHAD, wherever the same may appear, shall be deleted and substituted with MARINE & GENERAL BERHAD ("Proposed Change of Name");
AND THAT the Board of Directors of the Company be and are hereby authorised to give effect to the Proposed Change of Name with full power to assent to any condition, modification, variation and/or amendment (if any) as may be required by the relevant authorities."
- To transact any other business of the Company of which due notice shall have been given.**

By Order of the Board

LIM HUI MING (BC/L/740)
CHIA POH TIN (MAICSA 7055061)
Company Secretaries

Kuala Lumpur
30th day of May, 2017

NOTES:

- Appointment of Proxy**
 - 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.
 - For the purpose of determining a member who shall be entitled to attend and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 5:00 p.m. on 14 June 2017. Only a depositor whose name appears on the Record of Depositors as at 5:00 p.m. on 14 June 2017 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy(ies) to attend and vote on his stead.
 - The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the corporation's seal, or under the hand of its attorney or duly authorised officer.
 - 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.
 - The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post or fax to (03) 2273 8310. In the case where the member is a corporation and the proxy form is delivered by fax, the original form shall also be deposited at the Registered Office, either by hand or post not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
- Explanatory Notes :-**
 - Audited Financial Statements (Item No. 1)**
The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act, 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, is not put forward for voting.
 - Re-appointment of Director (Item No. 3)**
With the implementation of the Companies Act, 2016 on 31 January 2017, there is no age limit for directors.
At the 19th Annual General Meeting of the Company held on 17 June 2016, Tan Sri Datuk Seri Razman M Hashim, who is above the age of 70, was re-appointed pursuant to Section 129 of the Companies Act, 1965 to hold office until the conclusion of the 20th Annual General Meeting. His term of office will end at the conclusion of the 20th Annual General Meeting and he has offered himself for re-appointment.
The proposed Ordinary Resolution 3, if passed, will enable Tan Sri Datuk Seri Razman M Hashim to continue to act as Director of the Company and he shall be subject to retirement by rotation at a later date.
The Nomination and Remuneration Committee ("NRC") of the Company has assessed the criteria and contribution of Tan Sri Datuk Seri Razman M Hashim and recommended for his re-appointment. The Board has endorsed the NRC's recommendation that Tan Sri Datuk Seri Razman M Hashim be re-appointed as Director of the Company.
 - Payment of Directors' fees and other remunerations (Item No. 4 and 5)**
At the 19th Annual General Meeting, the Company has obtained shareholders' approval to pay directors' fees of not more than RM600,000 in relation to the Financial Year ended 31 December 2016. This approval was sought for the payment of fees to the Non-executive Directors of the Company pursuant to the Companies Act, 1965. Total actual amount of fees payable to the Non-executive Directors for the year is RM476,000.
With the implementation of the Companies Act, 2016, the required approval has been expanded to include payment of fees and remunerations (excluding Directors' fees) to the Directors of the Company and its subsidiaries.
 - Continuing in Office as Independent Non-Executive Directors (Item No. 7)**
The Ordinary Resolutions proposed under Item No. 7 (Resolutions 7 & 8) of the Notice of 20th Annual General Meeting relate to the approval by shareholders for the named directors to continue in office as Independent Non-Executive Directors. The NRC has assessed the independence of each of the directors who has served as Independent Non-Executive Directors of the Company for a cumulative term of near to nine (9) years. The NRC is satisfied that each of these directors has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The length of their service does not interfere with their ability and exercise of independent judgment as Independent Directors. Therefore, the Board has endorsed the recommendation of the NRC that the approval of the shareholders be sought for Dato' Abdul Hamid bin Sh. Mohamed and Tai Keat Chai to continue to act as Independent Non-Executive Directors of the Company.
 - Authority to Allot and Issue new Ordinary Shares pursuant to Section 75 of the Companies Act, 2016 (Item No. 8)**
The Ordinary Resolution proposed under item No. 8 (Resolution 9) is to seek a renewal of the general mandate which was approved at the 19th Annual General Meeting of the Company held on 17 June 2016 and will lapse at the conclusion of the 20th Annual General Meeting to be held on 21 June 2017. 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 no. 8 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.
 - Proposed Change of Name (Item No. 9)**
The proposed Special Resolution on the proposed change of name of the Company to Marine & General Berhad is to better reflect the objectives of the Company and the Group going forward, following on from the completion of the disposal of the Company's entire equity interest in Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd. Approval for the use of name had been obtained from CCM. The change of name of the Company, if approved by the shareholders, will be effective from the date of issuance of the notice of registration of new name by CCM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DIRECTORS WHO ARE STANDING FOR RE-ELECTION

- Dato' Abdul Hamid bin Sh. Mohamed
- Dato' Haji Razali bin Mohd Yusof

DIRECTOR WHO IS STANDING FOR RE-APPOINTMENT

- Tan Sri Datuk Seri Razman M Hashim

DIRECTORS WHO ARE SEEKING FOR CONTINUATION OF OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- Dato' Abdul Hamid bin Sh. Mohamed
- Tai Keat Chai

The details of the above Directors who are standing for re-election, re-appointment and continuation of office as Independent Non-Executive Director are set out on page 3 to page 4 of the Annual Report.

Their interests in the securities of the Company are set out on page 104 of the Annual Report.