



**NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Sixteenth Annual General Meeting of Salcon Berhad ("the Company") 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 following purposes:-

**AGENDA**

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. [Please see Note 2]
- To approve the payment of the first and final dividend via share distribution of treasury shares on the basis of one (1) treasury share for every twenty-nine (29) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2018. [Resolution 1]
- To approve the payment of Directors' fees of up to RM380,000 for the financial year ending 31 December 2019. [Resolution 2]
- To approve the payment of Directors' benefits of up to an amount of RM220,000 for the period from the conclusion of the Sixteenth Annual General Meeting until the next Annual General Meeting of the Company. [Please see Note 3]  
[Resolution 3]
- To re-elect Dato' Leong Kok Wah, the Director who retires pursuant to Article 96 of the Company's Articles of Association. [Please see Note 4]  
[Resolution 4]
- To re-elect the following Directors who retire pursuant to Article 103 of the Company's Articles of Association:- [Please see Note 4]  
i) Dato' Rosli Bin Mohamed Nor [Resolution 5]  
ii) Tan Sri Abdul Rashid Bin Abdul Manaf [Resolution 6]
- To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. [Resolution 7]  
[Please see Note 5]

**AS SPECIAL BUSINESS**

To consider and, if deemed fit, to pass, with or without modifications, the following resolutions:

- Ordinary Resolution Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** [Please see Note 6(a)]  
"THAT subject always to the Companies Act 2016 ("Act"), the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution in Resolution 10 below), Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities and THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting." [Resolution 8]

- Ordinary Resolution Proposed Renewal of Authority for Share Buy-Back** [Please see Note 6(b)]  
"THAT, subject always to the Companies Act 2016 ("Act"), the Articles of Association of the Company (and the Constitution of the Company being adopted upon the passing of the Special Resolution in Resolution 10 below), Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:- [Resolution 9]

- the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- the conclusion of the next annual general meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
  - the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
  - 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 of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities. AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:
- To cancel all or part of the Purchased Shares;
  - To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
  - To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
  - To resell all or part of the treasury shares;
  - To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
  - To transfer all or part of the treasury shares as purchase consideration;
  - To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
  - To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

- Special Resolution Proposed Alteration of the Existing Memorandum and Articles of Association by Replacing with a New Constitution ("Proposed Alteration")** [Please see Note 6(c)]  
"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Annexure A attached herewith with effect from the date of passing of this special resolution. [Resolution 10]  
AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

11. To consider any other business of which due notice shall have been given.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT** subject to the approval of the shareholders of the Company at the Sixteenth Annual General Meeting to be held on 19 June 2019, a first and final dividend will be paid via share dividend by distribution of treasury shares on the basis of one (1) treasury share for every twenty-nine (29) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2018. The share dividend will be credited into Central Depository Securities ("CDS") account of shareholders whose names appear in the Record of Depositors on 28 June 2019. Any fractional entitlement arising from the computation of share dividend entitlement will be disregarded.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the depositor's Securities Account before 4:00 p.m. on 28 June 2019 in respect of transfers; and
- Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Subject to the approval of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") for the transfer of treasury shares under Share Buy-Back Account via bulk transfer method of debiting and crediting, the treasury shares to be distributed under the share dividend will be credited into the entitled CDS account maintained with Bursa Depository within 8 market days from the entitlement date.

**BY ORDER OF THE BOARD**

Wong Wai Foong (MAICSA 7001358)  
Joanne Toh Joo Ann (LS 0008574)  
Company Secretaries

Kuala Lumpur  
30 April 2019

**Notes:-**

- APPOINTMENT OF PROXY**  
(a) A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.  
(b) For an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
(c) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.  
(d) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.  
(e) The instrument appointing a proxy must be deposited at the Registered Office located at 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the meeting or any adjournment thereof.  
(f) Only members whose names appear in the Record of Depositors as at 12 June 2019 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.

- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**  
The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, will not be put forward for voting by shareholders of the Company.

- PAYMENT OF DIRECTORS' FEES AND BENEFITS**  
Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The proposed Resolution 2 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current Board of Directors ("Board") size. In the event the proposed amount of the Directors' fees is insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall. The Directors' benefits under proposed Resolution 3 comprises fixed meeting allowance payable to Non-Executive Directors for attendance at the Board and/or Board Committee meetings and other benefits for Executive Directors. The proposed amount is calculated based on the current Board size and the number of scheduled Board and Board Committee meetings for the period from the conclusion of the Sixteenth Annual General Meeting up to the next Annual General Meeting. In the event the proposed amount of Directors' benefits is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.

- RE-ELECTION OF DIRECTORS**  
Dato' Leong Kok Wah, Dato' Rosli Bin Mohamed Nor and Tan Sri Abdul Rashid Bin Abdul Manaf are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Sixteenth Annual General Meeting. The Board has through the Nomination Committee ("NC"), considered the assessment of the said Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The Board has also through the NC conducted an assessment on the independence of Dato' Rosli Bin Mohamed Nor and satisfied that he has complied with the criteria on independence as prescribed by the Bursa Securities Listing Requirements. The NC had prior to the appointment, assessed the independence of Tan Sri Abdul Rashid Bin Abdul Manaf who is seeking for re-election pursuant to Article 103 of the Company's Articles of Association at the forthcoming Sixteenth Annual General Meeting.

- RE-APPOINTMENT OF AUDITORS**  
The Board has through the Audit Committee, considered the re-appointment of Messrs KPMG PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table the re-appointment of Messrs KPMG PLT at the forthcoming Annual General Meeting, included an assessment of the Auditors' independence and objectivity, calibre and quality process / performance.

- EXPLANATORY NOTES TO SPECIAL BUSINESS**  
(a) **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**  
The proposed Resolution 8 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot any shares pursuant to the mandate granted to the Directors at the previous Annual General Meeting held on 27 June 2018 as there were no requirements for such fund raising activities. The proposed Resolution 8, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s) at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier.  
(b) **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**  
The proposed Resolution 9, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 30 April 2019 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.  
(c) **SPECIAL RESOLUTION ON PROPOSED ALTERATION**  
The proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of the Bursa Securities Listing Requirements and other provisions of laws and regulations that are applicable to the Company.  
For further information on the Proposed Alteration, please refer to the Annexure A.