

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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SALCON BERHAD
[200201026133 (593796-T)]
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE COMPANY TO PURCHASE
ITS OWN SHARES UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED
SHARES**

(“PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE”)

The ordinary resolution in respect of the above proposal will be tabled as Special Business at the Twenty-First Annual General Meeting (“**AGM**”) of Salcon Berhad (“**Salcon**” or “**Company**”) which will be conducted on a **VIRTUAL BASIS** through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (“**Broadcast Venue**”) on Thursday, 13 June 2024 at 10:30 a.m. or any adjournment thereof. The Notice of the AGM and the Proxy Form are despatched together with this Statement.

A member is entitled to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the AGM of the Company via the Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tiah.online>, is entitled to appoint proxy(ies) to participate on his/her/its behalf. The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment of a proxy made in electronic form, the Proxy Form must be deposited via TIH Online website at <https://tiah.online>. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of Proxy Form. All Proxy Form submitted must be received by the Company on or before the date and time indicated below should you be unable to attend the meeting.

Last date and time for lodging the Proxy Form : Tuesday, 11 June 2024 at 10.30 a.m.

Date and time of the AGM : Thursday, 13 June 2024 at 10.30 a.m.

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Statement:

Act	:	The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
AGM	:	Annual General Meeting
Annual Report 2023	:	Annual Report of Salcon for the financial year ended 31 December 2023
Board	:	The Board of Directors of Salcon
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Code	:	The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and include any re-enactment thereof
Directors	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
EPS	:	Earnings per share
Listing Requirements	:	Bursa Securities Main Market Listing Requirements and any amendments made thereto from time to time
LPD	:	29 March 2024, being the latest practicable date prior to the printing of this Statement
Major Shareholder	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of the voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.
NA	:	Net assets
Proposed Renewal	:	Proposed renewal of shareholders' mandate for the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares.
Purchased Shares	:	Salcon Shares purchased by the Company pursuant to the Proposed Renewal
RM and sen	:	Ringgit Malaysia and sen, respectively
Salcon or Company	:	Salcon Berhad [200201026133 (593796-T)]
Salcon Group or Group	:	Salcon and its subsidiaries, collectively
Salcon Share(s) or Share(s)	:	Ordinary share(s) in Salcon
SC	:	Securities Commission Malaysia
Statement	:	Statement to Shareholders dated 30 April 2024 in relation to the Proposed Renewal
Substantial Shareholder	:	has the meaning given in Section 136 of the Act
Treasury Shares	:	Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127(4)(b) of the Act

DEFINITIONS

All references to “you” in this statement are referred to Salcon’s shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies or corporations.

Any enactment referred to in this Statement is a reference to that enactment as for the time being amended or re-enacted.

All references to dates and time in this Statement are references to dates and time in Malaysia, unless otherwise stated.

Any discrepancy in the tables between the amounts listed and the totals in this Statement are due to rounding.

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SALCON BERHAD

[200201026133 (593796-T)]

(Incorporated in Malaysia)

Registered Office:

15th Floor, Menara Summit,
Persiaran Kewajipan, USJ 1,
47600 UEP Subang Jaya,
Selangor Darul Ehsan

30 April 2024

Board of Directors:

Tan Sri Abdul Rashid bin Abdul Manaf *(Chairman, Independent Non-Executive Director)*

Tan Sri Dato' Tee Tiam Lee *(Executive Deputy Chairman)*

Dato' Leong Kok Wah *(Executive Director)*

Datin Goh Phaik Lynn *(Non-Independent Non-Executive Director)*

Chan Seng Fatt *(Senior Independent Non-Executive Director)*

Dato' Rosli bin Mohamed Nor *(Independent Non-Executive Director)*

To: The Shareholders of Salcon Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

1. INTRODUCTION

On 19 April 2024, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Renewal at the Twenty-First AGM.

The purpose of this Statement is to provide you with information in relation to the Proposed Renewal and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal to be tabled at the forthcoming AGM of the Company. The Notice of the Twenty-First AGM and the Proxy Form are despatched to you together with this Statement.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL

At the last AGM held on 21 June 2023, the Company had obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of issued shares of the Company and the aforesaid approval will expire at the conclusion of the Twenty-First AGM of the Company unless the mandate for share buy-back is renewed.

The Company proposes to seek approval from its shareholders at the Twenty-First AGM for the renewal of authority for the proposed purchase of the Company's own shares of up to ten percent (10%) of the total number of issued shares of the Company, subject to compliance with the provisions of the Act, the Listing Requirements and/or any other relevant authorities.

During the previous 12 months and up to the LPD, the Company had purchased a total of 5,378,200 shares and as at LPD, 322,768 shares were retained as Treasury Shares. The total number of issued shares as at LPD before adjusting for the Treasury Shares held was 1,012,413,655 Salcon Shares.

The Proposed Renewal shall be effective immediately upon the passing of the ordinary resolution to be tabled at the Twenty-First AGM of the Company to be convened and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the Twenty-First AGM at which the ordinary resolution for the Proposed Renewal was passed, at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company after the Twenty-First AGM is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act and Listing Requirements.

3. MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED

The maximum number of Salcon Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time in compliance with Paragraph 12.09 of the Listing Requirements.

As at the LPD, the maximum number of Salcon Shares that can be purchased and/or held by the Company will be as follows:

	<u>No. of Shares</u>
Total number of issued shares of Salcon (including 322,768 Treasury Shares)	<u>1,012,413,655</u>
10% of the total number of issued shares	101,241,365
Less: Total number of treasury shares held by Salcon	(322,768)
Maximum number of shares which may be purchased in respect of the Proposed Renewal	<u><u>100,918,597</u></u>

However, the actual number of Salcon Shares to be purchased by the Company pursuant to the Proposed Renewal, the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company.

4. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND SOURCE OF FUNDS

The funding for the purchase of Salcon Shares pursuant to the Proposed Renewal will be from internally generated funds and/or borrowings or a combination of both, the proportion of which will depend on the actual number of Salcon Shares to be purchased, the price(s) of the Shares, available funds at the time of purchase(s) and other relevant cost factors.

The maximum amount allocated for such transactions shall not exceed the aggregate balance standing in the retained profits of the Company.

Based on the latest Audited Financial Statements of the Company for the financial year ended 31 December 2023, the retained profits of the Company was RM11,926,224.

In the event the Company purchases its own shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment is not expected to have a material effect on the cash flow of the Company.

5. RATIONALE FOR THE PROPOSED RENEWAL

The Proposed Renewal will enable the Company to utilise its surplus financial resources not immediately required for use to purchase its own Shares from the open market of Bursa Securities. The Proposed Renewal, if implemented, may also assist in stabilising the supply and demand, and the price of its Shares traded on Bursa Securities, thereby supporting the fundamental value of the Shares.

The Salcon Shares purchased, whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. The purchase of Salcon Shares may result in an improvement to the consolidated EPS and/or NA per Share (given the decreased share base used for the computation of the EPS and NA), which in turn would benefit the Company and its shareholders.

The Purchased Shares can be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

6. TREATMENT OF PURCHASED SHARES

In accordance with Section 127(4) of the Act, the Board may, at its discretion, deal with any Purchased Shares in the following manners:

- (a) To cancel the Purchased Shares; or
- (b) To retain the Purchased Shares in treasury which is referred to as Treasury Shares; or
- (c) To retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

Based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors may at their discretion:

- (a) distribute all or part of the Shares as dividends to the shareholders, such dividends to be known as "shares dividends";
- (b) resell all or part of the Shares in accordance with the Listing Requirements;
- (c) transfer all or part of the Shares for the purposes of or under an employees' share scheme;
- (d) transfer all or part of the Shares as purchase consideration;
- (e) cancel all or part of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

Section 127(8) of the Act states that the holder of Treasury Shares which are held under Section 127(5) of the Act shall not confer:

- (a) The right to attend or vote at meetings and any purported exercise of such rights is void; and

- (b) The right to receive dividends or other distribution, whether cash or otherwise, of the company's assets including any distribution of assets upon winding up of the company.

While the Purchased Shares are held as Treasury Shares, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the constitution of the Company or the listing requirements of a stock exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Statement, the Board has yet to decide on the treatment of the Shares so purchased and will take into consideration the effects of such treatment on the Company in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation, resale and/or transfer of Shares pursuant to the Proposed Renewal.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL

The potential advantages of the Proposed Renewal to the Company and its shareholders are as follows:

- (a) the Proposed Renewal, if implemented, will allow the Company to utilise its surplus financial resources that the Company has no immediate use, to purchase Salcon Shares. If the Salcon Shares purchased are held as Treasury Shares or cancelled immediately, this may improve the consolidated EPS of the group;
- (b) the Proposed Renewal may also stabilise the supply and demand of Salcon Shares traded on Bursa Securities and reduce the volatility of Salcon Share prices. The stability of Salcon Share prices is important to maintain investors' confidence to facilitate future fund-raising exercises of the Company via the equity market;
- (c) the Proposed Renewal will provide the Company the opportunities for potential gains if the Purchased Shares which are retained as Treasury Shares are resold at prices higher than the purchase prices; and
- (d) in the event the Treasury Shares are distributed as share dividends, it will serve to reward the shareholders of Salcon.

The potential disadvantages of the Proposed Renewal to the Company and its shareholders are as follows:

- (a) the cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Renewal;
- (b) the funds allocated for the Proposed Renewal could be used for other investment opportunities which may emerge in the future; and
- (c) as the funds to be allocated for the Proposed Renewal must be made wholly out of the retained profits of the Company, the amount available from this account for the distribution of dividends to shareholders will be reduced accordingly.

The Proposed Renewal, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Salcon which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal, will be mindful of the interests of the Company and its shareholders.

8. EFFECTS OF THE PROPOSED RENEWAL

The effects of the Proposed Renewal on the share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

(a) Share Capital

The effect of the Proposed Renewal on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. On the assumption that the Proposed Renewal is carried out in full and all the Salcon Shares so acquired are subsequently cancelled, the Proposed Renewal will result in the total number of issued shares of the Company as at the LPD to be reduced as follows:

	No. of Salcon Shares
Issued share capital as at LPD (before adjusting for the Treasury Shares held)	1,012,413,655
Less: Maximum number of Salcon Shares that may be purchased and cancelled pursuant to the Proposed Renewal	(101,241,365*)
Resultant issued share capital after the cancellation of Salcon Shares purchased under the Proposed Renewal	<u>911,172,290</u>

**Inclusive of 322,768 Treasury Shares as at LPD.*

In the event that all the Salcon Shares so purchased are retained as Treasury Shares and not to be cancelled, the Proposed Renewal will not have any effect on the total number of issued shares of the Company.

(b) Earnings

The effects of the Proposed Renewal on the consolidated earnings and EPS of Salcon Group would depend on, *inter alia*, the number of Purchased Shares, the effective cost of funding as well as the interest income foregone in connection with the funding of such Purchased Shares. If the Purchased Shares are retained as Treasury Shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced, and this may improve the consolidated EPS of Salcon Group.

(c) NA

The effect of the Proposed Renewal on the NA of the Group is dependent on the number of Salcon Shares purchased, the purchase price(s) of the Salcon Shares, the effective cost of funding and the treatment of the Salcon Shares purchased.

The Proposed Renewal will reduce the NA per Share if the purchase price is higher than the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is lower than the NA per Share at the time of purchase.

(d) Working Capital

The Proposed Renewal, as and when implemented, will reduce the working capital and cash flow of Salcon Group, the quantum of which depends on, among others, the number of Salcon Shares so purchased and the purchase price(s) of the Salcon Shares.

For Salcon Shares so purchased which are kept as Treasury Shares, upon its resale at a higher selling price than the initial purchase price, the working capital and the cash flow of Salcon Group will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

(e) Dividends

Assuming the Proposed Renewal is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal will have the effect of increasing the dividend rate of the Company as a result of the suspension of the rights of Treasury Shares to dividend entitlement or the reduction in the total number of issued shares of the Company in the event of the Treasury Shares being cancelled.

The Proposed Renewal may reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares may be distributed as dividends to the shareholders of the Company, if the Company so decides.

(f) Gearing

The effect of the Proposed Renewal on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of the Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

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(g) **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Based on the Registers of Directors' Shareholdings and Substantial Shareholders as at LPD and assuming that the Proposed Renewal is implemented up to the maximum of 10% of the total number of issued shares of the Company and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders of Salcon, the effect of the Proposed Renewal on the shareholdings of the Directors and Substantial Shareholders of Salcon are set out below:

	Number of Shares held as at LPD [@]				After the Proposed Renewal [#]			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Directors								
Tan Sri Abdul Rashid bin Abdul Manaf	-	-	-	-	-	-	-	-
Tan Sri Dato' Tee Tiam Lee	58,545,017	5.78	68,430,260 ⁽¹⁾⁽ⁱ⁾ 236,563 ⁽¹⁾⁽ⁱⁱ⁾	6.76 0.02	58,545,017	6.43	68,430,260 ⁽¹⁾⁽ⁱ⁾ 236,563 ⁽¹⁾⁽ⁱⁱ⁾	7.51 0.03
Dato' Leong Kok Wah	5,459,250	0.54	454,929 ⁽²⁾ 101,162,369 ⁽³⁾	0.04 10.00	5,459,250	0.60	454,929 ⁽²⁾ 101,162,369 ⁽³⁾	0.05 11.11
Datin Goh Phaik Lynn	-	-	454,929 ⁽²⁾ 5,459,250 ⁽⁴⁾ 101,162,369 ⁽⁵⁾	0.04 0.54 10.00	-	-	454,929 ⁽²⁾ 5,459,250 ⁽⁴⁾ 101,162,369 ⁽⁵⁾	0.05 0.60 11.11
Chan Seng Fatt	-	-	-	-	-	-	-	-
Dato' Rosli bin Mohamed Nor	-	-	-	-	-	-	-	-
Substantial Shareholders								
Naga Muhibah Sdn Bhd	101,162,369	10.00	-	-	101,162,369	11.11	-	-
Tan Sri Dato' Tee Tiam Lee	58,545,017	5.78	68,430,260 ⁽¹⁾⁽ⁱ⁾	6.76	58,545,017	6.43	68,430,260 ⁽¹⁾⁽ⁱ⁾	7.51
Datin Goh Phaik Lynn	-	-	454,929 ⁽²⁾ 5,459,250 ⁽⁴⁾ 101,162,369 ⁽⁵⁾	0.04 0.54 10.00	-	-	454,929 ⁽²⁾ 5,459,250 ⁽⁴⁾ 101,162,369 ⁽⁵⁾	0.05 0.60 11.11
Dato' Leong Kok Wah	5,459,250	0.54	454,929 ⁽²⁾ 101,162,369 ⁽³⁾	0.04 10.00	5,459,250	0.60	454,929 ⁽²⁾ 101,162,369 ⁽³⁾	0.05 11.11
Tee Xun Hao	236,563	0.02	68,430,260 ⁽¹⁾⁽ⁱ⁾	6.76	236,563	0.03	68,430,260 ⁽¹⁾⁽ⁱ⁾	7.51
Infra Tropika Sdn Bhd	68,430,260	6.76	-	-	68,430,260	7.51	-	-
Berjaya Corporation Berhad	-	-	150,445,000 ⁽⁶⁾	14.87	-	-	150,445,000 ⁽⁶⁾	16.52
Berjaya Group Berhad	-	-	150,445,000 ⁽⁷⁾	14.87	-	-	150,445,000 ⁽⁷⁾	16.52
Bizurai Bijak (M) Sdn Bhd	-	-	106,915,000 ⁽⁸⁾	10.56	-	-	106,915,000 ⁽⁸⁾	11.74
Juara Sejati Sdn Bhd	29,400,000	2.90	121,045,000 ⁽⁹⁾	11.96	29,400,000	3.23	121,045,000 ⁽⁹⁾	13.29
Berjaya Capital Berhad	-	-	106,915,000 ⁽¹⁰⁾	10.56	-	-	106,915,000 ⁽¹⁰⁾	11.74
Inter-Pacific Capital Sdn Bhd	106,915,000	10.56	-	-	106,915,000	11.74	-	-

Notes:

- @ Computation of percentage of shareholdings is based on the total issued shares of Salcon excludes 322,768 Shares held by Salcon as Treasury Shares.
- # Based on the assumption that the maximum number of Shares bought back by Salcon is 10% of the total number of issued shares of the Company, and that the Directors and the substantial shareholders' shareholdings in Salcon remain unchanged.
- (1) (i) Deemed interested through the shares held in Infra Tropika Sdn Bhd pursuant to Section 8 of the Act.
(ii) Deemed interested pursuant to Section 59(11)(c) of the Act through shares held by child (Tee Xun Hao).
 - (2) Deemed interested through the shares held by children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Act.
 - (3) Deemed interested through the shares held by spouse (Datin Goh Phaik Lynn) in Naga Muhibah Sdn Bhd pursuant to Section 8 of the Act.
 - (4) Deemed interested through the shares held by spouse (Dato' Leong Kok Wah) pursuant to Section 8 of the Act.
 - (5) Deemed interested through shareholding in Naga Muhibah Sdn Bhd pursuant to Section 8 of the Act.
 - (6) Deemed interested by virtue of their 100% interest in Berjaya Group Berhad
 - (7) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the holding company of Inter-Pacific Capital Sdn Bhd, REDtone Digital Berhad and their 100% interest in Juara Sejati Sdn Bhd.
 - (8) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the holding company of Inter-Pacific Capital Sdn Bhd.
 - (9) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the holding company of Inter-Pacific Capital Sdn Bhd. and their interest in REDtone Digital Berhad.
 - (10) Deemed interested by virtue of their 100% equity interest in Inter-Pacific Capital Sdn Bhd.

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9. PUBLIC SHAREHOLDING SPREAD

As at LDP, the public shareholding spread of the Company is 63.00%.

The Company will ensure that prior to any share-buy back exercise, the public shareholding spread of at least 25% is maintained.

10. IMPLICATIONS OF THE CODE

As at the LPD, all the substantial shareholders' shareholdings are below 15% of the voting shares of Salcon. In the event that the Proposed Renewal is implemented in full, the shareholding of the substantial shareholders will not trigger threshold of the code which is thirty three percent (33%), assuming the total number of issued shares of Salcon and that held by the substantial shareholders remain unchanged.

The Board does not anticipate any implication relating to the Code, even if the allowed maximum number of Salcon Shares is purchased pursuant to the authority granted under the Proposed Renewal.

The Board is mindful of the requirement of the Code and will continue to be mindful of the requirement when making any purchase of the Salcon Shares pursuant to the Proposed Renewal.

11. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

Kindly refer to the Appendix I for the details of the purchases made by the Company of its own shares during the previous 12 months.

As at the LPD, a total of 322,768 Shares were held as Treasury Shares. The Company has not resold, transferred and/or cancelled any Treasury Shares in the previous 12 months preceding this Statement.

The Company had on 22 May 2023 distributed 24,677,276 Treasury Shares as share dividends to the eligible shareholders on the basis of one (1) Treasury Share for every forty (40) existing ordinary shares held in the Company.

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12. HISTORICAL SHARE PRICES

The monthly highest and lowest price of Salcon Shares as traded on Bursa Securities for the past 12 months from April 2023 to March 2024 are as follows:

	High RM	Low RM
2023		
April	0.215	0.210
May	0.200	0.190
June	0.195	0.190
July	0.185	0.185
August	0.200	0.190
September	0.195	0.190
October	0.185	0.180
November	0.260	0.240
December	0.290	0.265
2024		
January	0.270	0.265
February	0.250	0.240
March	0.275	0.265
Last transacted market price of Salcon Shares on LPD		0.270

(Source: The Wall Street Journal)

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or Major Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Renewal or the subsequent resale of the Treasury Shares, if any.

14. APPROVAL REQUIRED

The Proposed Renewal is subject to the approval of the shareholders of Salcon at the forthcoming Twenty-First AGM to be convened. Save for the approval of the shareholders of Salcon, there is no other approvals required for the Proposed Renewal.

15. DIRECTORS' RECOMMENDATION

The Board, having considered the Proposed Renewal, is of the opinion that the Proposed Renewal is in the best interest of the Company. Accordingly, the Board recommends that the shareholders of Salcon vote in favour of the ordinary resolution pertaining to the Proposed Renewal to be tabled at the Twenty-First AGM of the Company.

16. AGM

The Twenty-First AGM will be conducted on a **VIRTUAL BASIS** through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at <https://tiih.online> from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Bangsar South, No. 8, Vertical Business Suite, Avenue 3, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 13 June 2024 at 10.30 a.m. for the purpose of considering and if thought fit, passing, *inter alia*, the ordinary resolution in relation to the Proposed Renewal under the agenda of "Special Business", to give effect to the Proposed Renewal.

If you are unable to participate remotely at the AGM via the RPV facilities provided, you may appoint proxy(ies) to participate on your behalf. The appointment of proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment of a proxy made in electronic form, the Proxy Form must be deposited via TIIH Online website at <https://tiih.online>. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of the Proxy Form. All Proxy Forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned thereof at which the person named in the appointment proposes to vote.

17. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors
SALCON BERHAD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

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A. FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been approved by the Board of Salcon who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan, during normal business hours from the date of this Statement to the date of the Twenty-First AGM:

- (a) Constitution of the Company; and
- (b) Audited consolidated financial statements of Salcon for the financial years ended 31 December 2022 and 31 December 2023.

B. DETAILS OF THE PURCHASE(S) MADE BY THE COMPANY OF ITS OWN SHARES DURING THE PREVIOUS 12 MONTHS

During the previous 12 months and up to the LPD, the details of the purchases made by the Company of its own shares are as follows:

Date	No. of Shares purchased	Minimum price (RM/share)	Maximum price (RM/share)	Average price (RM/share)	Total consideration paid (RM)
03/04/2023	2,178,300	0.215	0.220	0.220	481,526.95
04/04/2023	1,824,300	0.215	0.220	0.220	402,647.89
05/04/2023	475,600	0.220	0.220	0.220	105,134.79
12/04/2023	900,000	0.220	0.220	0.220	198,950.40