



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 Wednesday, 23 June 2010 at 11.45 a.m., or immediately after the conclusion of the Company's Seventh Annual General Meeting (which will be held at the same venue on the same day at 10.30 a.m.), whichever is earlier, or at any adjournment thereof for the purpose of considering and if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") INVOLVING THE ISSUANCE OF NEW ORDINARY SHARES OF RM0.50 EACH IN SALCON REPRESENTING UP TO FIFTEEN PER CENTUM (15%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SALCON TO ELIGIBLE DIRECTORS AND EMPLOYEES OF SALCON AND ITS SUBSIDIARY COMPANIES ("PROPOSED ESOS")

"THAT subject to the provisions under the Companies Act, 1965 (the "Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Main Market Listing Requirements") and the approvals of the relevant authorities being obtained for the Proposed ESOS, approval be and is hereby given to the Company to:-

- (a) establish and administer the Proposed ESOS which involves the granting of ESOS options to all eligible employees of Salcon and its subsidiaries ("Salcon Group" or the "Group") including Executive Directors of the Company and its subsidiaries (save for subsidiaries which are dormant) who meet the criteria of eligibility for participation of the Proposed ESOS ("Eligible Persons") as set out in the Bylaws, a draft of which is set out in Appendix I of the Circular to Salcon shareholders dated 1 June 2010 ("Bylaws");
- (b) allot and issue such number of new ordinary shares of RM0.50 each ("Salcon Shares") to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed ESOS while this approval is in force provided that the aggregate number of Salcon Shares to be allotted and issued shall not exceed fifteen percent (15%) of the issued and paid-up share capital of the Company at any one time throughout the duration of the Proposed ESOS subject always to the following:-
 - (i) not more than fifty per centum (50%) of the total number of Salcon Shares to be issued under the Proposed ESOS shall be allocated, in aggregate, to Directors and senior management of the Salcon Group; and
 - (ii) not more than ten per centum (10%) of the total number of Salcon Shares to be issued under the Proposed ESOS would be allocated to any one Eligible Person, who either singly or collectively through person(s) connected with him/her holds twenty per centum (20%) or more of the issued and paid-up share capital of Salcon (excluding treasury shares);
- (c) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for and for permission to deal with the new Salcon Shares which may from time to time be allotted and issued pursuant to the Proposed ESOS. Such new Salcon Shares will, upon allotment and issuance, rank pari passu in all respects with the then existing issued and paid-up shares of the Company and will be subject to all the provisions of the Articles of Association of the Company (including those relating to transfer and transmission);
- (d) modify and/or amend the Proposed ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the Bylaws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS;
- (e) extend the duration of the Proposed ESOS for a maximum period of an additional five (5) years (the duration of the Proposed ESOS would then be for a total period of ten (10) years from the effective date of the Proposed ESOS), if the Board of Directors of Salcon deems fit;

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed ESOS with full power to modify and/or amend the Bylaws from time to time as may be required or deemed necessary in accordance with the provisions of the Bylaws relating to amendments and/or modifications and to assent to any condition, variation, modification and/or amendment as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities."

ORDINARY RESOLUTION 2

PROPOSED GRANTING OF OPTIONS TO DATO' TEE TIAM LEE

"THAT, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board of Directors of the Company to administer the Proposed ESOS of the Company, at any time, and from time to time, to offer and grant to Dato' Tee Tiam Lee, being the Executive Deputy Chairman of the Company, options to subscribe for such number of new Salcon Shares under the Proposed ESOS, and to allot and issue such number of new Salcon Shares to him upon exercise of the options, subject always to:-

- (i) the number of Salcon Shares allocated, in aggregate to the Directors and senior management of the Company and/or its subsidiaries (other than a company which is dormant) does not exceed fifty per centum (50%) of the total Salcon Shares available under the Salcon's ESOS scheme as set out herein and governed by the Bylaws ("Scheme");
- (ii) the number of Salcon Shares allocated to any individual eligible director or eligible employee who either singly or collectively through his associates or persons connected with the eligible director or eligible employee (as defined in the Companies Act, 1965) holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company, does not exceed ten per centum (10%) of the total Salcon Shares available under the Scheme; and

such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bylaws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 3

PROPOSED GRANTING OF OPTIONS TO HOW SEE HOCK

"THAT, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board of Directors of the Company to administer the Proposed ESOS of the Company, at any time, and from time to time, to offer and grant to How See Hock, being the Chief Executive Officer of the Company, options to subscribe for such number of new Salcon Shares under the Proposed ESOS, and to allot and issue such number of new

Salcon Shares to him upon exercise of the options, subject always to:-

- (i) the number of Salcon Shares allocated, in aggregate to the Directors and senior management of the Company and/or its subsidiaries (other than a company which is dormant) does not exceed fifty per centum (50%) of the total Salcon Shares available under the Scheme;
- (ii) the number of Salcon Shares allocated to any individual eligible director or eligible employee who either singly or collectively through his associates or persons connected with the eligible director or eligible employee (as defined in the Companies Act, 1965) holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company, does not exceed ten per centum (10%) of the total Salcon Shares available under the Scheme; and

such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bylaws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 4

PROPOSED GRANTING OF OPTIONS TO DATO' LEONG KOK WAH

"THAT, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board of Directors of the Company to administer the Proposed ESOS of the Company, at any time, and from time to time, to offer and grant to Dato' Leong Kok Wah, being the Executive Director of the Company, options to subscribe for such number of new Salcon Shares under the Proposed ESOS, and to allot and issue such number of new Salcon Shares to him upon exercise of the options, subject always to:-

- (i) the number of Salcon Shares allocated, in aggregate to the Directors and senior management of the Company and/or its subsidiaries (other than a company which is dormant) does not exceed fifty per centum (50%) of the total Salcon Shares available under the Scheme;
- (ii) the number of Salcon Shares allocated to any individual eligible director or eligible employee who either singly or collectively through his associates or persons connected with the eligible director or eligible employee (as defined in the Companies Act, 1965) holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company, does not exceed ten per centum (10%) of the total Salcon Shares available under the Scheme; and

such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bylaws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 5

PROPOSED GRANTING OF OPTIONS TO JAGGIT SINGH A/L TARA SINGH

"THAT, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board of Directors of the Company to administer the Proposed ESOS of the Company, at any time, and from time to time, to offer and grant to Jaggit Singh A/L Tara Singh, being the Executive Director of the Company, options to subscribe for such number of new Salcon Shares under the Proposed ESOS, and to allot and issue such number of new Salcon Shares to him upon exercise of the options, subject always to:-

- (i) the number of Salcon Shares allocated, in aggregate to the Directors and senior management of the Company and/or its subsidiaries (other than a company which is dormant) does not exceed fifty per centum (50%) of the total Salcon Shares available under the Scheme;
- (ii) the number of Salcon Shares allocated to any individual eligible director or eligible employee who either singly or collectively through his associates or persons connected with the eligible director or eligible employee (as defined in the Companies Act, 1965) holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company, does not exceed ten per centum (10%) of the total Salcon Shares available under the Scheme; and

such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bylaws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 6

PROPOSED GRANTING OF OPTIONS TO TEE XUN HAO

"THAT, subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board of Directors of the Company to administer the Proposed ESOS of the Company, at any time, and from time to time, to offer and grant to Tee Xun Hao, being a person connected to Dato' Tee Tiam Lee, the Executive Deputy Chairman of the Company, options to subscribe for such number of new Salcon Shares under the Proposed ESOS, and to allot and issue such number of new Salcon Shares to him upon exercise of the options, subject always to:-

- (i) the number of Salcon Shares allocated, in aggregate to the Directors and senior management of the Company and/or its subsidiaries (other than a company which is dormant) does not exceed fifty per centum (50%) of the total Salcon Shares available under the Scheme;
- (ii) the number of Salcon Shares allocated to any individual eligible director or eligible employee who either singly or collectively through his associates or persons connected with the eligible director or eligible employee (as defined in the Companies Act, 1965) holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company, does not exceed ten per centum (10%) of the total Salcon Shares available under the Scheme; and

such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the Bylaws governing and constituting the Proposed ESOS."

BY ORDER OF THE BOARD

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

Kuala Lumpur
1 June 2010

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 appointor or of his attorney duly authorised in writing or if the appointor 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.