



SALCON BERHAD

(Company No: 593796-T)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at Selangor Ballroom 2, Sheraton Subang Hotel & Towers, Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 June 2008 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve payment of Directors' fee for the financial year ended 31 December 2007. (Resolution 2)
3. To re-elect Dato' Seri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas as Director of the Company. (Resolution 3)
4. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary/Special Resolutions:

5. **Special Resolution**
Re-appointment pursuant to Section 129(6) of the Companies Act, 1965 (SEE NOTE 2.1)
"THAT, pursuant to Section 129(6) of the Companies Act, 1965, Dato' Seri Goh Eng Toon be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 5)
6. **Ordinary Resolution**
Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965 (SEE NOTE 2.2)
"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 6)
7. **Ordinary Resolution**
Authority to Allot and Issue Shares Pursuant to the Employees' Share Option Scheme ("ESOS") (SEE NOTE 2.3)
"THAT, subject to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue such number of new ordinary shares of RM0.50 each in the capital of the Company as may be required to be issued pursuant to the exercise of options under the ESOS, which was approved by an Ordinary Resolution passed at the Extraordinary General Meeting of the Company held on 22 July 2003." (Resolution 7)
8. To transact any other business of which due notice have been given.

BY ORDER OF THE BOARD

Ng Yen Hoong (LS 008016)
Lim Poh Yen (MAICSA 7009475)
Company Secretaries

Petaling Jaya, Selangor
4 June 2008

Notes :-

1. Appointment of Proxy
 - (a) A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and Section 149 (1)(b) of the Companies Act, 1965 shall not apply.
 - (b) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
 - (c) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
 - (d) The instrument appointing a proxy must be deposited at the Registered Office at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the meeting or any adjournment thereof.
2. Explanatory Notes to Special Business:
 - 2.1 **RE-APPOINTMENT PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**
The proposed Resolution 5, if passed, will authorise the continuity in office of the Director (who is over the age of 70 years) until the next Annual General Meeting.
 - 2.2 **AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**
The proposed Resolution 6, if passed, will give the Directors authority to allot and issue new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.
 - 2.3 **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**
The proposed Resolution 7, if passed, will give the Directors the authority to allot and issue new ordinary shares pursuant to the ESOS. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.