

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

GENERAL ANNOUNCEMENT – OTHERS

SUBSCRIPTION OF 65% OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL IN CIRCLIC INTERACTIVE SDN BHD (“CISB”) BY SALCON WATER INTERNATIONAL LIMITED (“SWIL”), A WHOLLY OWNED SUBSIDIARY OF SALCON.

Introduction

Pursuant to Paragraph 9.19(23) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”), the Board of Directors of Salcon wishes to announce that SWIL has on 18 August 2016 entered into a Subscription Agreement with CISB to subscribe for 4,643 ordinary shares of RM1.00 each in CISB, representing 65% of the enlarged issued and paid-up share capital of CISB for a total cash consideration of RM4,643.00 (“Subscription”). Following the Subscription, CISB becomes a 65%-owned subsidiary of Salcon.

On the even date, SWIL has also entered into the Shareholders’ Agreement with Teoh Hooi Fang, Chuah Tse Leong and See Che Chi to regulate their shareholders’ relationships in CISB.

Information on SWIL

SWIL was incorporated in Hong Kong on 20 April 2006 as a private limited company under the Companies Ordinance. The present issued and paid-up share capital of SWIL is HKD1.00. The principal business activity of SWIL is investment holdings.

The existing directors of SWIL are Tan Sri Dato’ Tee Tiam Lee, Dato’ Leong Kok Wah and Law Woo Hock.

Information on CISB

CISB was incorporated on 31 October 2014 as a private limited company under the Companies Act, 1965. The principal business activities of CISB are within the domain of mobile commerce, focusing on consumers of China and South East Asia. The authorised share capital of CISB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each of which 2,500 ordinary shares of RM1.00 each have been issued and are fully paid-up.

The Directors of CISB are See Che Chi, Teoh Hooi Fang and Chuah Tse Leong.

Effects of the Subscription

a Share capital and substantial shareholders’ shareholding

The Subscription does not have any effect on the share capital and substantial shareholders’ shareholdings of the Company.

b. **Earnings per share, net assets per share and gearing**

The Subscription does not have any material effect on the earnings per share, net assets per share and gearing of Salcon Group for the financial year ending 31 December 2016.

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 Subscription.

This announcement is dated 18 August 2016.