

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

PROPOSED ACQUISITION OF 100,000 ORDINARY SHARES IN RAYVN AS (“RAS”), FROM TOTAL SAFETY AS (“TSA”) (50,000 ORDINARY SHARES) AND ENOVATE AS (“ENOVATE”) (50,000 ORDINARY SHARES) BY TANJUNG JUTARIA SDN BHD (“TJSB”), A WHOLLY-OWNED SUBSIDIARY OF SALCON ENGINEERING BERHAD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF SALCON FOR A TOTAL PURCHASE CONSIDERATION OF NOK1,500,000.00 (“PROPOSED ACQUISITION”)

PROPOSED SUBSCRIPTION OF 818,182 ORDINARY SHARES IN RAS BY TJSB FOR A CONSIDERATION OF NOK3,500,000.00 (“PROPOSED SUBSCRIPTION”)

(Collectively known as “Transactions”)

1. INTRODUCTION

Pursuant to Paragraph 10.05 of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Main LR”), the Board of Directors of Salcon, wishes to announce that on 16 February 2017, TJSB has entered into the Share Subscription cum Purchase Agreement (“SSCPA”) with TSA, ENOVATE, Mr John Rider Williams (“JRW”) and RAS for the following purposes:-

- (a) acquisition by TJSB of 100,000 ordinary shares of NOK1.00 each in RAS from TSA and ENOVATE in the following manner, free from all encumbrances and together with all rights, benefits, title to, interest in and entitlements attaching thereto on the terms and subject to the conditions contained in the SSCP A for a total purchase consideration of NOK1,500,000.00 (equivalent to approximately RM794,715.00*) (“Purchase Consideration”):-

Purchaser	Vendor	Number of Ordinary Shares of NOK1.00 each in RAS to be purchased by TJSB from the vendor	Purchase Consideration
TJSB	TSA	50,000	NOK750,000.00
TJSB	ENOVATE	50,000	NOK750,000.00
	Total	100,000	NOK1,500,000.00

NOK: Norwegian currency

- (b) subscription of 818,182 ordinary shares of NOK4.278 each (of the enlarged issued and paid-up share capital) in RAS by TJSB, free of all encumbrances and shall, whether fully paid up or not, rank *pari passu* in all respects with each other and the existing issued ordinary shares in RAS for a consideration of NOK3,500,000.00 (equivalent to approximately RM1,854,335.00*) (“Subscription Price”).

RAS was incorporated on 19 December 2016 under the laws of Norway. The principal activity of RAS is *inter alia* engaged in the business of developing and selling a web-based software solution for crisis management namely the Emergency Log Unit which is a cloud-based dashboard for real-time management of incidents and emergencies.

The shareholding structure of RAS before and after the Transactions is detailed as follows:-

Shareholders of RAS	Before the Transactions		After the Transactions	
	No. of ordinary shares held	%	No. of ordinary shares held	%
TSA	450,000	45.0	400,000	22.0
ENOVATE	450,000	45.0	400,000	22.0
JRW	100,000	10.0	100,000	5.5
TJSB	-	-	918,182	50.5
Total	1,000,000	100.00	1,818,182	100.00

Upon completion of the Transactions, RAS will become a subsidiary of Salcon.

2. DETAILS OF THE PURCHASE CONSIDERATION AND SUBSCRIPTION PRICE

The Purchase Consideration and Subscription Price shall be paid in cash and financed by loan from the holding company of TJSB in the following manner:-

(a) Purchase Consideration

Upon the execution of SSCPA and subject to the completion obligation as stipulated in the SSCPA, TJSB shall forward and/or cause to forward to TSA and ENOVATE the Purchase Consideration.

(b) Subscription Price

Upon the execution of SSCPA and subject to the completion obligation as stipulated in SSCPA, TJSB shall pay RAS the Subscription Price.

3. PERCENTAGE RATIO

The highest percentage ratio applicable to the Transactions pursuant to Paragraph 10.12 of the Main LR computed based on Salcon's latest audited consolidated financial statements for the financial year ended 31 December 2015 is 0.46%.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the directors and/or major shareholders of the Company, or persons connected with them have any interest, direct or indirect, in the Transactions.

This announcement is dated 16 February 2017.

* Based on the exchange rate of NOK1.00 = RM0.52981 on 15/2/2017 as set out in www.xe.com