

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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, 23 June 2021 at 10.30 a.m., to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. [Please refer Note 2] (Resolution 1)
- To approve the payment of the first and final dividend via distribution of treasury shares as share dividends on the basis of one (1) treasury share for every forty-five (45) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2020. [Resolution 2]
- To approve the payment of Directors' fees of up to RM380,000 for the period from the conclusion of the Eighteenth Annual General Meeting until the next annual general meeting of the Company. [Resolution 2] [Please refer Note 3] (Resolution 3)
- To approve the payment of Directors' benefits of up to an amount of RM220,000 for the period from the conclusion of the Eighteenth Annual General Meeting until the next annual general meeting of the Company. [Please refer Note 3] (Resolution 3)
- To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution:- [Please refer Note 4] (Resolution 4) [Resolution 5]
 - Dato' Leong Kok Wah
 - Mr Chan Seng Fatt
- To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. [Resolution 6] [Please refer Note 5]

SPECIAL BUSINESS

- To consider and, if deemed fit, to pass, with or without modifications, the following ordinary resolutions:
- Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** [Please refer Note 6] (Resolution 7)
 "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate").
 THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.
 THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").
 THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:
 - the conclusion of the next Annual General Meeting of the Company held after the approval was given;
 - the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
 - revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.
 (The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)
 THAT the Directors of the Company be and are hereby empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities. THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.
 AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

- Proposed Renewal of Authority for Share Buy-Back** [Please refer Note 7] (Resolution 8)
 "THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, 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:-
 - 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 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 the manner 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 hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository accounts) 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, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

- Continuation in Office as Independent Director** [Please refer Note 8] (Resolution 9)
 "That Dato' Choong Moh Kheng who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company to hold office until the conclusion of next Annual General Meeting of the Company."
- 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 Eighteenth Annual General Meeting to be held on 23 June 2021, a first and final dividend will be paid via distribution of treasury shares as share dividends on the basis of one (1) treasury share for every forty-five (45) existing ordinary shares held in the Company in respect of the financial year ended 31 December 2020 ("Share Dividends"). The Share Dividends will be credited into Central Depository Securities ("CDS") account of shareholders whose names appear in the Record of Depositors on 30 June 2021. Any fractional entitlement arising from the computation of Share Dividends 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 4:30 p.m. on 30 June 2021 in respect of transfers; and
- Shares bought on 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 Dividends 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 Foeng [SSM PC No.: 202008001472 (MAICSA 7001358)]
 Jeanne Toh Joo Ann [SSM PC No.:202008001119 (LS 0008574)]
 Company Secretaries
 Kuala Lumpur
 30 April 2021

Notes:-

- APPOINTMENT OF PROXY**
 - For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 16 June 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
 - A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
 - A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
 - If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
 - Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), 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.
 - Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
 - Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
 - The appointment of a proxy may be made in hard copy form or by electronic form. In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment of a proxy made in electronic form, the proxy form must be deposited via TIH Online website at https://tih.online. Please follow the procedure as set out in the Administrative Guide for the electronic lodgement of proxy form. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
 - Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
 - Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
 - Last date and time for lodging this proxy form is Monday, 21 June 2021 at 10.30 a.m.
 - Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - Identify card (NRIC) (Malaysian), or
 - Police report for loss of NRIC / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
 - For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.
- AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**
 The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not being 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 for the period from the conclusion of the Eighteenth Annual General Meeting up to the next Annual General Meeting, 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 and/or special Board and Board Committees meetings for the period from the conclusion of the Eighteenth 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 and Mr Chan Seng Fatt are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Eighteenth Annual General Meeting.
 The Board has through the Nomination Committee ("NC"), considered the assessment of Dato' Leong Kok Wah and Mr Chan Seng Fatt and agreed that they meet the criteria as prescribed by Paragraph 2.20A of 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 Mr Chan Seng Fatt and satisfied that he has complied with the criteria on independence as prescribed by Bursa Securities Listing Requirements.
- 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 performance.
- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**
 The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2021. With effect from 1 January 2022, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
 The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.
 This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.
 The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders. The Proposed 20% General Mandate will give the Directors the flexibility and cost effectively to raise fund quickly and efficiently to ensure long term sustainability of the Company and safeguard the interest of the Company and shareholders.
 The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.
 As at the date of this Notice, the Company had issued and allotted 139,000,000 new ordinary shares of the Company at an issue price of RM0.195 per share on 20 October 2020 and 26,300,000 new ordinary shares of the Company at an issue price of RM0.255 per share on 28 October 2020 under private placement exercises ("Private Placement") made pursuant to the Proposed 20% General Mandate, which was approved by the shareholders at the Seventeenth AGM held on 29 July 2020 and will lapse at the conclusion of the forthcoming Eighteenth AGM to be held on 23 June 2021.
 As at 8 April 2021, the details of the total proceeds amounting to RM333,811,500 raised pursuant to the Proposed 20% General Mandate are as follows:-

Utilisation purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000
Business expansion/ Future investments	21,827	(28,560)	(6,733)
Working capital	11,834	(5,101)	6,733
Estimated expenses in relation to the Private Placement	150	(150)	Nil
Total	33,811	(33,811)	Nil

- PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**
 The proposed Resolution 8, 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 2021 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.
- CONTINUATION IN OFFICE AS INDEPENDENT DIRECTOR**
 Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.
 Dato' Choong Moh Kheng was appointed to the Board on 3 January 2011 as Independent Director. Hence, he has served for more than nine (9) years.
 The Nomination Committee and the Board had assessed the independence of Dato' Choong Moh Kheng and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justification:-
 - he fulfilled the criteria of an Independent Director pursuant to Bursa Securities Listing Requirements;
 - he is familiar with the Company's business operations as he has been with the Company for a period of more than nine (9) years;
 - his long tenure with the Company has neither impaired nor compromised his independent judgement. He is free from any business or other relationships which could interfere with his exercise of independent judgement. He continues to remain objective and is able to exercise independent judgement in expressing his views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;
 - he has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and
 - he has exercised due care during his tenure as an Independent Director of the Company and carried out his duties in the interest of the Company and shareholders.
 The proposed Resolution 9, if passed, will enable Dato' Choong Moh Kheng to continue to act as an Independent Non-Executive Director of the Company.