

## GENERAL ANNOUNCEMENT - OTHERS

### SALCON BERHAD (“SALCON” OR “THE COMPANY”)

DISPOSAL OF 50,000 ORDINARY SHARES IN JUVITER GROUP SDN BHD (“JGSB”), REPRESENTING 100% OF THE TOTAL SHARE CAPITAL OF JGSB BY SALCON XINLIAN SDN BHD (FORMERLY KNOWN AS ANGGERIK MEGAJAYA SDN BHD) (“SXSB”), A 51%-OWNED SUBSIDIARY OF SALCON, TO MR SEE CHE CHI (“SCC”)

#### 1. Introduction

Pursuant to Paragraph 9.19(24) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors of Salcon wishes to announce that SXSB, a 51%-owned subsidiary of the Company, has on 14 December 2017 entered into a Share Sale Agreement with SCC to dispose of 50,000 Ordinary Shares in JGSB, representing 100% of the total share capital of JGSB to SCC for a total cash sale consideration of RM10.00 only (“Sale Consideration”) (hereinafter referred to as “the Disposal”).

Following the Disposal, JGSB shall cease to be an indirect subsidiary of Salcon.

#### 2. Information on JGSB

JGSB was incorporated on 21 February 2017 in Malaysia as a private company limited by shares. The total share capital of JGSB is RM50,000.00 comprising 50,000 ordinary shares.

The principal activities of JGSB are entertainment, event, film and television production, commercial advertising as well as information technology and software development.

The existing directors of JGSB are SCC and Mr Liew Poh Chin.

#### 3. Information on SCC

SCC, a Malaysian, has the following directorships and shareholdings in Salcon and its subsidiaries (“Group”):

Directorship	Shareholdings	Company Name	Remarks
Director	11.9%	Circlic Interactive Tourism Sdn Bhd (“CIT”)	65%-owned subsidiary of Salcon Xinlian Group Limited (“SXGL”)
Director	11.9%	Circlic Sdn Bhd	65%-owned subsidiary of SXGL
Director	39%	SXGL	51%-owned subsidiary of Salcon
Director	-	Beijing Xinlian Yitong Technology Company Limited (“BXYT”)	Wholly-owned subsidiary of SXGL
Director	-	SignCharge Sdn Bhd	64.2%-owned subsidiary of SXGL
Director	-	Wisdom Sports (M) Sdn Bhd	45%-owned subsidiary of CIT
Director	-	Shanghai ShanMao E-Commerce Company Limited	51%-owned subsidiary of BXYT
Director	39%	SXSB	51%-owned subsidiary of Salcon

#### **4. Basis of arriving at and justification for the Sale Consideration**

The Sale Consideration was arrived at after taking into consideration the negative shareholders fund of JGSB of RM412,923.00 based on the management accounts of JGSB as at 30 November 2017.

#### **5. Effects of the Disposal**

##### **5.1 Share capital and substantial shareholders' shareholding**

The Proposed Disposal does not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

##### **5.2 Earnings per share, net assets per share and gearing**

The Proposed Disposal will not have any significant effect on the earnings per share, net assets per share and gearing of Salcon Group for the financial year ending 31 December 2017.

#### **6. Interest of Directors, Major Shareholders and/or persons connected to them**

By virtue of the directorships and shareholding of SCC in Salcon Group as disclosed in Section 3 of this announcement, he is a related party in the Disposal.

Save as disclosed above, none of the directors and/or major shareholders of the Company, or persons connected with them have any interest, direct or indirect, in the Disposal.

#### **7. Audit Committee's Statement**

The Audit Committee, after having considered the Disposal, is of the opinion that the Disposal is:-

- (i) in the best interest of the Company;
- (ii) fair, reasonable, and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

#### **8. Directors' Statement**

The Board of Directors of Salcon, after having considered the Disposal, is of the opinion that the Disposal is:-

- (i) in the best interest of the Company;
- (ii) fair, reasonable, and on normal commercial terms; and
- (iii) not detrimental to the interest of the minority shareholders of the Company.

This announcement is dated 14 December 2017.