

**SALCON BERHAD (“SALCON” OR “THE COMPANY”)
GENERAL ANNOUNCEMENT – OTHERS
ACQUISITION OF A SHELF COMPANY – BAIDURI NYAMAN SDN BHD**

Pursuant to Paragraph 9.19(23) of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors of Salcon wishes to announce that Salcon Water International Limited, a wholly-owned subsidiary of Salcon has on 27 January 2017 acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Baiduri Nyaman Sdn Bhd (Company No. 1210666-V) (“BNSB”), a shelf company incorporated in Malaysia, for a total cash consideration of RM2.00 (“Acquisition”). Following the Acquisition, BNSB shall become a wholly-owned subsidiary of Salcon.

BNSB was incorporated on 29 November 2016 in Malaysia. The authorised share capital of AMSB is RM400,000.00 comprising 400,000 ordinary shares of RM1.00 each and its issued share capital consists of 2 Ordinary Shares of RM1.00 each which have been fully paid.

The eventual issued and paid-up share capital of BNSB shall be RM7,143.00 divided into 7,143 ordinary shares of RM1.00 each and the share capital may increase from time to time depending on the future working capital requirements of BNSB.

The intended principal activity of BNSB is within the domain of mobile commerce, focusing on consumers of China and South East Asia

The Acquisition does not have any effect on the share capital and substantial shareholders’ shareholdings of Salcon. It is also not expected to have any material effect on the net assets per share, gearing and earnings per share of Salcon for the financial year ending 31 December 2017.

None of the Directors and/or major shareholders of Salcon or persons connected with them, have any direct or indirect interest in the Acquisition.

This announcement is dated 27 January 2017.