

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF SILK HOLDINGS BERHAD (“Company”) HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON WEDNESDAY, 21 JUNE 2017 AT 11.30 AM

Present: As per attendance sheet

OPENING OF MEETING

Dato’ Mohammed Azlan bin Hashim, the Chairman (“**Dato’ Chairman**”) of the Board of Directors (“**Board**”), took the Chair at 11.30 am and welcomed all those present at the meeting.

Dato’ Chairman briefed that the EGM was convened to consider 3 ordinary resolutions namely, Proposed Dividend Reinvestment Plan (“**DRP**”), Proposed Issuance of Shares in relation to the DRP and Proposed Share Buy-Back by the Company (collectively known as “**the Proposals**”).

Dato’ Chairman introduced the advisers for the Proposals, the representatives of the Principal Adviser namely, En. Johan Hashim, Ms. Stella Choy, Mr. Derek Yin and Ms. Aezlisya Sharifuddin from Affin Hwang Investment Berhad (“**AHIB**”), the representative of the Financial Adviser namely, Ms. Wong Muh Rong from Astramina Advisory Sdn Bhd and the representatives of the Legal Adviser namely, Mr. Wong Wei Jie and Ms. Stephanie Wong from the Christopher & Lee Ong.

Dato’ Chairman further briefed the Members/Corporate Representatives/Proxies present that the voting of the EGM will be conducted on poll pursuant to Article 72 of the Constitution. Dato’ Chairman added that the Company had appointed Messrs Kalis & Co. as the Independent Scrutineers to verify the poll results. The polling process would be conducted upon the completion of the deliberation of all items to be transacted at the EGM.

QUORUM OF MEETING

Dato’ Chairman called upon the Company Secretary, Ms. Lim Hui Ming (“**Ms. Lim**”) to confirm the quorum.

Ms. Lim informed that in accordance with Article 68 of the Constitution, the quorum for a general meeting shall be 2 members present in person or by proxy.

Ms. Lim further informed that there were 37 members present in person (with 193,851,644 votes), 9 proxies (with 23,471,537 votes) and 6 members appointing Chairman as their proxy (with 172,954,836 votes) representing votes totaling 390,278,053.

As confirmed by Ms. Lim, a quorum was present at the meeting.

NOTICE OF MEETING

The notice of meeting together with the Circular in relation to the Proposals, being circulated to all members on 6 June 2017, was taken as read and the meeting was declared duly convened.

Before the deliberation of the agenda, En. Johan Hashim ("**En. Johan**"), the representative from AHIB was invited to make a brief presentation in relation to the Proposals which encompassed of the following:

- (i) Purpose of this EGM;
- (ii) The Proposed DRP (What is DRP, Will this apply to all Dividends, What are my Options, What is the Issue Price, Rationale, Utilization of Proceeds, Process Flow Chart and Tentative Timeline);
- (iii) Proposed Share Buy-Back (What is Share Buy-Back and Rationale).

Dato' Chairman thanked En. Johan for his detailed explanation on the Proposals and invited the questions from the floor. The pertinent issues raised by the Members/Corporate Representatives/Proxies were highlighted and responded as follows:

- (i) En. Mohammad Amin bin Mahmud enquired on the minimum number of shares to be subscribed by the members in relation to the Proposed DRP as the Company would not allot fractional shares.

In this regard, En. Johan clarified that the eligible members may opt to subscribe the minimum of 1 share, if they wish.

- (ii) En. Mohammad Amin bin Mahmud further enquired on the timeframe for the completion of the Proposed DRP.

En. Johan informed that the whole Proposed DRP would anticipate to complete by third quarter of year 2017, details of the tentative timeline for the first implementation of the Proposed DRP were as follows:-

Event	Indicative timeline
EGM	21 June 2017
Announcement of Issue Price and Entitlement Date	Early July 2017
Entitlement Date	Middle July 2017
Despatch of Notice of Election to our shareholders	End July 2017
Expiry Date	Early August 2017
Issuance and allotment of new Shares and payment of cash dividend	Middle August 2017
Listing of new Shares	Middle August 2017

- (iii) Mr. Tan Eng Leong enquired apart from filing in the hardcopy of the Dividend Reinvestment Form ("DRF") and Notice of Election ("NOE"), if there were other options available for the members who wish to participate in the Proposed DRP such as filing in the DRF and NOE online. Mr. Tan further requested the Company to absorb the cost of the RM10 Revenue Stamp to be affixed on the DRF should the minority shareholders (with less than 1,000 shares) elect to participate in the Proposed DRP.

To this, the representative from Symphony Share Registrars Sdn Bhd, En. Mohd Sophiee replied that they have not encountered any other method currently save for the filing in the hardcopy of DRF and NOE. However, the Management would explore the viability of other options as well moving forward.

In respect of the RM10 Revenue Stamp to be affixed on the DRF, the Management took note of the proposal made by Mr. Tan Eng Leong. Due announcement would be released to Bursa Malaysia Securities Berhad, if applicable.

There were no further questions raised from the floor, Dato' Chairman proceeded with the agenda on the notice of the EGM.

1.0 AGENDA 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") (Ordinary Resolution1)

- 1.1 The first agenda was to seek members' approval on the Proposed DRP that gives shareholders the option to reinvest their cash dividend(s) declared by SHB in new shares of SHB. Dato' Chairman invited a proposer and a seconder for Resolution 1.
- 1.2 The Resolution 1 was proposed by Mohammed Amin bin Mahmud and seconded by Khor Ooi Chook.

2.0 AGENDA 2

PROPOSED ISSUANCE OF NEW SHARES IN RELATION TO THE PROPOSED DRP ("PROPOSED ISSUANCE OF NEW SHARES") (Ordinary Resolution 2)

- 2.1 The second agenda was to seek members' approval on the Proposed issuance of new shares in relation to the DRP. Dato' Dato' Chairman invited a proposer and a seconder for Resolution 2.
- 2.2 The Resolution 2 was proposed by Mohammed Amin bin Mahmud and seconded by Abd Jalal bin Idris.

3.0 AGENDA 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") (Ordinary Resolution 3)

- 3.1 The last agenda was to seek members' approval on the Proposed share buy-back authority to purchase of up to 10% of the issued share capital of the Company as at the point of purchase. Dato' Chairman invited a proposer and a seconder for the Resolution 3.
- 3.2 The motion was proposed by Mohammed Amin bin Mahmud and seconded by Abd Jalal bin Idris.
- 3.3 Dato' Chairman declared that the meeting will proceed with the polling process.

POLLING PROCESS

The Company Secretary, Ms. Lim was invited to explain the procedures for the conduct of poll at the EGM. All the Members/Corporate Representatives/Proxies were directed to slip the duly completed and signed polling slips into the balloting boxes carried around by the representatives from Symphony Share Registrars Sdn Bhd.

With the permission of Dato' Chairman, the Company Secretary declared that the meeting adjourned for 30 minutes at 11.55 a.m. to conduct the poll count.

ANNOUNCEMENT OF POLL RESULTS

At 12.10 pm., Dato' Chairman called the meeting to order for the declaration of the poll results. Dato' Chairman announced that he had received the poll results from Symphony Share Registrars Sdn Bhd and Kalis & Co. Dato' Chairman proceeded to read out the poll results to the Members/Corporate Representatives/Proxies present.

Dato' Chairman announced the poll result in respect of Resolution 1 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 – Proposed DRP	390,385,553	100.0000	0	0.0000

Dato' Chairman declared that Resolution 1 was duly passed as follows:-

"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".

Dato' Chairman announced the poll result in respect of Resolution 2 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2 – Proposed Issuance of New Shares	390,385,553	100.0000	0	0.0000

Dato' Chairman declared that Resolution 2 was duly passed as follows:-

"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."

Dato' Chairman announced the poll result in respect of Resolution 3 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3 – Proposed Share Buy-Back	390,385,553	100.0000	0	0.0000

Dato' Chairman declared that Resolution 3 was duly passed as follows:-

"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.



CLOSE OF MEETING

There being no other business to transact, Dato' Chairman declared the meeting closed at 12.15 pm. and thanked those present for their attendance.

Confirmed as True and Correct Record of Proceedings,



Dato' Mohammed Azlan bin Hashim
Chairman

Dated: 3 July 2017