

NOTICE OF ELECTION

THIS NOTICE OF ELECTION AND DIVIDEND REINVESTMENT FORM ("DRF") (CONTAINED HEREIN) IS ISSUED IN CONNECTION WITH THE DIVIDEND REINVESTMENT PLAN ("DRP") APPLICABLE TO THE SPECIAL DIVIDEND AND INTERIM DIVIDEND (AS DEFINED BELOW).

THIS NOTICE OF ELECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND IS TO BE READ IN CONJUNCTION WITH THE DIVIDEND REINVESTMENT PLAN STATEMENT ("DRP STATEMENT"). TERMS DEFINED IN THE DRP STATEMENT SHALL HAVE THE SAME MEANING WHEN USED HEREIN UNLESS THE CONTEXT REQUIRES OTHERWISE.

IF YOU WISH TO PARTICIPATE IN THE DRP, YOU MUST COMPLETE AND RETURN THE DRF TO SYMPHONY SHARE REGISTRARS SDN BHD ("SHARE REGISTRAR"), SUCH THAT IT REACHES THE SHARE REGISTRAR ON OR BEFORE THE EXPIRY DATE (AS DEFINED BELOW). IF YOU DECIDE TO RECEIVE YOUR ENTIRE SPECIAL DIVIDEND AND INTERIM DIVIDEND IN CASH ONLY, YOU DO NOT NEED TO TAKE ANY ACTION. THE PAYMENT OF SUCH CASH DIVIDENDS WILL BE MADE TO YOU ON THE PAYMENT DATE (AS DEFINED BELOW) AS PER THE ARRANGEMENT THAT YOU HAVE APPROVED EARLIER.

MARINE & GENERAL BERHAD

(formerly known as SILK Holdings Berhad)
(Company No.: 405897-V)
(Incorporated in Malaysia)

NOTICE OF ELECTION IN RELATION TO THE DRP THAT GIVES SHAREHOLDERS THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND(S) DECLARED BY MARINE & GENERAL BERHAD (FORMERLY KNOWN AS SILK HOLDINGS BERHAD) ("M&G") IN NEW ORDINARY SHARES OF M&G ("SHARES")

PRINCIPAL ADVISER



AFFIN HWANG
CAPITAL

AFFIN HWANG INVESTMENT BANK BERHAD

(Company No.: 14389-U)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

FINANCIAL ADVISER



ASTRAMINA
ADVISORY

Astramina Advisory Sdn Bhd

(Company No.: 810705-K)

(A licenced corporate finance advisory firm)

To: The Entitled Shareholders of Marine & General Berhad (formerly known as SILK Holdings Berhad)

Dear Sir/Madam,

The DRP was approved by our shareholders at the Extraordinary General Meeting held on 21 June 2017. Our Board of Directors ("**Board**") on 21 June 2017, declared a special dividend of 10 sen per Share held ("**Special Dividend**") and an interim dividend of 5 sen per Share held ("**Interim Dividend**") (collectively, the "**Dividends**"). Our Board has also determined that the DRP will be applicable to the Dividends. The Reinvestment Option (as defined below) will be applicable to the entire portion of the Dividends ("**Electable Portion**"). The DRP as approved provides that the issue price of the new Shares shall be fixed by the Board at no more than 10% discount to the adjusted volume weighted average market price ("**VWAP**") of the Shares for the 5 market days immediately prior to the Price-Fixing Date (as defined below). The VWAP shall be ex-dividend, i.e. adjusted for dividend before applying the aforementioned discount in fixing the issue price.

The new Shares will be issued to you at the issue price of RM0.32 per new Share as determined on 21 June 2017 ("**Price-Fixing Date**"). The issue price of RM0.32 is at a 9.25% discount to the adjusted VWAP of the Shares for the 5 market days immediately prior to the Price-Fixing Date of RM0.5026.

The DRP provides you with the option to elect to reinvest the whole or part of the Electable Portion into new Shares. This Notice of Election ("**NOE**") (including the DRF) is issued in connection with the DRP applicable to the Special Dividend and Interim Dividend. If you elect to reinvest the entire Electable Portion or a part thereof into new Shares ("**Reinvestment Option**"), you must complete and sign the DRF contained in this NOE and submit it to the Share Registrar such that it reaches the Share Registrar on or before the last date and time as specified below. No cash payment is required from you should you elect the Reinvestment Option. However, a Malaysian Revenue Stamp (not postage stamp) of Ringgit Malaysia Ten (RM10.00) only must be affixed on the DRF.

Any issuance of new Shares pursuant to this NOE (including the DRF) is subject to the terms and conditions as stated in the DRP Statement and this NOE (including the DRF) issued by M&G. The maximum number of new Shares that has been set out in the DRF was computed based on your entitlement for the Electable Portion as at 26 July 2017 ("**Entitlement Date**").

You will receive the Electable Portion in cash if you do not expressly elect in writing to participate in the DRP according to its terms. As such, you need not take any action if you wish to receive your Electable Portion in cash.

Last date and time for the DRF to be received by the Share Registrar	: Friday, 11 August 2017 at 5.00 p.m. , or such later date and time as may be extended by the Board at its sole discretion (" Expiry Date ")
Issuance and allotment of new Shares as well as payment of cash dividend to shareholders	: Wednesday, 23 August 2017 ("Payment Date")

By order of the Board

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

Company Secretaries

SHARE REGISTRAR
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel No: (03) 7849 0777

Fax No: (03) 7841 8151 / 7841 8152

THIS NOTICE OF ELECTION IS DATED 28 JULY 2017

DIVIDEND REINVESTMENT FORM

THIS DRF IS ISSUED IN CONNECTION WITH THE DRP APPLICABLE TO THE SPECIAL DIVIDEND OF 10 SEN PER SHARE AND INTERIM DIVIDEND OF 5 SEN PER SHARE. IF YOU WISH TO PARTICIPATE IN THE DRP, YOU MUST COMPLETE AND RETURN THIS DRF TO THE SHARE REGISTRAR SUCH THAT IT REACHES THE SHARE REGISTRAR ON OR BEFORE THE EXPIRY DATE. IF YOU DECIDE TO RECEIVE YOUR ENTIRE SPECIAL DIVIDEND AND INTERIM DIVIDEND ENTITLEMENTS IN CASH ONLY, YOU DO NOT NEED TO TAKE ANY ACTION. THE PAYMENT FOR SUCH CASH DIVIDENDS WILL BE MADE TO YOU ON THE PAYMENT DATE AS PER THE ARRANGEMENT THAT YOU HAVE APPROVED EARLIER.

To: **The Board of Directors
Marine & General Berhad (formerly known as SILK Holdings Berhad) ("M&G" or the "Company")**

Name, Address and Central Depository System ("CDS") Account Number of Entitled Shareholder

NRIC No./ Company No. CDS A/C No.
No. of ordinary shares in M&G ("Shares") held at 5:00 p.m. on 26 July 2017

SPECIAL DIVIDEND AND INTERIM DIVIDEND ENTITLEMENTS

	Net Dividend (RM)
Special Dividend of 10 sen per Share held (Electable Portion) ⁽¹⁾	RM
Interim Dividend of 5 sen per Share held (Electable Portion) ⁽¹⁾	RM
Total Dividend of 15 sen per Share held (Electable Portion) ⁽¹⁾	RM
Maximum number of new Shares available for Reinvestment Option under the DRP ⁽²⁾	
Amount of Electable Portion reinvested based on maximum entitlement ⁽³⁾	RM
Balance of Electable Portion not reinvested ⁽⁴⁾	RM

REINVESTMENT OPTION

Please take note that:

- (i) If you decide to reinvest only part of your Electable Portion into new Shares, you are required to fill up the number of new Shares that you wish to subscribe for in Part A and complete this DRF by signing in Part B.
- (ii) However, if you submit this DRF by signing in Part B without filling up the number of new Shares that you wish to subscribe for in Part A, you are deemed as reinvesting the entire Electable Portion into new Shares under the DRP.
- (iii) No cash payment is required from you should you elect to participate in the DRP. However, a Malaysian Revenue Stamp (not postage stamp) of Ringgit Malaysia Ten (RM10.00) only must be affixed on this DRF.

PART A
Number of new Shares that you elect to subscribe for under the Reinvestment Option at RM0.32 per Share ⁽⁵⁾
(Please note that the respective balance of the Electable Portion will be paid in cash)

Notes:

- (1) The Board of Directors ("Board") of M&G declared a special dividend of 10 sen per Share and an interim dividend of 5 sen per Share for the financial year ending 31 December 2017 (collectively, the "Dividends"). The Board has determined that the DRP shall apply to the entire portion of the Dividends.
- (2) The maximum number of new Shares available to you for the Reinvestment Option ("Maximum Share Entitlement") is calculated based on the Electable Portion as at 26 July 2017 and the issue price of RM0.32 per Share, rounded down to the nearest unit. It should be noted that any fractional entitlement of new Shares will be paid in cash to you in the usual manner.
- (3) Kindly take note that you have the option to elect to participate to reinvest the whole or part of the Electable Portion into new Shares and if applicable, to receive the balance of the Electable Portion not reinvested in cash; or elect not to exercise the Reinvestment Option and thereby receive the entire Electable Portion wholly in cash.
- (4) The balance of Electable Portion not reinvested is the portion of the Dividends after deducting the Electable Portion reinvested where fractional shares have been disregarded, where applicable, and will be paid in cash in the usual manner.
- (5) Please type or write clearly in ink the number of new Shares that you elect to subscribe for under the Reinvestment Option. Please note that the number of new Shares that you elect to subscribe for under the Reinvestment Option must not be greater than your Maximum Share Entitlement.

PART B
I/We* hereby elect to participate in the DRP and hereby irrevocably agree to subscribe to the total number of new Shares under the Reinvestment Option as stated above, at an issue price of RM0.32 per Share, subject to the Terms and Conditions as set out in the DRP Statement and the NOE and further confirm compliance with all requirements for acceptance as set out therein.

I/We* hereby confirm and declare and/or represent and warrant and/or agree that:

- (i) I/We* have complied with all the requirements in completing this DRF;
- (ii) I/We* have provided and filled up all information fields and declarations required under this DRF accurately and completely with valid information which is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository");
- (iii) I/We* acknowledge and consent to M&G and the Share Registrar to collect all the information and personal data ("Data") required herein to process and disclose such Data to any person including regulators for the purpose of effecting the DRP and storing such Data in any data servers located in Malaysia or overseas in accordance with the relevant laws and regulations;
- (iv) I/We* hereby agree and confirm that should I/we* fail to meet or comply with all the requirements and information required in this DRF or that the information herein differs from Bursa Depository's records, M&G has the absolute and unfettered right to reject this DRF and my/our* exercise made herein. In the event M&G rejects this DRF or exercises its discretion to accept this DRF notwithstanding the non-compliance with any or all the requirements to this DRF, M&G shall be absolved from and shall not be liable or responsible for any or all forms of liabilities, losses, damages, costs (on a solicitor client basis) and claims that may be incurred or suffered by me/us* as a result thereof;
- (v) I/We* further agree that in the event any one or more of the information, confirmations, declarations stated herein prove to be false, I/we* agree to indemnify in full and hold harmless M&G, the Share Registrar and/or other advisers for the DRP against any or all forms of liabilities, losses, damages, costs (on a solicitor client basis) and claims that may be incurred or suffered by me/us* as a result thereof;
- (vi) The acceptances of entitlements as stated in this DRF are valid and that M&G, the Share Registrar and the other advisers for the DRP would not, by acting on such acceptances, be in breach of any statute, laws or regulations in force in Malaysia or any other relevant jurisdictions as the case may be, to which the above named persons are or might be subject;
- (vii) I/We* am/are* 18 years of age or over and not an undischarged bankrupt; and
- (viii) I/We* have read and understood the terms and conditions stated in the DRP Statement and agree to be bound by the DRP Statement.

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

**AFFIX
MALAYSIAN
REVENUE STAMP
OF RM10.00 HERE
(NOT POSTAGE
STAMP)**

Contact telephone number

Dated this day of 2017

Last date and time for the DRF to be received by the Share Registrar	: Friday, 11 August 2017 at 5.00 p.m., or such later date and time as may be extended by the Board at its sole discretion ("Expiry Date")
Issuance and allotment of new Shares as well as payment of cash dividend to shareholders	: Wednesday, 23 August 2017 ("Payment Date")

* Please delete whichever is not applicable

NOTES AND INSTRUCTIONS FOR COMPLETING THE DIVIDEND REINVESTMENT FORM

YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE DIVIDEND REINVESTMENT PLAN STATEMENT TO WHICH THIS NOTICE OF ELECTION (CONTAINING THE DIVIDEND REINVESTMENT FORM) RELATES IN ITS ENTIRETY BEFORE COMPLETING THE DIVIDEND REINVESTMENT FORM.

INSTRUCTIONS:

- (1) The DRF, duly completed and signed, must be received by Symphony Share Registrars Sdn Bhd ("**Share Registrar**"), by post or by hand, not later than **5.00 p.m. on 11 August 2017**, being the Expiry Date of the election offer period, or such other date and time as may be extended by the Board at its sole discretion, at the following address:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel No: (03) 7849 0777

Any DRF received by the Share Registrar after the date and time stipulated above shall be regarded as null and void and of no legal effect unless the Board in its sole discretion determines otherwise and such shareholder who is entitled to the Special Dividend and Interim Dividend based on his/her/its entitlement on the Entitlement Date ("**Entitled Shareholder**"), as the case may be, shall be deemed to have elected to receive the Electable Portion in cash. A completed and signed DRF, once received by the Share Registrar from you, is irrevocable and shall be binding on you.

- (2) One DRF will be issued in respect of your shareholdings in one CDS account. For each DRF, you can have the option to elect to participate in the DRP and thereby reinvest the whole or in part of the Electable Portion into new Shares under the Reinvestment Option, and if applicable, to receive the balance of the Electable Portion not reinvested in cash. Accordingly, for each DRF, you can elect to exercise the Reinvestment Option in full or partially as stipulated in the DRF or if you do not so elect, you will receive the Electable Portion wholly in cash as stipulated in the DRF. If you receive more than one DRF and wish to reinvest into new Shares in respect of all or part of your entitlement to the Electable Portion of your shareholding to which the DRFs relate, you must complete all DRFs received and return the completed DRFs to the office of the Share Registrar as stated above. Multiple submissions in relation to the same CDS account, or those appearing to be, or suspected of being multiple submissions in relation to the same CDS account, may be rejected at the discretion of the Board, and shall be treated as having elected to receive the Electable Portion in cash.
- (3) The DRF must be completed and signed in accordance with the notes and instructions in the DRP Statement and NOE. DRFs that do not conform to the terms of the DRP Statement and NOE or which are illegible may not be accepted at the sole discretion of the Board. The Board reserves the right at their absolute discretion to reject DRFs which are incomplete, incorrectly completed, damaged and/or illegible and such submitting shareholders shall be treated as having elected to receive their Electable Portion in cash in respect of the rejected DRFs.
- (4) The Maximum Share Entitlement that has been set out in this DRF was computed based on your entitlement for the Electable Portion as at 26 July 2017 and the issue price of RM0.32 per Share, rounded down to the nearest unit. It should be noted that any fractional entitlement of new Shares will be paid in cash to you in the usual manner. In the event that you are to insert the above information in a blank DRF, your Maximum Share Entitlement will be subject to verification against your entitlement for the Special Dividend and Interim Dividend based on your shareholding as stated in the Record of Depositors ("**ROD**") as at 26 July 2017 by the Share Registrar.
- (5) If you decide to reinvest part of the Electable Portion, the number of new Shares that you fill up in Part A of this DRF must not be greater than your Maximum Share Entitlement. If the number of new Shares that you fill up in Part A of this DRF is greater than your Maximum Share Entitlement, you are deemed as reinvesting the entire Electable Portion under the DRP and the number of new Shares to be issued and allotted to you will be based on your Maximum Share Entitlement that has been set out in this DRF.
- (6) General instructions:
- All Entitled Shareholders who wish to reinvest the entire Electable Portion or a part thereof into new Shares must sign and submit all the DRFs received by them. All corporations that wish to reinvest the entire Electable Portion or a part thereof into new Shares must complete the DRF under its common seal in accordance with its Constitution, if applicable, or under the hand of a duly authorised officer(s) or attorney(s).
 - Amendments must be clearly legible and should be countersigned by you in full. Any DRF defaced by erasures or any kind of correcting fluid may be rejected at the discretion of the Board and such shareholder shall be treated as having elected to receive the Electable Portion in cash.
 - Once the DRF has been lodged with our Share Registrar, participation shall be irrevocable and cannot be subsequently withdrawn.
 - No cash payment is required from you should you elect the Reinvestment Option. However, a Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) only must be affixed on the DRF.
- (7) The new Shares arising from the Reinvestment Option will be issued as fully paid and will be credited into your CDS account as stated in the ROD as at the Entitlement Date.
- (8) The contract arising from your Reinvestment Option shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with the DRF, this NOE and the contract arising from the execution of the DRF.
- (9) No acknowledgement of receipt will be issued in respect of any DRF received. Please note that proof of posting cannot be construed or deemed to be proof of receipt by us of such DRF on or before the Expiry Date