

Company Name : Marine & General Berhad (formerly known as SILK Holdings Berhad)

Type : Announcement

Subject : Others

Description : SIGNING OF SUBSCRIPTION AGREEMENT BETWEEN TKH MARINE (L) LTD, JASA MERIN (LABUAN) PLC AND TENG KENG HAN

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INTRODUCTION

The Board of Directors ("Board") of Marine & General Berhad ("M&G") would like to announce that M&G, via its wholly- owned subsidiary Jasa Merin (Labuan) PLC ("JML") has entered into a Subscription Agreement with TKH Marine (L) Ltd ("TKH Marine") and Teng Keng Han ("TKH") for JML to initially subscribe 277,000 shares representing a 50% equity interest in TKH Marine for a cash consideration of USD 277,000.

Subsequent to this initial subscription, JML and TKH shall each subscribe for such number of additional shares in TKH Marine as may be agreed between JML and TKH, to raise an additional USD 1.939 million.

JML has undertaken to subscribe for such number of shares in TKH Marine such that the shareholding proportion of JML in TKH Marine on the Completion Date shall not be less than 70%. Details of this subsequent subscription will be announced separately in due course, should the need arise.

The funds raised from the two (2) subscription exercises will facilitate TKH Marine's acquisition of a product tanker, which will subsequently be added to JML's fleet of tankers and further enhance capacity and their ability to compete in the downstream marine logistics business.

FUNDING FOR THE SUBSCRIPTION

The consideration for the initial and subsequent subscription will be funded through internal funds generated from the disposal of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK"), which was completed on 28 April 2017.

FINANCIAL IMPACT

The entering into the Subscription Agreement is not expected to have any material effect on the net assets, earnings per share and has no effect on the gearing, share

capital and Major Shareholders' shareholding of the Group for the financial period ending 31 December 2018.

It is anticipated that the vessel to be acquired under the Subscription Agreement will contribute positively to Group's future earnings once deployed.

APPROVALS REQUIRED

The Acquisition is not conditional upon any other proposals undertaken or to be undertaken by the Company.

DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors or major shareholders or persons connected to the Directors or major shareholders has any direct or indirect interest in the Acquisition.

DIRECTORS' STATEMENT

The Board of M&G having considered all aspects of the Subscription Agreement is of the opinion that the entering into this agreement is in the best interest of the M&G Group.

This announcement is dated 1 March 2018