



## 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 Victorian Ballroom, Level 1, Holiday Villa Subang, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 27 November 2013 at 9.30 a.m., for the purpose of considering and if thought fit, passing the following resolution, with or without any modifications:

#### ORDINARY RESOLUTION

#### PROPOSED DISPOSALS OF THE ENTIRE EQUITY INTERESTS HELD IN THE FOLLOWING:

- (I) SALCON DARCO ENVIRONMENTAL PTE LTD ("SALCON DARCO");
- (II) SALCON JIANGSU (HK) LIMITED ("SALCON JIANGSU");
- (III) SALCON FUJIAN (HK) LIMITED ("SALCON FUJIAN");
- (IV) SALCON ZHEJIANG (HK) LIMITED ("SALCON ZHEJIANG");
- (V) SALCON LINYI (HK) LIMITED ("SALCON LINYI"); AND
- (VI) SALCON SHANDONG (HK) LIMITED ("SALCON SHANDONG"),

for a total cash consideration of RMB955.0 million ("Proposed Disposals").

"THAT, subject to the approvals being obtained from the relevant authorities, approval be and is hereby given to the Company to:

- (i) dispose of 25,768,459 shares in Salcon Darco, representing the entire issued and paid-up share capital of Salcon Darco to Beijing Enterprises Water Group Limited ("BEWG") for a cash consideration of RMB212.0 million;
- (ii) dispose of 1,000 shares of USD1.00 each in Salcon Jiangsu, representing the entire issued and paid-up share capital of Salcon Jiangsu to BEWG for a cash consideration of RMB95.0 million;
- (iii) dispose of 1 share of HKD1.00 each in Salcon Fujian, representing 0.01% of the issued and paid-up share capital of Salcon Fujian and dispose of 84,617,949 shares of HKD1.00 each in Salcon Fujian via Salcon Water (Asia) Limited ("Salcon Water Asia"), a 60%-owned subsidiary of Salcon, representing 99.99% of the issued and paid-up share capital of Salcon Fujian, to BEWG for a total cash consideration of RMB88.0 million;
- (iv) dispose of 1 share of HKD1.00 each in Salcon Zhejiang, representing 0.01% of the issued and paid-up share capital of Salcon Zhejiang and dispose of 61,829,944 shares of HKD1.00 each in Salcon Zhejiang via Salcon Water Asia, representing 99.99% of the issued and paid-up share capital of Salcon Zhejiang, to BEWG for a total cash consideration of RMB150.0 million;
- (v) dispose of 1 share of HKD1.00 each in Salcon Linyi, representing 0.01% of the issued and paid-up share capital of Salcon Linyi and dispose of 40,345,801 shares of HKD1.00 each in Salcon Linyi via Salcon Water Asia, representing 99.99% of the issued and paid-up share capital of Salcon Linyi, to BEWG for a total cash consideration of RMB130.0 million; and
- (vi) dispose of 1 share of HKD1.00 each in Salcon Shandong, representing 0.01% of the issued and paid-up share capital of Salcon Shandong and dispose of 127,488,970 shares of HKD1.00 each in Salcon Shandong via Salcon Water Asia, representing 99.99% of the issued and paid-up share capital of Salcon Shandong, to BEWG for a total cash consideration of RMB280.0 million.

in accordance with the terms and conditions of the conditional sale and purchase agreement dated 12 September 2013 entered into between Salcon and BEWG and conditional sale and purchase agreement dated 12 September 2013 entered into between Salcon, Salcon Water Asia and BEWG;

**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as they may consider necessary or expedient to give full effect to the aforesaid Proposed Disposals with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the aforesaid Proposed Disposals as may be required 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

12 November 2013

#### 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 at the meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
2. For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
4. 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.
5. 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.
6. Only members whose names appear in the Record of Depositors as at 20 November 2013 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.