

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 (593796-T)

(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The ordinary resolution in respect of the above proposal will be tabled as Special Business at the Sixteenth Annual General Meeting ("AGM") of Salcon Berhad ("Salcon" or "Company") which will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Conference Centre, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 19 June 2019 at 10.30 a.m. or any adjournment thereof. The Notice of the AGM and the Form of Proxy are enclosed in the Annual Report 2018 of Salcon despatched together with this Statement.

You are entitled to attend and vote at the AGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Form of Proxy must be completed and lodged at the Registered Office of the Company at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan on or before the date and time indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 17 June 2019 at 10.30 a.m.

Date and time of the AGM : Wednesday, 19 June 2019 at 10.30 a.m.

This Statement is dated 30 April 2019

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 2018	:	Annual Report of Salcon for the financial year ended 31 December 2018
Board	:	The Board of Directors of Salcon
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 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	:	1 April 2019, 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 authority for Salcon to purchase its own shares up to ten percent (10%) of the total number of issued shares of Salcon
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 (Company No. 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 2019 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 (593796-T)
(Incorporated in Malaysia)

Registered Office:

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

30 April 2019

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)*

Dato' Choong Moh Kheng *(Independent Non-Executive Director)*

Chan Seng Fatt *(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 AUTHORITY FOR SHARE BUY-BACK

1. INTRODUCTION

On 5 April 2019, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Renewal at the Sixteenth 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 Sixteenth AGM and the Form of Proxy are enclosed in the Annual Report 2018, 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 27 June 2018, 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 Sixteenth AGM of the Company unless the approval is renewed.

The Company proposes to seek approval from its shareholders at the Sixteenth 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.

As at LPD, the Company had purchased a total of 28,541,127 Shares which were retained as Treasury Shares. The total number of issued shares as at LPD before adjusting for the Treasury Shares held is 847,113,655 Salcon Shares.

The Proposed Renewal shall be effective immediately upon the passing of the ordinary resolution to be tabled at the Sixteenth 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 Sixteenth 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 Sixteenth 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. QUANTUM

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 in compliance with Paragraph 12.09 of the Listing Requirements.

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 2018, the retained profits of the Company are RM46.11 million.

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 financial resources not immediately required for use to purchase its own Shares from Bursa Securities. It may help to stabilise the supply and demand and 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. Therefore, the Proposed Renewal may increase shareholders' value and to improve, *inter alia*, the return on equity of the Group. The purchase of Salcon Shares may result in an improvement to the consolidated EPS and/or NA per Share of the Group (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 of the Act, the Board may, at its discretion, deal with any Purchased Shares in the following manners:-

- (a) To cancel the Purchased Shares;
- (b) To retain the Purchased Shares as Treasury Shares for distribution as shares dividends to the Shareholders of the Company, which then may be applied as a reduction of the retained earnings of the Company, and/or resell on market of Bursa Securities in accordance with the relevant rules of Bursa Securities, and/or transfer for purposes of or under an employees' share scheme, and/or transfer as purchase consideration, and/or cancel subsequently;
- (c) To retain part of the Purchased Shares as Treasury Shares and cancel the remainder; or
- (d) In any other manners as may be prescribed by all applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or relevant authority for the time being in force.

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 will allow the Company to utilise its financial resources where there are no immediate use, to purchase the 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 help to stabilise the supply and demand and price 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 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 Proposed Renewal, if implemented, will reduce the financial resources of the Company;
- (b) the cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Renewal;
- (c) the funds allocated for the Proposed Renewal could be used for other better investment opportunities which may emerge in the future; and
- (d) 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 distribution of dividends to shareholders of the Company may decrease 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 Shares
Issued share capital as at LPD (before adjusting for the Treasury Shares held)	847,113,655
Less: Maximum number of Salcon Shares that may be purchased and cancelled pursuant to the Proposed Renewal	(84,711,366)
Resultant issued share capital after cancellation of Salcon Shares purchased under the Proposed Renewal	<u><u>762,402,289</u></u>

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 funding 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 consolidated NA of the Group may increase or decrease depending 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 when the purchase price exceeds the NA per Share at the time of purchase. On the contrary, the NA per Share will increase when the purchase price is less 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 their resale, the working capital and the cash flow of Salcon Group will increase upon the receipt of the proceeds of the resale. 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 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	50,939,000	6.22	59,539,975 ⁽¹⁾⁽ⁱ⁾ 205,832 ⁽¹⁾⁽ⁱⁱ⁾	7.27 0.03	50,939,000	6.68	59,539,975 ⁽¹⁾⁽ⁱ⁾ 205,832 ⁽¹⁾⁽ⁱⁱ⁾	7.81 0.03
Dato' Leong Kok Wah	4,750,000	0.58	395,831 ⁽²⁾ 88,019,610 ⁽³⁾	0.05 10.75	4,750,000	0.62	395,831 ⁽²⁾ 88,019,610 ⁽³⁾	0.05 11.55
Dato' Choong Moh Kheng	2,998,332	0.37	8,516,260 ⁽⁴⁾	1.04	2,998,332	0.39	8,516,260 ⁽⁴⁾	1.12
Chan Seng Fatt	-	-	-	-	-	-	-	-
Dato' Rosli bin Mohamed Nor	-	-	-	-	-	-	-	-
Substantial Shareholders								
Naga Muhibah Sdn Bhd	88,019,610	10.75	-	-	88,019,610	11.55	-	-
Dato' Seri (Dr.) Goh Eng Toon	3,034,721	0.37	88,019,610 ⁽⁵⁾	10.75	3,034,721	0.40	88,019,610 ⁽⁵⁾	11.55
Tan Sri Dato' Tee Tiam Lee	50,939,000	6.22	59,539,975 ⁽¹⁾⁽ⁱ⁾	7.27	50,939,000	6.68	59,539,975 ⁽¹⁾⁽ⁱ⁾	7.81
Datin Goh Phaik Lynn	-	-	88,019,610 ⁽⁵⁾⁽ⁱ⁾ 395,831 ⁽²⁾ 4,750,000 ⁽⁶⁾	10.75 0.05 0.58	-	-	88,019,610 ⁽⁵⁾⁽ⁱ⁾ 395,831 ⁽²⁾ 4,750,000 ⁽⁶⁾	11.55 0.05 0.62
Dato' Leong Kok Wah	4,750,000	0.58	395,831 ⁽²⁾	0.05	4,750,000	0.62	395,831 ⁽²⁾	0.05
Tee Xun Hao	205,832	0.03	88,019,610 ⁽³⁾	10.75	205,832	0.03	88,019,610 ⁽³⁾	11.55
Infra Tropika Sdn Bhd	59,539,975	7.27	59,539,975 ⁽¹⁾⁽ⁱ⁾	7.27	59,539,975	7.81	59,539,975 ⁽¹⁾⁽ⁱ⁾	7.81

Notes:

@ Computation of percentage of shareholdings is based on the total issued shares of Salcon excludes 28,541,127 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.

(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(1)(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 in Pembinaan Puncu Cergas Sdn Bhd pursuant to Section 8 of the Act.

(5) (i) Deemed interested through shareholding in Naga Muhibah Sdn Bhd pursuant to Section 8 of the Act.

(ii) Deemed interested through shares held by child (Datin Goh Phaik Lynn) in Naga Muhibah Sdn Bhd pursuant to Section 8 of the Act.

(6) Deemed interested through the shares held by spouse (Dato' Leong Kok Wah) pursuant to Section 8 of the Act.

9. PUBLIC SHAREHOLDING SPREAD

The public shareholding spread of the Company as at the LPD and the resulting public shareholding spread of the Company, assuming the Company implements the Proposed Renewal in full, are as follows:-

	As at the LPD [@]	After the Proposed Renewal [#]
Public Shareholding Spread	67.97%	65.61%

Notes:

@ Computation of public shareholding spread is based on total issued shares of Salcon excludes 28,541,127 Shares held by Salcon as Treasury Shares.

Based on the assumption that the maximum number of Shares bought back by Salcon are up to 10% of the total number of issued shares of the Company.

The Board is mindful of the requirement to maintain the public shareholding spread of at least twenty-five percent (25%) of the total number of listed shares of the Company (excluding Treasury Shares) pursuant to Paragraph 8.02(1) of the Listing Requirements and will continue to be mindful of such requirement when making any purchase of Salcon Shares pursuant to the Proposed Renewal.

10. IMPLICATIONS OF THE CODE

Pursuant to the Code, if the Proposed Renewal results in any one of the Directors and/or Substantial Shareholders and their respective parties acting in concert ("Affected Persons") obtain control in the Company or if his/their existing shareholdings is between thirty-three percent (33%) and fifty percent (50%) of the voting shares or voting rights of the Company and as a result of the Proposed Renewal, increase(s) his/their holding of the voting shares or voting rights by more than two percent (2%) in any six (6) months period, the Affected Persons would be obliged to undertake a mandatory offer to acquire the remaining Salcon Shares not already owned by him/them pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the SC under the Code, subject to the Affected Persons complying with certain conditions in the Code.

Based on the Register of Substantial Shareholders of the Company as at the LPD, there should be no implication with regard to the Code on the Company and its Substantial Shareholders arising from the Proposed Renewal in the event that the Proposed Renewal is implemented in full.

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 28,541,127 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.

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 2018 to March 2019 are as follows :-

	High RM	Low RM
2018		
April	0.240	0.187
May	0.253	0.205
June	0.232	0.211
July	0.340	0.219
August	0.335	0.240
September	0.270	0.230
October	0.255	0.220
November	0.275	0.225
December	0.250	0.220
2019		
January	0.265	0.225
February	0.255	0.225
March	0.310	0.240
Last transacted market price of Salcon Shares on LPD		0.285

(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 Sixteenth 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 Sixteenth AGM of the Company.

16. AGM

The Sixteenth AGM, the notice of which is enclosed in the Annual Report 2018, will be held at Victorian Ballroom, Level 1, Holiday Villa Hotel & Conference Centre, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 19 June 2019 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 attend and vote in person at the AGM, you should complete and return the Form of Proxy enclosed in the Annual Report 2018 in accordance with the instructions therein as soon as possible and in any event, so as to arrive at the Registered Office of the Company at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan not later than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The completion and return of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

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 Sixteenth AGM:-

- (a) Constitution of the Company; and
- (b) Audited consolidated financial statements of Salcon for the financial years ended 31 December 2017 and 31 December 2018.

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)
4/4/2018	250,000	0.370	0.370	0.372	93,117.72
6/4/2018	225,000	0.365	0.370	0.368	82,698.60
12/7/2018	910,500	0.310	0.325	0.319	290,658.03
13/7/2018	489,500	0.320	0.325	0.321	157,182.00
16/7/2018	100,000	0.310	0.315	0.313	31,346.25
3/9/2018	1,000,000	0.240	0.250	0.246	245,894.79
4/9/2018	440,000	0.250	0.260	0.257	112,971.58
5/9/2018	550,000	0.255	0.260	0.256	140,813.16
6/9/2018	510,000	0.250	0.255	0.253	129,258.66
7/9/2018	400,000	0.250	0.255	0.252	100,781.49
13/9/2018	301,900	0.235	0.250	0.245	74,010.35
3/10/2018	200,000	0.250	0.250	0.252	50,315.00
8/10/2019	306,100	0.245	0.245	0.247	75,466.97
10/10/2018	300,000	0.240	0.240	0.242	72,453.60
11/10/2018	489,500	0.230	0.235	0.236	115,311.78
12/10/2018	453,500	0.235	0.245	0.244	110,536.08
15/10/2018	380,000	0.245	0.250	0.248	94,189.68
19/10/2018	310,000	0.235	0.240	0.237	73,359.27
23/10/2018	310,000	0.235	0.240	0.238	73,711.48
26/10/2018	1,100,000	0.225	0.240	0.233	256,794.14
29/10/2018	720,000	0.230	0.235	0.234	168,654.73
30/10/2018	1,356,000	0.230	0.245	0.237	321,819.51
31/10/2018	794,900	0.240	0.250	0.245	194,766.12
26/11/2018	451,000	0.235	0.245	0.240	108,317.27
27/11/2018	310,000	0.235	0.240	0.239	74,219.66
28/11/2018	220,000	0.235	0.240	0.237	52,126.34
30/11/2018	1,100,700	0.225	0.235	0.231	254,394.24
3/12/2018	1,211,000	0.230	0.245	0.239	288,961.44

Date	No. of Shares purchased	Minimum price (RM/share)	Maximum price (RM/share)	Average price (RM/share)	Total consideration paid (RM)
4/12/2018	215,500	0.230	0.240	0.237	51,091.37
5/12/2018	945,000	0.230	0.235	0.233	219,731.74
12/12/2018	1,420,000	0.220	0.230	0.225	320,102.87
18/12/2018	1,610,000	0.220	0.225	0.225	363,044.11
19/12/2018	1,160,000	0.225	0.235	0.230	266,721.29
31/12/2018	1,430,000	0.230	0.235	0.234	334,572.47
14/2/2019	122,700	0.240	0.240	0.242	29,663.53
18/2/2019	126,100	0.240	0.240	0.242	30,485.66
20/2/2019	100,000	0.240	0.240	0.242	24,175.20
22/2/2019	50,000	0.245	0.245	0.247	12,340.18
25/2/2019	601,200	0.250	0.250	0.251	150,946.99
26/2/2019	352,200	0.245	0.245	0.247	86,919.62