

**MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING ("20TH AGM") 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 10.00 AM**

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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 10.00 am and welcomed all those present at the meeting.

Dato' Chairman briefed that the Company will be convening an Extraordinary General Meeting ("**EGM**") immediately after the conclusion of the 20<sup>th</sup> AGM to consider resolutions for the Proposed Dividend Reinvestment Plan ("**DRP**"), Proposed Issuance of Shares in relation to the DRP and Proposed Share Buy-Back by the Company.

Dato' Chairman introduced each and every member of the Board as well as the Company Secretary who were in attendance. Dato' Chairman further introduced the representatives of the Company's Auditors namely, En. Muhammad Azman bin Che Ani and his assistance from KPMG PLT and the representative of the Share Registrar, En. Mohd Sophiee from Symphony Share Registrars Sdn Bhd.

Dato' Chairman further briefed the Members/Corporate Representatives/Proxies present that the voting of the 20<sup>th</sup> AGM 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 20<sup>th</sup> AGM.

**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 31 members present in person (with 193,031,644 votes), 19 proxies (with 193,916,409 votes) and 7 members appointing Chairman as their proxy (with 172,960,826 votes) representing votes totaling 559,908,879.

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

## NOTICE OF MEETING

The notice of meeting, being circulated to all members on 30 May 2017, was taken as read and the meeting was declared duly convened.

### 1.0 AGENDA 1

#### 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

1.1 En. Mohd Nizam Abd Wahab (“**En. Nizam**”) was invited to make a brief presentation which encompassed of the following:

- (i) Group Results (Financial Summary, Material Uncertainty Disclosed in the Independent Auditors’ Report and Steps taken by the Group to address the Material Uncertainty); and
- (ii) Significant and Subsequent Event.

1.2 Dato’ Chairman thanked En. Nizam and subsequently declared that the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors (“**AFS 2016**”) as received and duly tabled at the 20<sup>th</sup> AGM in accordance with Section 340(1)(a) of the Companies Act 2016. Dato’ Chairman further explained that the AFS 2016 under Agenda 1 was for discussion only as it did not require members’ approval. Hence, it would not be put for voting.

1.3 The meeting deliberated at length on this item. In summary, the pertinent issues raised by the Members/Corporate Representatives/Proxies were highlighted and responded as follows:

- (i) En. Mohammed Amin bin Mahmud enquired which banks were involved in the loan restructuring and rescheduling (“**R&R**”) of the financings repayments of the Group.

In this regard, Dato’ Chairman explained that all the 3 Principal Bankers of the Group namely, Affin Bank Berhad, Bank Pembangunan Malaysia Berhad and Maybank Islamic Berhad were involved in the R&R of the financings repayment of the Group.

- (ii) En. Mohammed Amin bin Mahmud further enquired on the prospect of the tanker business and if the Management would explore other possible usage of the unutilized offshore support vessels (“**OSV**”) such as providing towing and storage services and consider the possibility on the conversion of unutilized OSV for usage in the marine logistics business.

Dato' Chairman informed that following the disposal of its infrastructure assets, the Group will focus on its marine logistics business namely the Marine Logistics – Upstream Division, that charters out OSVs to the upstream sector of the oil & gas industry, via Jasa Merin (M) Sdn Bhd (“JMSB”) and the Marine Logistics – Downstream Division, that charters out liquid bulk carriers (“LBCs”) servicing the downstream segment of the petro-chemical and other industries, via Jasa Merin Labuan PLC (“JML”).

Dato' Chairman added that the Group remains cautious on the prospects of the Upstream business. Dato' Chairman further explained that the expectation is that competition will remain tight in this sector. As such, the Group will continue to optimize operating and financial costs associated with this Division while remaining competitive. Dato' Chairman concluded that despite challenging conditions, the Management remains positive on the long-term prospects of the Marine Logistics – Upstream Division.

With respect to the Downstream marine logistics business, Dato' Chairman informed the meeting that the Group completed its acquisition of 3 LBCs, costing a total of RM73 million, in May 2016. The acquisition of the vessels represents an opportunity for the Group to diversify into the downstream segment of the marine logistics business, diversifying revenues away from the upstream marine logistics business that tend to be more cyclical. It was further elaborated that all 3 chemical vessels operated by JML are currently chartered out.

Dato' Chairman added that the Company has yet to identify any specific viable investment opportunities and will continue to explore any investment opportunities. Due announcements will be made once the opportunity is identified and when required, the Company would seek for the members' approval.

- (iii) Mr. Charles Yeo enquired on the reasons of the low utilization rate of the vessels. He further proposed that the Director's pictures to be included in the Annual Report in future for the ease of reference of the members.

With regards to the low utilization rate of the vessels at JMSB, Dato' Chairman explained that it was due to the current unfavourable market condition of oil and gas sector which greatly impacted JMSB's clientele such as, Carigali Hess, Petrofac, Shell, Petronas etc. Nevertheless, Dato' Chairman stated that oil and gas is a cyclical industry and it has shown some signs of recovery.

Dato' Chairman added that currently, the utilization rate JMSB's fleet was approximately 50% with spot charters (short terms contract) forming bulk of the contracts. It was further explained that for JML, all of its vessels are on long term time charters.

In respect of the directors' picture to be included in the Annual Report, Dato' Chairman stated that the Management was taking into the consideration on the cost to be incurred for that as it was not a mandatory requirement under the Listing Requirements of Bursa Malaysia Securities Berhad. Nevertheless, the Management took note of the suggestion and will consider the inclusion of directors' picture into the Annual Report going forward.

- (iv) En. Mohammed Amin bin Mahmud enquired as to why the Company was only able to obtain an additional RM10 million on top of the RM380 million instead of RM20 million for the Disposal of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd which was completed on 28 April 2017.

To this, Dato' Chairman explained that the possibility of a further payment of RM20 million was subject to the satisfaction of certain conditions precedent as stated in the Share Purchase Agreement dated 18 January 2017. The Purchaser, Permodalan Nasional Berhad ("PNB"), took a different view on certain matters relating to the conditions precedents. Finally, both PNB and the Company mutually agreed on an additional payment of RM10 million to be paid to the Company on top of the RM380 million. The additional RM10 million is expected to be received within 3 months from the completion date of 28 April 2017.

- 1.4 With that, Dato' Chairman concluded the questions and answers session for Agenda 1 and proceeded to the next agenda item.

## 2.0 AGENDA 2

**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: -**

- (i) **DATO' ABDUL HAMID BIN SH. MOHAMED** (Ordinary Resolution 1)
- (ii) **DATO' HAJI RAZALI BIN MOHD YUSOF** (Ordinary Resolution 2)

- 2.1 The second agenda was to re-elect the following Directors who were retiring by rotation pursuant to Article 107 of the Constitution, and being eligible, offering themselves for re-election: -

- (i) Dato' Abdul Hamid Bin Sh. Mohamed;
- (ii) Dato' Haji Razali Bin Mohd Yusof.

- 2.2 Dato' Chairman informed the Members/Corporate Representatives/Proxies that the profiles of the Board who were standing for re-election were provided in page 3 to 5 of the 2016 Annual Report.

- 2.3 Dato' Chairman sought the proposer and seconder in respect of the re-election of each Director under the following resolutions, to be voted individually in a separate motion:-

- (i) Resolution 2 on the proposed re-election of Dato' Abdul Hamid bin Sh. Mohamed was proposed by Mohammed Amin bin Mahmud and seconded Yeo Seng Song.
- (ii) Resolution 3 on the proposed re-election of Dato' Haji Razali bin Mohd Yusof was proposed by Teo Seo Eng and seconded by Mohammed Amin bin Mahmud.

### **3.0 AGENDA 3**

**TO RE-APPOINT TAN SRI DATUK SERI RAZMAN M HASHIM** (Ordinary Resolution 3)

- 3.1 The next agenda was to approve the re-appointment of Tan Sri Datuk Seri Razman M Hashim and Dato' Chairman invited a proposer and a seconder for the Resolution 3.
- 3.2 The motion was proposed by Abd Jalal bin Idris and seconded by Mohammed Amin bin Mahmud.

### **4.0 AGENDA 4**

**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** (Ordinary Resolution 4)

- 4.1 The next agenda was 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. Dato' Chairman invited a proposer and a seconder for the Resolution 4.
- 4.2 The motion was proposed by Yeo Seng Song and seconded by Khor Ooi Chook.

### **5.0 AGENDA 5**

**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** (Ordinary Resolution 5)

- 5.1 The next agenda was 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 ("AGM") and Dato' Chairman invited a proposer and a seconder for Resolution 5.
- 5.2 The motion was proposed by Yeo Seng Song and seconded by Mohammed Amin bin Mahmud.



**6.0 AGENDA 6  
TO RE-APPOINT MESSRS KPMG PLT AS AUDITORS AND TO AUTHORISE THE  
DIRECTORS TO DETERMINE THEIR REMUNERATIONS (Ordinary Resolution 6)**

6.1 The next agenda was to re-appoint Messrs KPMG PLT as Auditors and to authorize the Directors to determine their remuneration. Dato' Chairman invited for a proposer and a seconder for the Resolution 6.

6.2 The motion was proposed by Mohammed Amin bin Mahmud and seconded by Yeo Seng Song.

**7.0 AGENDA 7  
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

**(i) DATO' ABDUL HAMID BIN SH. MOHAMED (Ordinary Resolution 7)**

**(ii) TAI KEAT CHAI (Ordinary Resolution 8)**

7.1 The subsequent agenda were the special businesses whereby members' approval was sought on the continuing in office as independent Non-Executive Directors for Dato' Abdul Hamid bin Sh. Mohamed and Tai Keat Chai.

7.2 Dato' Chairman sought the proposer and seconder in respect of the following resolutions, to be voted individually in a separate motion:-

(i) Resolution 7 on Dato' Abdul Hamid bin Sh. Mohamed to continue in office as Independent Non-Executive Director was proposed by Mohammed Amin bin Mahmud and seconded Yeo Seng Song.

(ii) Resolution 8 on Tai Keat Chai to continue in office as Independent Non-Executive Director was proposed by Yeo Seng Song and seconded by Mohammed Amin bin Mahmud.

**8.0 AGENDA 8  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF  
THE COMPANIES ACT 2016 (Ordinary Resolution 9)**

8.1 The next agenda was a special business whereby a general mandate was sought from the members, to empower the Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016. Dato' Chairman invited for a proposer and a seconder for the Resolution 8.

8.2 The Resolution was proposed by Teo Seo Eng and seconded by Yeo Seng Song.

**9.0 AGENDA 9  
PROPOSED CHANGE OF NAME FROM SILK HOLDINGS BERHAD TO MARINE  
& GENERAL BERHAD (Special Resolution 1)**

- 9.1 The last agenda was a special resolution on the proposed change of the Company Name from SILK Holdings Berhad to Marine & General Berhad. Dato' Chairman explained that following the disposal of the previous wholly-owned subsidiary, Sistem Lingkaran-Lebuh raya Kajang Sdn Bhd (also known as SILK Highway), PNB has requested the Company to change its name by dropping "SILK". The new name "Marine & General Berhad", if approved by the members, would take effect from the date of notice of registration of new name to be issued by Companies Commission of Malaysia.
- 9.2 The Resolution was proposed by Abd Jalal bin Idris and seconded by Teo Seo Eng.

**10.0 AGENDA 10  
TO TRANSACT ANY OTHER BUSINESS OF THE COMPANY OF WHICH DUE  
NOTICE SHALL HAVE BEEN GIVEN**

- 10.1 Dato' Chairman sought confirmation from the Company Secretary if the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 2016 and the Company's Constitution. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the meeting.
- 10.2 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 20<sup>th</sup> AGM. 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 10.50 am. to conduct the poll count.

**ANNOUNCEMENT OF POLL RESULTS**

At 11.25 am., 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 - To re-elect Dato' Abdul Hamid bin Sh. Mohamed	388,017,560	100.0000	0	0.0000

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

"THAT Dato' Abdul Hamid bin Sh. Mohamed who retired by rotation pursuant to Article 107 of the Company's Constitution, be and is hereby re-elected to the Board."

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 - To re-elect Dato' Haji Razali bin Mohd Yusof	389,017,560	100.0000	0	0.0000

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

"THAT Dato' Haji Razali bin Mohd Yusof who retired by rotation pursuant to Article 107 of the Company's Constitution, be and is hereby re-elected to the Board."

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 - To re-appoint Tan Sri Datuk Seri Razman M Hashim	389,017,560	100.0000	0	0.0000

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

"THAT Tan Sri Datuk Seri Razman M Hashim, be and is hereby re-appointed to the Board."



Dato' Chairman announced the poll result in respect of Resolution 4 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4 - To approve the payment of Directors' fees	385,611,060	99.9983	6,500	0.0017

Dato' Chairman declared that Resolution 4 was duly passed as follows:-

“THAT 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 be and is hereby approved.”

Dato' Chairman announced the poll result in respect of Resolution 5 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5 - To approve the payment of Directors' remuneration (excluding directors' fees)	385,611,060	99.9983	6,500	0.0017

Dato' Chairman declared that Resolution 5 was duly passed as follows:-

“THAT 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 be and is hereby approved.”

Dato' Chairman announced the poll result in respect of Resolution 6 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6 - To re-appoint Auditors	389,017,560	100.00.00	0	0.0000

Dato' Chairman declared that Resolution 6 was duly passed as follows:-

“THAT the re-appointment of Messrs KPMG PLT as Auditors of the Company and authorize the Directors to determine their remuneration be and is hereby approved.”

Dato' Chairman announced the poll result in respect of Resolution 7 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7 - Retention of Dato' Abdul Hamid bin Sh. Mohamed as Independent Non-Executive Director	388,017,560	100.0000	0	0.0000

Dato' Chairman declared that Resolution 7 was duly passed as follows:-

"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."

Dato' Chairman announced the poll result in respect of Resolution 8 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8 - Retention of Tai Keat Chai as Independent Non-Executive Director	389,017,560	100.0000	0	0.0000

Dato' Chairman declared that Resolution 8 was duly passed as follows:-

"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."

Dato' Chairman announced the poll result in respect of Resolution 9 was as follows:

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9 - Authority to Allot and Issue Shares	389,011,060	99.9983	6,500	0.0017

Dato' Chairman declared that Resolution 9 was duly passed as follows:-

“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.”

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

Resolutions	Voted FOR		Voted AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9 - Proposed Change of Name	389,011,060	99.9983	6,500	0.0017

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

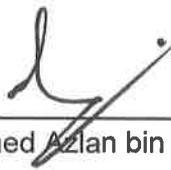
“THAT the name of the Company be changed from SILK HOLDINGS BERHAD to MARINE & GENERAL BERHAD to take effect from the date of notice of registration of new name to be issued by the Companies Commission of Malaysia (“CCM”) and that all references in the Constitution of the Company in relation to the name 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.”

## CLOSE OF MEETING

There being no other business to transact, Dato' Chairman declared the meeting closed at 11.30 am.

Confirmed as True and Correct Record of Proceedings,



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Dato' Mohammed Azlan bin Hashim  
Chairman

Dated: 13 July 2017