

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

**- Article in The Star Newspapers, Business News Section entitled “Two telecom contracts for Salcon’s fibre optic arm”**

We refer to the news article appearing in The Star Newspapers, Business News Section, on Monday, 26 October 2015 entitled “Two telecom contracts for Salcon’s fibre optic arm” and in particular, to the sentence in the said article which is reproduced as follows:

*“Salcon, which bought the majority stake in VBT\* in May 2014, signed two 10-year contracts with U Mobile Sdn Bhd and Celcom Bhd for mobile back haul and site rental for shared infrastructure recently.”*

*Note: \* VBT stands for Volksbahn Technologies Sdn. Bhd.*

Salcon wishes to confirm that VBT, a 50% + 1 share joint-venture entity of Salcon, had signed two (2) 10-year contracts with U-Mobile Sdn Bhd (“U-Mobile”) and Celcom Networks Sdn Bhd (“Celcom”) for mobile site rental for shared infrastructure on 6 August 2015 and 3 September 2015 (“the Contracts”) respectively.

The revenue to be generated by VBT from the Contracts is estimated to be approximately RM4 million to RM5 million per annum.

The entering into the Contracts by VBT with U-Mobile and Celcom did not warrant an announcement to Bursa Malaysia Securities Berhad pursuant to Paragraph 9.03 of the Main Market Listing Requirements, as the Board of Directors of Salcon is of the view that :-

1. The site rentals are of revenue nature to VBT and are in the ordinary course of business of VBT; and
2. The Contracts are not expected to have any material effects on the earnings per share, net assets per share and gearing of Salcon Group for the financial years ending 31 December 2015 and 31 December 2016.

None of the directors or substantial shareholders of Salcon or persons connected to them has any interest, whether direct or indirect, in the Contracts.

This announcement is dated 29 October 2015.