

GENERAL ANNOUNCEMENT – OTHERS

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

- REDUCTION OF EQUITY INTEREST IN SALCON PETROLEUM SERVICES SDN BHD

1.0 Introduction

Pursuant to Paragraphs 9.19(24) and 10.05 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”), the Board of Directors of Salcon wishes to announce that Salcon Petroleum Services Sdn Bhd (Company No. 1135957-M) (“SPSSB”), a wholly-owned subsidiary of Salcon, has on 10 August 2015 increased its issued and paid up share capital from RM2.00 to RM100,000.00 by way of allotment of an additional 99,998 ordinary shares of RM1.00 each to the following allottees (“the Allotment of Shares”) for cash consideration as follows:-

Allottees	Before the Allotment of Shares		No. of new ordinary shares allotted on 10 August 2015	Total Cash Consideration	After the Allotment of Shares	
	No. of ordinary shares held	%			No. of ordinary shares held	%
Salcon	2	100	48,998	RM48,998.00	49,000	49
Kunci Sempurna Sdn Bhd (“KSSB”)	-	-	51,000	RM51,000.00	51,000	51
Total	2	100	100,000	RM100,000.00	100,000	100

Following the Allotment of Shares, Salcon’s equity interest in SPSSB is reduced from 100% to 49% (“the Reduction”) and SPSSB ceased as a subsidiary of Salcon, and becomes an associated company of Salcon.

2.0 Information on SPSSB

SPSSB was incorporated on 18 March 2015 as a private limited company under the Companies Act, 1965 (“the Act”). The present authorised share capital of SPSSB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each of which 100,000 ordinary shares of RM1.00 each have been issued and are fully paid-up following the Allotment of Shares.

SPSSB is currently a dormant company and its intended principal activity is provision of petroleum related services.

3.0 Information on KSSB

KSSB was incorporated on 18 March 2015 as a private limited company under the Act. The present authorised share capital of KSSB is RM400,000.00 divided into 400,000 ordinary

shares of RM1.00 each of which 100 ordinary shares of RM1.00 each have been issued and are fully paid-up.

The Directors of KSSB are Syed Feisal Alhady and Rizalmanudin Bin Sukri, and their shareholdings in KSSB are as follows:-

<u>Name of Shareholders</u>	<u>Number of Ordinary Shares of RM1.00 each</u>	<u>Percentage of Shareholding</u>
Syed Feisal Alhady	99	99%
Rizalmanudin Bin Sukri	1	1%
TOTAL	100	100%

KSSB is principally engaged in investment holding activities.

4.0 Rationale

The Reduction represents an opportunity for Salcon to work with the strategic partner i.e. KSSB who has the expertise and experience in oil and gas industry.

5.0 Effects of the Reduction

The Reduction will not have any material effects on the earnings per share, net assets per share and gearing of Salcon Group for the financial year ending 31 December 2015. It will not have any effect on the share capital and substantial shareholders' shareholdings of the Company as well.

6.0 Directors' and Major Shareholders' Interest

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

This announcement is dated 10 August 2015.