

GENERAL ANNOUNCEMENT – OTHERS

Salcon Berhad (“Salcon” or “the Company”)

- Agreement with Appraisal Property Management Sdn Bhd

1. INTRODUCTION

Salcon is pleased to announce that Eco-Coach & Tours (M) Sdn Bhd (“ECT”), a 51.3% owned subsidiary of Salcon Capital Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company had on 29 October 2022 entered into an Agreement with Appraisal Property Management Sdn Bhd (“APM” or “Principal”) to provide safe and punctual transportation services to the employees of APM’s clients (“Client”) at all sites (“Services”) according to their specific timetable the service routes and its changes of which shall be subject to the approval of APM and Client.

(Hereinafter referred to as “the Project”)

2. INFORMATION OF APM

APM is a private limited company incorporated in Malaysia on 29 June 2010 and having its business address at Unit 7.2, Level 7, Menara 1 Sentrum, No. 201, Jalan Tun Sambanthan, 50470 Kuala Lumpur. The present issued share capital of APM is RM750,000 comprising 750,000 ordinary shares. The principal activity of APM is to carry on property or facilities management services.

The directors and shareholders of APM are as follows:

No.	Directors
1.	Tan Loy Fatt
2.	Jamie Tan Mun Onn
3.	Marina Shirin Krishnan

No.	Shareholder	No. of Ordinary Shares held	Percentage %
1.	Appraisal Property Consultants (M) Sdn Bhd	382,500	51%
2.	Jones Lang Lasalle Property Consultants Pte Ltd	367,500	49%

3. DETAILS/ SALIENT TERMS OF THE CONTRACT

3.1 The Project is commencing from 1 March 2023 till 31 December 2026.

3.2 The contract Fees for the Services is as below:

Total Monthly Contract Amount (Exclusive 6% govt. tax)	RM756,631
Total Annual Contract Amount (Exclusive 6% govt. tax)	RM9,079,572

Notes:

- (i) The above prices are based on the fuel price @RM2.15 per litre.
- (ii) This pricing is fixed through the contract tenure except for statutory changes. Any statutory changes imposed during the contract tenure will be paid by the Principal at actuals. ECT must bring any such changes to the Principal's office notice not later than 14 days from the date of official memorandum from relevant government authorities.
- (iii) Fuel price change
Prive revision:
Both ECT and Principal agree to revise the prices if there is variation in the diesel price by +/- 5%. Base fuel price would be RM2.15 per litre.

4. EFFECTS ON FINANCIAL, ISSUED SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDING

The Project is expected to contribute positively towards the earnings and net assets of Salcon Group for the financial years ending 31 December 2023 to 31 December 2026.

The Project will not have any effect on the share capital and substantial shareholders' shareholding of the Company.

5. RISK FACTORS

Salcon does not foresee any exceptional risks other than execution risks associated with the Project.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the directors and/or major shareholders of the Company, or persons connected with them have any interest, direct or indirect, in the Project.

This announcement is dated 4 November 2022.