



SILK HOLDINGS BERHAD

(Company No: 405897-V)

(Incorporated in Malaysia under the Companies Act 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary 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 11.00 a.m. or immediately after the conclusion of the 20th Annual General Meeting which is to be held at the same venue and on the same day at 10.00 a.m. whichever is later or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED DIVIDEND REINVESTMENT PLAN THAT GIVES SHAREHOLDERS THE OPTION TO REINVEST THEIR CASH DIVIDEND(S) DECLARED BY SILK HOLDINGS BERHAD ("SHB") IN NEW ORDINARY SHARES OF SHB ("PROPOSED DRP")

"THAT subject to the approvals of the relevant regulatory authorities for the Proposed DRP having been obtained and to the extent permitted by law:

- (i) the Proposed DRP be and is hereby approved;
- (ii) the Directors of the Company are hereby authorised:
 - (a) to establish and implement the Proposed DRP;
 - (b) to determine, in their sole and absolute discretion, whether the Proposed DRP will apply to any cash dividend (whether interim, final, special or any other dividend) declared and/or approved by the Company;
 - (c) to allot and issue such number of new ordinary shares in SHB from time to time as may be required to be allotted and issued pursuant to the Proposed DRP ("**New Shares**"); and
 - (d) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings as may be necessary or expedient in order to give full effect to the Proposed DRP with full powers to assent to any conditions, variations, modifications and/or amendments including amendments, modification, suspension and termination of the Proposed DRP as the Board of Directors of SHB ("**Board**") may, in its absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities;

AND THAT the new Shares shall, upon allotment and issue, rank equally in all respects with the existing ordinary shares in SHB, save and except that the holders of the New Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the New Shares."

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE OF NEW SHARES IN RELATION TO THE PROPOSED DRP ("PROPOSED ISSUANCE OF NEW SHARES")

"THAT, subject to the passing of Ordinary Resolution 1, and the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to the Board to allot and issue such number of New Shares pursuant to the Proposed DRP until the conclusion of the next Annual General Meeting, which shall upon such terms and conditions and to such persons as the Board may, in their sole and absolute discretion, deem fit and in the best interest of the Company;

AND THAT, the issue price of the said New Shares which will be determined by the Board on the price fixing date to be determined shall be the adjusted volume-weighted average price ("**VWAP**") for the 5 market days immediately prior to the price fixing date after applying a discount of not more than 10%. The VWAP shall be adjusted ex-dividend before applying the aforementioned discount;

AND THAT, the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the Proposed Issuance of New Shares, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including amendments, modifications, suspension and termination of the Proposed DRP as the Board may, in their absolute discretion, deem fit and in the best interest of the Company and/ or as may be imposed or agreed to by any relevant authorities."

ORDINARY RESOLUTION 3

PROPOSED SHARE BUY-BACK AUTHORITY TO PURCHASE UP TO 10% OF THE ISSUED SHARE CAPITAL OF THE COMPANY AS AT THE POINT OF PURCHASE ("PROPOSED SHARE BUY-BACK")

"THAT subject to the Companies Act 2016 ("**Act**") , rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total ordinary share capital of the Company at any point in time of the said purchase(s);
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (iii) the authority conferred by this resolution shall continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities;

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) cancel all the ordinary shares so purchased;
- (ii) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders, resell on the market of Bursa Securities, transfer for the purposes of an employees' share scheme, transfer as purchase consideration or sell/ transfer/otherwise use for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; or
- (iii) retain part thereof as treasury shares and cancel the remainder;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations, and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

By Order of the Board

LIM HUI MING (BC/L/740)

CHIA POH TIN (MAICSA 7055061)

Company Secretaries

Kuala Lumpur

6 June 2017

Notes:

- (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) For the purpose of determining a member who shall be entitled to attend and vote at the Extraordinary 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.
- (iii) 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.
- (iv) 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.
- (v) 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.