



SALCON BERHAD

(Company No.: 593796-T)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Salcon Berhad ("Salcon" or the "Company") will be held at Classics Ballroom 2, Level 3, Holiday Villa Hotel & Suites Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 21 January 2011 at 10.30 a.m., for the purpose of considering and if thought fit, passing the following resolution, with or without any modifications:

ORDINARY RESOLUTION

PROPOSED DISPOSAL BY SALCON BERHAD OF 40% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SALCON WATER (ASIA) LIMITED ("SALCON ASIA") TO CHALLENGER EMERGING MARKET INFRASTRUCTURE FUND PTE. LTD ("EMIF") FOR A TOTAL CASH CONSIDERATION OF RENMINBI 238 MILLION AFTER A PROPOSED INTERNAL RESTRUCTURING ("PROPOSED DISPOSAL")

"**THAT**, subject to the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to dispose 126,248,603 ordinary shares of HKD1.00 each in Salcon Asia, representing 40% of the entire issued and paid-up share capital of Salcon Asia to EMIF for a total cash consideration of Renminbi 238 million after the Proposed Internal Restructuring (as defined in the Circular dated 6 January 2011) in accordance with the terms and conditions of the conditional Sale and Purchase Agreement dated 22 November 2010 entered into between Salcon and EMIF;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and matters as they may consider necessary or expedient to give full effect to the aforesaid Proposed Disposal with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the aforesaid Proposed Disposal as may be required by any relevant authorities and to execute, deliver and/or cause to be delivered such documents and agreements in connection therewith."

BY ORDER OF THE BOARD

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

Kuala Lumpur
6 January 2011

Notes:

1. 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.
2. 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.
3. 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.
4. 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.