

**MINUTES OF THE TWENTY FIRST ANNUAL GENERAL MEETING ("21ST AGM") OF MARINE & GENERAL BERHAD (FORMERLY KNOWN AS SILK HOLDINGS BERHAD) ("Company") HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON WEDNESDAY, 30 MAY 2018 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 noted that all members of the Board are present and introduced each and every member before also introducing the Company Secretary. Dato' Chairman further introduced the representatives of the Company Auditors namely, Datuk Johan Idris (Managing Partner) and En. Muhammad Azman bin Che Ani, both from Messrs KPMG PLT and the representative of the Share Registrar, En. Mohd Sophiee from Symphony Share Registrars Sdn Bhd.

Dato' Chairman further briefed the Members/Proxies present that the voting of the 21st 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 21st 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 21 members present in person (with 9,584,340 votes), 6 proxies (with 31,618,917 votes) and 5 members appointing Chairman as their proxy (with 170,467,226 votes) representing votes totaling 211,670,483.

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 April 2018, 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 2017 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) Significant events
  - Prolonged oversupply of offshore support vessels arising from continuing market downturn in the oil and gas industry.
  - Disposal of the Highway Division for RM380 million to Prolintas, a subsidiary of Permodalan Nasional Berhad.
- (ii) Group results
  - Group revenue
  - Earnings before interest & tax
  - Profit/loss before tax
  - Profit/loss after tax
  - Financial summary
- (iii) Material uncertainty reported in 2016 audited financial statements

1.2 Dato' Chairman thanked En. Nizam and subsequently declared that the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors ("**AFS 2017**") as received and duly tabled at the 21st AGM in accordance with Section 340(1)(a) of the Companies Act 2016. Dato' Chairman further explained that the AFS 2017 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/Proxies were highlighted and responded as follows:

- (i) Mohammed Amin bin Mahmud opined that the Management should not utilise the proceeds derived from the disposal of Highway Asset to continue financing/supporting the loss making Upstream Division. Mohammed Amin also suggested perhaps the Board should consider selling-off the assets entirely.

In this regard, Dato' Chairman explained that the view presented on the Upstream Division was not entirely accurate. Dato' Chairman added that the

Upstream Division was a profitable division prior to the decline in the oil price in mid-year of 2014. It only started recording losses towards the end of financial year ended 2016.

Dato' Chairman further elaborated that there are several key factors weighing down on the performance of the Upstream Division, namely the decline in activity within the industry resulting in utilisation rates falling from an average of 88% in 2014 to an average of 48% in 2017 and a significant drop in the Daily Charter Rates ("DCR") for vessels. The combination of sustained low utilisation and charter rates has had an adverse impact on revenue. It was then explained that despite the persistent unfavourable market condition affecting the oil and gas industry, Jasa Merin (Malaysia) Sdn Bhd ("JMM") which spearheads the Upstream Division, continues to secure contracts and remains competitive.

Dato' Chairman concluded that despite the current challenging conditions, the industry will improve and that there are now some signs of improvement. As such, the Company remains positive on the long-term prospects of the division.

- (ii) Mohammed Amin bin Mahmud further enquired on the remaining RM240 million available in the Company following the disposal of Highway Asset. Mohammed Amin bin Mahmud viewed that it was fair to distribute a portion of the remaining amount to the shareholders.

In this regard, Dato' Chairman informed that the Company had declared and paid a substantial amount of dividend (special dividend RM0.10 per share and an interim dividend of RM0.05 per share) in August 2017.

Dato' Chairman further explained that it might not be possible for the Company to declare any further dividends in the near future given the challenges facing the Company at present. Dato' Chairman stressed this point by reminding the shareholders that on 6 February 2018, the Company had announced that JMM had received approval from the Corporate Debt Restructuring Committee ("CDRC") of Bank Negara Malaysia for JMM's application for assistance to mediate between JMM with its financiers. As a result of this, future funding sources may be adversely affected. It is therefore essential for the Company to act prudently with the remainder of the disposal proceeds by searching for investment opportunities that would help generate further revenue for the Group.

- (iii) Mohd Hilmi bin Mohd Azahar enquired on the status of the submission to the CDRC following the announcement released to Bursa Malaysia Securities Berhad on 6 February 2018.

Dato' Chairman replied that JMM had submitted a Proposed Debt Restructuring Scheme to CDRC to restructure JMM's borrowings and to

renegotiate with all the financiers the respective financing terms that are sustainable in the face of the challenging period in the oil and gas industry. Dato' Chairman added that JMM, aided by the external adviser are working very hard together with the various financiers of JMM, mediated by the CDRC, to come to an agreement with respect to the loans. This would be a long process. The successful mediation will enable JMM to be better positioned in the upstream marine logistics segment and ensure its underlying viability going forward.

- (iv) Mohammed Amin bin Mahmud enquired on the Management's view in relation to the valuation of the vessels as the Auditors pointed out that the vessels are over-valued.

To this, Dato' Chairman explained the methodology adopted by the Company in the valuation of vessels. Dato' Chairman pointed out that the Company has adopted a more conservative approach with regards to the valuation of vessels and the vessels are depreciated over a reasonable useful lifespan.

Dato' Chairman went further to explain that the Auditors will determine the value in use for the vessels based on a number of factors such as its ability to generate cash, charter commitments and other factors deemed relevant. Due to the current unfavorable market condition affecting the oil and gas industry, the value in use for the vessels were recorded relatively low and thus, the Company had recognized a total of RM250 million impairment loss for the vessels in its fleet during the financial year 2017.

Lastly, Dato' Chairman viewed that the valuation of the vessels is fair and reasonable and hoped that with the signs of improvement in the oil and gas industry, the vessels will regain its value in the near future.

- 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 SHARIFFUDDIN BIN KHALID WHO RETIRES PURSUANT TO THE COMPANY'S CONSTITUTION (ARTICLE 89 OF THE ARTICLES OF ASSOCIATION AS ADOPTED BEFORE THE ENFORCEMENT OF THE COMPANIES ACT 2016), AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-ELECTION (Ordinary Resolution 1)**

- 2.1 The second agenda was to re-elect Shariffuddin bin Khalid, who was retiring pursuant to Article 89 of the Constitution, and being eligible, offering himself for re-election.

- 2.2 Dato' Chairman informed the Members/Proxies that the profile of Shariffuddin bin Khalid who was standing for re-election is provided on page 6 of the 2017 Annual Report.
- 2.3 Dato' Chairman sought a proposer and seconder in respect of the re-election of Shariffuddin bin Khalid for the Resolution 1.
- 2.4 Resolution 1 on the proposed re-election of Shariffuddin bin Khalid was proposed by Mohammed Amin bin Mahmud and seconded by Khor Ooi Chook.

**3.0 AGENDA 3**

**TO RE-ELECT THE FOLLOWING DIRECTORS WHO RETIRE BY ROTATION PURSUANT TO THE COMPANY'S CONSTITUTION (ARTICLE 107 OF THE ARTICLES OF ASSOCIATION AS ADOPTED BEFORE THE ENFORCEMENT OF THE COMPANIES ACT 2016), AND BEING ELIGIBLE, OFFER THEMSELVES FOR RE-ELECTION: -**

- (i) **DATO' HARUN BIN MD IDRIS** (Ordinary Resolution 2)
- (ii) **NIK ABDUL MALIK BIN NIK MOHD AMIN** (Ordinary Resolution 3)

- 3.1 The next 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' Harun bin Md Idris;
- (ii) Nik Abdul Malik bin Nik Mohd Amin.

- 3.2 Dato' Chairman informed the Members/Proxies that the profiles of the Board who were standing for re-election are provided on pages 5 and 6 of the 2017 Annual Report.

- 3.3 Dato' Chairman sought a 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' Harun bin Md Idris was proposed by Khor Ooi Chook and seconded by A Bakar bin Md Atan.
- (ii) Resolution 3 on the proposed re-election of Nik Abdul Malik bin Nik Mohd Amin was proposed by Mohammed Amin bin Mahmud and seconded by Manmohan Singh a/l Fateh Singh.



**4.0 AGENDA 4  
TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL  
YEAR ENDING 31 DECEMBER 2018 OF UP TO RM900,000, 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 2018 of up to RM900,000 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 Khor Ooi Chook and seconded by Thong Jee Chee.

**5.0 AGENDA 5  
TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS (OTHER THAN  
DIRECTORS' FEES) OF UP TO RM475,000 TO THE NON-EXECUTIVE  
DIRECTORS FOR THE PERIOD FROM 1 JUNE 2018 UNTIL THE NEXT ANNUAL  
GENERAL MEETING OF THE COMPANY (Ordinary Resolution 5)**

5.1 The next agenda was to approve the payment of directors' remunerations (excluding directors' fees) of up to RM475,000 to the non-executive directors for the period from 1 June 2018 until the next Annual General Meeting ("AGM") of the Company and Dato' Chairman invited a proposer and a seconder for Resolution 5.

5.2 The motion was proposed by Mohd Nizam bin Abd Wahab and seconded by Khor Ooi Chook.

**6.0 AGENDA 6  
TO RE-APPOINT MESSRS KPMG PLT AS AUDITORS AND TO AUTHORISE THE  
DIRECTORS TO DETERMINE THEIR REMUNERATION (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.

6.2 Mohammed Amin bin Mahmud enquired on the number of years that Messrs KPMG PLT had been appointed as the Company's External Auditors. Dato' Chairman informed that Messrs KPMG PLT have been appointed as the Company's External Auditors for four (4) years. Prior to this, Messrs Ernst & Young was the appointed External Auditors of the Company for a duration of ten (10) years.

6.3 There being no further questions from the floor, 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 Tengku Khajakee bin Tengku Ibrahim.



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

- (i) **DATO' HARUN BIN MD IDRIS** (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' Harun bin Md Idris 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' Harun bin Md Idris to continue in office as Independent Non-Executive Director was proposed by Thong Jee Chee and seconded by Khor Ooi Chook.
- (ii) Resolution 8 on Tai Keat Chai to continue in office as Independent Non-Executive Director was proposed by Mohammed Amin bin Mahmud and seconded by Manmohan Singh a/l Fateh Singh.

**8.0 AGENDA 8  
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 and  
76 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 and 76 of the Companies Act 2016. Dato' Chairman invited for a proposer and a seconder for the Resolution 9.

8.2 The Resolution was proposed by Khor Ooi Chook and seconded by Mohammed Amin bin Mahmud.

**9.0 AGENDA 9  
TO TRANSACT ANY OTHER BUSINESS OF THE COMPANY OF WHICH DUE  
NOTICE SHALL HAVE BEEN GIVEN**

9.1 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.

9.2 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 21st AGM. All the Members/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 be adjourned for 30 minutes at 10.55 am. to conduct the poll count.

## ANNOUNCEMENT OF POLL RESULTS

At 11.15 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/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 Shariffuddin bin Khalid	446,739,224	100.0000	0	0.0000

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

"THAT Shariffuddin bin Khalid who retired pursuant to Article 89 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' Harun bin Md Idris	446,739,224	100.0000	0	0.0000

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

"THAT Dato' Harun bin Md Idris 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-elect Nik Abdul Malik bin Nik Mohd Amin	446,739,224	100.0000	0	0.0000

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

"THAT Nik Abdul Malik bin Nik Mohd Amin 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 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	446,726,224	99.9971	13,000	0.0029

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

"THAT the payment of Directors' Fees for the financial year ending 31 December 2018 of up to RM900,000, 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' benefits (other than directors' fees)	446,726,224	99.9971	13,000	0.0029

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

"THAT the payment of Directors' benefits (other than Directors' fees) of up to RM475,000 to the Non-Executive Directors for the period from 1 June 2018 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	447,463,624	99.9987	5,600	0.0013

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' Harun bin Md Idris as Independent Non-Executive Director	446,739,224	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. 2, authority be and is hereby given to Dato' Harun bin Md Idris, 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	446,739,224	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 more than 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	446,739,224	100.0000	0	0.0000

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

“THAT pursuant to Section 75 and 76 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.”

## CLOSE OF MEETING

There being no other business to transact, Dato' Chairman declared the meeting closed at 11.20 am.

Confirmed as True and Correct Record of Proceedings,

  
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 Dato' Mohammed Azlan bin Hashim  
 Chairman

Dated: 11 June 2018