

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has perused the contents of this Circular on a limited review basis pursuant to Paragraph 4.1(c) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



登高集團

TANCO HOLDINGS BERHAD

[Registration No. 195801000190 (3326-K)]
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
 (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)**

The ordinary resolution pertaining to the proposal above will be tabled as special business at the 64th Annual General Meeting (“AGM”) of Tanco Holdings Berhad (“Tanco” or “the Company”). The AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC D6A471702) on Wednesday, 20 December 2023 at 10.30 a.m. or at any adjournment thereof. The notice of AGM and the Form of Proxy, are set out in the Annual Report 2023 of the Company, which is issued together with this Circular. Please refer to the Administrative Guide for the AGM on the conduct of a fully virtual AGM.

You are entitled to participate, speak (*in the form of real-time submission of typed texts*) and vote remotely at the AGM via the RPV facilities or appoint a proxy or proxies (*where applicable*) to participate, speak and vote on your behalf. If you wish to do so, the Form of Proxy duly completed and signed must be deposited at the registered office of the Company at No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. Alternatively, the Form of Proxy can be deposited electronically through Vote2U at <https://web.vote2u.my> before the Form of Proxy lodgement cut-off time as mentioned above. The completion and lodgement of the Form of Proxy shall not preclude you from participating, speaking and voting in person at the AGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Monday, 18 December 2023 at 10.30 a.m.

Day, date and time of the AGM : Wednesday, 20 December 2023 at 10.30 a.m.

This Circular is dated 30 October 2023

DEFINITIONS

In this Circular, unless otherwise stated, the following terms and abbreviations shall apply throughout this Circular: -

Act	: Companies Act 2016, as amended from time to time including any re-enactment thereof
AGM	: Annual General Meeting
Board	: Board of Directors of Tanco Holdings Berhad
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular dated 30 October 2023 in relation to the Proposed New Shareholders' Mandate
Director(s)	: Director(s) of the Company and has the meaning given in Section 2(1) of the Capital Market and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive officer of the listed issuer, its subsidiary or holding company
HMSB	: Halaman Mantap Sdn. Bhd. [Registration No. 200501007783 (684830-X)]
Interested Parties	: Dato' Sri Andrew Tan Jun Suan, Mr. Christopher Tan Khoon Suan, Mr. Edwin Tan Kium Suan and TJN Capital
Listing Requirements	: Main Market Listing Requirements of Bursa Securities including any amendments to the Main Market Listing Requirements that may be made from time to time
LPD	: 19 October 2023, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	: A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

For purpose of this definition, "interest in shares" has the meaning given in section 8 of the Act.

For purpose of the Proposed New Shareholders' Mandate, Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is the Company's subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements.

Mandate Period	: The period commencing from and inclusive of 20 December 2023, being the date of the forthcoming AGM and expiring upon the conclusion of the next annual general meeting of the Company; or the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or revoked or varied by a resolution passed by the shareholders
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DEFINITIONS (Cont'd)

	of the Company in a general meeting of the Company, whichever is the earlier
Person(s) connected	: As defined in Paragraph 1.01 of Chapter 1 of the Listing Requirements
Proposed New Shareholders' Mandate	: Proposed new shareholders' mandate to be obtained from the shareholders of the Company at the forthcoming AGM pursuant to paragraph 10.09 of the Listing Requirements for Tanco Group to enter into the Recurrent Related Party Transaction(s) with HMSB during the Mandate Period
Recurrent Transaction(s)	: Transaction(s) of a revenue or trading nature and which are necessary for the day-to-day operations of the Group
Recurrent Related Party Transaction(s)	: Recurrent Transaction(s) which involve(s) the interest, direct and/or indirect, of a Related Party or Related Parties
Related Party or Related Parties	: Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
Tanco or the Company	: Tanco Holdings Berhad [Registration No. 195801000190 (3326-K)]
Tanco Group or the Group	: Tanco and its subsidiaries
TJN Capital	: TJN Capital Sdn. Bhd. [Registration No. 201101037303 (965437-A)]
TSSB	: Tanco Supplies Sdn. Bhd. [Registration No. 199301029944 (284683-H)], an indirect wholly-owned subsidiary of the Company

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include a body of persons, corporate or unincorporated (including a trust).

Any reference to any enactment or guideline in this Circular is a reference to that enactment or guideline as for the time being amended or re-enacted. Any reference to a date and time in this Circular is a reference to Malaysian date and time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

Unless stated otherwise, all information in this Circular is at LPD.

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APPENDIX

Appendix I – Further Information

Appendix II – Extract of the Notice of 64th AGM



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TANCO HOLDINGS BERHAD
[Registration No. 195801000190 (3326-K)]
(Incorporated in Malaysia)

Registered office:
No. 1, Jalan Bandar 1,
Pusat Bandar Puchong,
47160 Puchong,
Selangor Darul Ehsan

30 October 2023

Board of Directors

Dato' Dr. Mohd. Aminuddin Bin Mohd. Rouse (*Non-Independent Non-Executive Chairman*)

Dato' Sri Andrew Tan Jun Suan (*Group Managing Director*)

Koay Ghee Teong (*Executive Director*)

Christopher Tan Khoon Suan (*Executive Director*)

Chew Shen Hoay (*Executive Director and Group Chief Financial Officer*)

Datuk Rashidi Bin Hasbullah (*Independent Non-Executive Director*)

Dato' Martini Binti Osman (*Independent Non-Executive Director*)

Wong Jee Seng (*Independent Non-Executive Director*)

Syafinaz Merican Bt. Isahak Merican (*Independent Non-Executive Director*)

To: Shareholders of the Company

Dear Sir/Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

1. INTRODUCTION

On 10 October 2023, the Company has announced to Bursa Securities of its intention to seek shareholders' approval for Tanco Group to enter into Recurrent Related Party Transactions which are necessary for Tanco Group's day-to-day operations pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming AGM on 20 December 2023 ("**Proposed New Shareholders' Mandate**").

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS WITH DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

2.1.1 Pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions involving recurrent transactions of a revenue or trading nature which are made at arm's length and are necessary for its day-to-day operations subject to, amongst others, the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain the shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must also ensure that persons connected with him/her abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.1.2 Where a listed issuer has procured a shareholders' mandate in respect of Recurrent Related Party Transactions pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions under Paragraph 10.08 of the Listing Requirements shall not apply to the Recurrent Related Party Transactions which are comprised in the said mandate during the validity period of the mandate.

2.1.3 The shareholders' mandate for the Recurrent Related Party Transaction(s) is also subject to the following:-

- (a) the transactions are conducted on normal commercial terms;
- (b) the transactions are not detrimental to the minority shareholders;
- (c) the transactions are conducted on arm's length basis; and
- (d) details of the transactions containing the information as set out in Annexure PN12-A of the Listing Requirements.

- 2.1.4 The Board is seeking your mandate which would allow Tanco Group to enter into the Recurrent Related Party Transaction(s) with the Related Party(ies) as specified in Section 2.3 of this Circular provided that such transactions are necessary for its day-to-day operations, in the ordinary course of their business carried out on normal commercial terms and on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of its minority shareholders pursuant to and in compliance with the conditions stated in Paragraph 10.09 of the Listing Requirements.
- 2.1.5 The Proposed New Shareholders' Mandate is subject to annual renewal and as such, the approval of the shareholders for a renewal of the shareholders' mandate will be sought at each subsequent AGM of the Company.
- 2.1.6 The Proposed New Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, shall take effect from and including 20 December 2023, being the date of the forthcoming AGM, and shall continue to be in force until:-
- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed New Shareholders' Mandate was passed, at which time such mandate will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as maybe allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest.

2.2 Principal Business Activities of the Tanco Group

As at LPD, the principal business activity of Tanco is that of investment holding and providing management services whilst the principal activities of Tanco's subsidiaries are as follows: -

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
Held directly:				
1.	Point Resort Club Sdn. Bhd.	Malaysia	100.0	Investment holding
2.	Popular Elegance (M) Sdn. Bhd.	Malaysia	100.0	Investment holding
3.	Splash Park Sdn. Bhd.	Malaysia	100.0	Property management services
4.	Tanco Development Sdn. Bhd.	Malaysia	100.0	Property development
5.	World Vacation Ownership Sdn. Bhd.	Malaysia	100.0	Provision of consultancy services and investment holding
6.	Medan Melati Sdn. Bhd.	Malaysia	100.0	Investment holding

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
7.	Platinum Residence Sdn. Bhd.	Malaysia	100.0	Investment holding
8.	Palm Springs Leisure Sdn. Bhd.^	Malaysia	100.0	Property management and resort management
9.	Acrez33 Sdn. Bhd.	Malaysia	100.0	Dormant
10.	Palm Springs Resort Management Berhad #	Malaysia	100.0	Property investment
11.	Herbitec (M) Sdn. Bhd. @	Malaysia	72.6	Research and sales of pharmaceutical products
12.	Midports Holdings Sdn. Bhd.	Malaysia	79.0	Port operations, carrier haulage and transportation, logistics and investment holdings
Held through Palm Springs Resort Management Berhad:				
13.	Gplex Properties Sdn. Bhd.	Malaysia	50.1	Investment holding, management and business consulting
Held through Tanco Development Sdn. Bhd.:				
14.	Tanco Builders Sdn. Bhd.	Malaysia	100.0	Contracting and building works
15.	Tanco Dot Com Sdn. Bhd.	Malaysia	100.0	Provision of multimedia related business
Held through Tanco Builders Sdn. Bhd.:				
16.	Tanco Supplies Sdn. Bhd.	Malaysia	100.0	Trading of construction materials
Held through World Vacation Ownership Sdn. Bhd.:				
17.	Tanco Resorts Berhad	Malaysia	100.0	Investment holding, and the management and operation of resorts and of vacation ownership interval and point based schemes
18.	BizCredit Sdn. Bhd.	Malaysia	100.0	Money lending business

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
19.	Palm Springs Development Sdn. Bhd.	Malaysia	100.0	Property development and property investment
20.	Palm Springs Resort (MM2H) Sdn. Bhd.	Malaysia	100.0	Provide services in relation to Malaysia My Second Home Programme
21.	Tanco Properties Sdn. Bhd.	Malaysia	100.0	Property development and property investment
22.	Genium Corporation Sdn. Bhd.	Malaysia	100.0	General agent
Held through Herbitec (M) Sdn. Bhd.:				
23.	Herbitec Marketing Sdn. Bhd.	Malaysia	51.0	Sales of pharmaceutical products
Held through Palm Springs Development Sdn. Bhd.:				
24.	Palm Springs Club Sdn. Bhd.	Malaysia	100.0	Investment holding
25.	Regal Resort Sdn. Bhd.	Malaysia	100.0	Property development
Held through Tanco Properties Sdn. Bhd.:				
26.	Tanco Land Sdn. Bhd.	Malaysia	100.0	Property investment
Held through Palm Springs Club Sdn. Bhd.:				
27.	Palm Springs Resort Berhad	Malaysia	100.0	Operator of golf and marina clubs
Held through Tanco Resorts Berhad:				
28.	Tanco Enterprise Sdn. Bhd.	Malaysia	100.0	Property investment and general trading
29.	Tanco Club Berhad	Malaysia	100.0	Club operator
30.	Tanco Holidays Sdn. Bhd.	Malaysia	100.0	Travel and tour agent
31.	Tanco Lake Resorts Sdn. Bhd.	Malaysia	100.0	Resort operator
32.	Tanco Recreational Holdings Sdn. Bhd.	Malaysia	100.0	Property management
Held through Splash Park Sdn. Bhd.:				
33.	DB Spa Villas Management Sdn. Bhd.	Malaysia	100.0	Property and resort management

Notes:

- [^] *The effective equity interest held in Palm Springs Leisure Sdn. Bhd is 100% owned whereby 2.5% is held by Tanco and 97.5% is held by Tanco Resorts Berhad.*
- [#] *The effective equity interest held in Palm Springs Resort Management Berhad is 100% owned whereby 14.3% is held by Tanco and 85.7% is held by Tanco Properties Sdn. Bhd.*
- [@] *The effective equity interest held in Herbitec (M) Sdn. Bhd. is 72.6% owned whereby 21.6% is held by Tanco and 51.0% is held by Genium Corporation Sdn. Bhd.*

2.3 Class and nature of the Recurrent Related Party Transactions for the Proposed New Shareholders' Mandate

2.3.1 Class of Related Parties

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) Directors;
- (b) Major Shareholders; and
- (c) Persons connected with the Directors and/or Major Shareholders.

2.3.2 Details of the Related Parties

HMSB is principally involved in the business of quarrying and manufacturing of granite and/or other granite related materials or products for construction and building projects. The Recurrent Related Party Transactions are in respect of the purchase of HMSB's various products, construction and/or building materials such as granite (including but not limited to blocks, slabs, tiles, finished products i.e. stairs, countertop, table and chair, decorative), armour rocks, ballast, crusher run, aggregates (e.g. quarry dust and gravel) and road kerb by TSSB and the supply of the same by HMSB to TSSB for Tanco's projects or other projects which are related to Tanco. The interests of the Related Parties in the Recurrent Related Party Transactions as at the LPD are as follows:-

(a) Dato' Sri Andrew Tan Jun Suan

Dato' Sri Andrew Tan Jun Suan is the Group Managing Director and Major Shareholder by virtue of his direct shareholding of 10.56% and indirect shareholding of 39.29% through TJN Capital in Tanco. Dato' Sri Andrew Tan Jun Suan holds 70.25% direct shareholding in TJN Capital and he is also the director of TJN Capital.

Dato' Sri Andrew Tan Jun Suan is also the director and ultimate shareholder of HMSB together with his wife, Madam Khor Yeong Ping holding 51.91% effective equity interest through Halaman Mantap QXL Sdn Bhd and Halaman Mantap QXL Limited.

Dato' Sri Andrew Tan Jun Suan is one of the directors in TSSB.

(b) Christopher Tan Khoon Suan

Mr. Christopher Tan Khoon Suan, the Executive Director of Tanco, is the brother of Dato' Sri Andrew Tan Jun Suan. Hence, Mr. Christopher Tan Khoon Suan is deemed person connected with Dato' Sri Andrew Tan Jun Suan by virtue of their family relationship with each other.

Mr. Christopher Tan Khoon Suan is one of the directors in TSSB.

(c) **Edwin Tan Kium Suan**

Mr. Edwin Tan Kium Suan, a director of TSSB, is the brother of Dato' Sri Andrew Tan Jun Suan. Hence, Mr. Edwin Tan Kium Suan is deemed person connected with Dato' Sri Andrew Tan Jun Suan by virtue of their family relationship with each other.

(d) **TJN Capital**

TJN Capital is a Major Shareholder holding 39.29% direct shareholding in Tanco whereby Dato' Sri Andrew Tan Jun Suan is the controlling shareholder holding 70.25% equity interest in TJN Capital.

2.3.3 Details of Recurrent Related Party Transactions contemplated under the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate will apply to the Recurrent Related Party Transactions expected to be entered into by Tanco Group with certain degree of frequency during the Mandate Period. The class and nature of the Recurrent Related Party Transactions of Tanco Group are set out as follows: -

Transacting parties		Types of Recurrent Transactions	Interested Related Parties ⁽¹⁾	Estimated value during the Mandate Period ⁽²⁾ (RM)
Related Party	Company within Tanco Group			
HMSB	TSSB	Supply of various products, construction and/or building materials such as granite (including but not limited to blocks, slabs, tiles, finished products i.e. stairs, countertop, table and chair, decorative), armour rocks, ballast, crusher run, aggregates (e.g. quarry dust and gravel) and road kerb by HMSB to TSSB	(a) Dato' Sri Andrew Tan Jun Suan being the interested Director and interested Major Shareholder; (b) Mr. Christopher Tan Khoon Suan being the interested Directors and persons connected to Dato' Sri Andrew Tan Jun Suan; (c) Mr. Edwin Tan Kium Suan being the interested Director of TSSB and persons connected to Dato' Sri Andrew Tan Jun Suan; and (d) TJN Capital being the interested Major Shareholder.	10,000,000.00

Notes: -

(1) *The Related Parties' shareholding in HMSB is as follows: -*

Related Parties	Direct	Indirect	Total (%)
<i>Dato' Sri Andrew Tan Jun Suan</i>	-	5,143,633	51.91 [^]
<i>Christopher Tan Khoon Suan</i>	-	-	-
<i>Edwin Tan Kium Suan</i>	-	-	-
<i>TJN Capital</i>	-	-	-

[^] *The effective equity interest held in HMSB is 51.91% whereby 51.85% is held by Dato' Sri Andrew Tan Jun Suan and 0.06% is held by his wife, Madam Khor Yeong Ping.*

(2) *The estimated value of the transactions during the Mandate Period is based on the information available at the point of estimation based on the projection of the business to be conducted in the coming year after taking into consideration the prevailing market rates. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above. The frequency of the transactions cannot be detailed as the transactions are ongoing and numerous.*

2.4 Amount due and owing by the Related Parties pursuant to the Recurrent Related Party Transactions

As at the LPD, there were no amounts due and owing to Tanco Group by its Related Parties pursuant to the Recurrent Related Party Transactions which have exceeded the normal credit terms of the Company and/or subsidiaries. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.5 Methods or procedures for determining prices of Recurrent Related Party Transactions

Generally, the terms and conditions of the Recurrent Related Party Transactions are determined based on normal commercial terms, business practices and policies. The rate/pricing is determined after taking into consideration the prevailing comparable market prices/rates available from or provided to other third parties, where applicable, based on similar quality and level of service.

The following internal review procedures, of which are in place, have been established to ensure that the Recurrent Related Party Transactions are undertaken on transaction prices and terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders:-

- (a) the definition of related party, list of related parties and the review procedures will be circulated and/or updated within Tanco Group;
- (b) the duties and roles of the Audit & Risk Management Committee include the review of Recurrent Related Parties Transactions;
- (c) records will be maintained to record all Recurrent Related Party Transactions which are/will be entered into, which will be available for review by, among others, the auditors and Audit & Risk Management Committee, on a quarterly basis. Any member of the Audit & Risk Management Committee may as he/she deems fit, request for additional information pertaining to Recurrent Related Party Transactions from independent sources or advisers;
- (d) the Recurrent Related Party Transactions will be undertaken based on prevailing rates/prices of the construction and/or building materials (including where applicable,

preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) according to normal commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/ considerations;

- (e) the pricing to be transacted with HMSB, terms and conditions of the Recurrent Related Party Transactions shall be consistent with Tanco Group's usual business practice and determined with due consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by such other unrelated third parties for the same or substantially similar type of products and/or services and/ or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed Recurrent Related Parties Transactions, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the Recurrent Related Party Transactions are not detrimental to the Company and/or Tanco Group;

- (f) the Audit & Risk Management Committee shall review procedures, and shall continue to review the established guidelines and procedures, as and when required, on an annual basis with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (g) where any Director or person connected to him or the Audit & Risk Management Committee has an interest (direct or indirect) in any Recurrent Related Party Transactions, he will abstain from voting on any matter relating to any decision making by the Board or the Audit & Risk Management Committee in respect of such transactions;
- (h) the interested Director and Major Shareholder shall undertake that he will ensure that persons connected with him abstain from voting on the resolution deliberating or approving the Recurrent Related Party Transactions at a general meeting;
- (i) the annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed New Shareholders' Mandate; and
- (j) disclosure will be made in the annual report of the Company of the aggregate value of transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year, in accordance with the provision of Paragraph 10.09, Chapter 10 and Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.

2.6 Thresholds of Authority

Approving authority for the Recurrent Related Party Transactions is reviewed by the Board from time to time and set out below are the thresholds of authority as at LPD:

Approving Limit	Approving Authority
1. > RM5.0 million for each transaction	Approval by any one of the Tanco Audit & Risk Management Committee members and a Tanco Executive Director
2. ≤ RM5.0 million for each transaction	Approval by any two of the following: i. Any one of Tanco Executive Director ii. Any one of TSSB Director

Where any Director has interest, direct or indirect, in any Recurrent Related Party Transactions, such Director shall abstain from deliberation, voting on and approving such transactions.

The aforesaid thresholds of authority shall remain in force until otherwise revoked or varied by the Board. For the avoidance of doubt, the Board is empowered to vary or amend the estimated value of the transaction and the thresholds of authority as may be required in the circumstances during the Mandate Period.

2.7 Statement by Audit & Risk Management Committee

The Audit & Risk Management Committee of the Company has seen and reviewed the procedures mentioned in Section 2.5 above and is satisfied that the review procedures for Recurrent Related Party Transactions are sufficient to ensure that such related party transactions will be carried out on normal commercial terms and on transaction price which are not prejudicial to the interests of minority shareholders and that the terms of the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and the Recurrent Related Party Transactions are not detrimental to the minority shareholders of the Company.

The Audit & Risk Management Committee is of the opinion that Tanco Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner and the frequency of review of these procedures and processes is at least once a year.

3. DISCLOSURE IN ANNUAL REPORT

Disclosure will be made in accordance with Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions entered into during the financial year, amongst others, based on the following information:-

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the Related Party(ies) involved in each type of the Recurrent Related Party Transactions made and their relationships with the Company. The above disclosure will be made in the Company's annual report for each subsequent financial year after the Shareholders' Mandate has been renewed. In addition, if the actual value of the Recurrent Related Party Transactions entered into by Tanco Group exceeds the estimated value of the Recurrent Related Party Transactions disclosed in the circular to shareholders on the Proposed New Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Recurrent Related Party Transactions that are set out in this Circular are all in the ordinary course of business and intended to meet the business needs of Tanco Group on the best possible terms and represent sound business decisions which are taken for legitimate and bona fide business purposes which will support and enhance Tanco Group's ability to have smooth implementation of projects undertaken by Tanco Group.

The Proposed New Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when Recurrent Related Party Transactions with the specified classes of Related Parties arise.

The Proposed New Shareholders' Mandate, is intended to facilitate transactions entered into in the ordinary course of business of Tanco Group which are transacted from time to time with the Related Parties at arm's length, on Tanco Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of Tanco.

5. FINANCIAL EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any effect on the share capital, substantial shareholders' shareholdings in the Company, and is not expected to have any material effect on the net assets and earnings of Tanco Group.

6. APPROVAL REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of Tanco at the forthcoming AGM to be convened or at any adjournment thereof.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the persons disclosed below ("**Interested Parties**"), none of the other Directors, Major Shareholders and/or persons connected with a Director and/or Major Shareholder have any interests, direct and/or indirect, in the Proposed New Shareholders' Mandate: -

- (i) Dato' Sri Andrew Tan Jun Suan is the Group Managing Director and Major Shareholder by virtue of his direct shareholding of 10.56% and indirect shareholding of 39.29% through TJN Capital in Tanco. Dato' Sri Andrew Tan Jun Suan holds 70.25% direct shareholding in TJN Capital and he is also the director of TJN Capital. Dato' Sri Andrew Tan Jun Suan is also the director and ultimate shareholder of HMSB together with his wife, Madam Khor Yeong Ping holding 51.91% effective equity interest through Halaman Mantap QXL Sdn Bhd and Halaman Mantap QXL Limited.
- (ii) Mr. Christopher Tan Khoon Suan, the Executive Director of Tanco, is the brother of Dato' Sri Andrew Tan Jun Suan. Hence, Mr. Christopher Tan Khoon Suan is deemed person connected with Dato' Sri Andrew Tan Jun Suan by virtue of their family relationship with each other.
- (iii) Mr. Edwin Tan Kium Suan, a director of TSSB, is the brother of Dato' Sri Andrew Tan Jun Suan. Hence, Mr. Edwin Tan Kium Suan is deemed person connected with Dato' Sri Andrew Tan Jun Suan by virtue of their family relationship with each other.
- (iv) TJN Capital is a Major Shareholder holding 39.29% direct shareholding in Tanco whereby Dato' Sri Andrew Tan Jun Suan is the controlling shareholder holding 70.25% equity interest in TJN Capital.

The shareholdings of the interested Directors and interested Major Shareholder in Tanco as at LPD are set out as follow:-

Interested Parties	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Interested Directors				
Dato' Sri Andrew Tan Jun Suan	210,975,800	10.56	785,059,064 ⁽²⁾	39.29
Christopher Tan Koon Suan	-	-	-	-

Interested Parties	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Interested Major Shareholder TJN Capital	785,059,064	39.29	-	-

Notes:-

(1) Based on the total number of 1,998,076,949Tanco issued share capital as at the LPD.

(2) Deemed interested by virtue of his interest in TJN Capital pursuant to Section 8 of the Act.

Pursuant to the Listing Requirements, Dato' Sri Andrew Tan Jun Suan, Mr. Christopher Tan Khoon Suan, Mr. Edwin Tan Kium Suan and TJN Capital are deemed to be interested in the Proposed New Shareholders' Mandate. Notwithstanding, Dato' Sri Andrew Tan Jun Suan and Mr. Christopher Tan Khoon Suan have abstained and will continue to abstain from all deliberations and voting on the Proposed New Shareholders' Mandate at Board meetings. Further, Dato' Sri Andrew Tan Jun Suan and TJN Capital will also abstain from voting in respect of their direct and/or indirect shareholdings in Tanco on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate at the forthcoming AGM. The Interested Parties hereto have undertaken that they will ensure that the persons connected with them abstain from voting on the resolution deliberating or approving the Proposed New Shareholders' Mandate at the forthcoming AGM.

8. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Parties who have abstained from expressing any view in relation to the resolution in which the interested Director is interested in), having considered all aspects of the Proposed New Shareholders' Mandate, is of the view that the Proposed New Shareholders' Mandate is in the best interest of Tanco. Accordingly, the Board (save for the interested Director) recommends that you vote in favour of the ordinary resolution relating to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

9. AGM

The ordinary resolution pertaining to the Proposed New Shareholders' Mandate will be tabled as Special Business at our forthcoming AGM. Our AGM, the notice of which can be downloaded from our Company's website at <https://www.tancoholdings.com/notification.html>, will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC D6A471702) on Wednesday, 20 December 2023 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution, with or without modifications, to give effect to the Proposed New Shareholders' Mandate. Please refer to the Administrative Guide for the AGM on the conduct of a fully virtual AGM.

If the Shareholders are unable to participate, speak (in the form of real-time submission of typed texts) and vote remotely in person at the AGM via the RPV facilities, they may complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to deposit at the Company's Registered Office at No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time set for holding the AGM or any adjournment thereof. Alternately, the Form of Proxy can be deposited electronically through Vote2U at <https://web.vote2u.my> before the Form of Proxy lodgement cut-off time as mentioned above. The completion and lodgement of the Form

of Proxy shall not preclude you from participating, speaking and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
TANCO HOLDINGS BERHAD

Dato' Dr. Mohd. Aminuddin Bin Mohd. Rouse
Non-Independent Non-Executive Chairman

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of our business) which have been entered into by the Tanco Group within two (2) years preceding the date of this Circular:-

- (a) share sale agreement dated 7 February 2023 entered between Googolplex Holdings Berhad (“**GHB**”) as the vendor and Palm Springs Resort Management Berhad (“**PSRMB**”) as the purchaser for the sale and purchase of 250,500 ordinary shares representing 50.1% of the entire equity interest of Gplex Properties Sdn Bhd (“**GPSB**”) for a total purchase consideration of RM20,000,000 (“**Proposed Acquisition**”). The Proposed Acquisition was completed and the transfer of sale shares were perfected on 3 March 2023;
- (b) shareholders' agreement dated 7 February 2023 (“**SHA**”) entered between GHB, PSRMB and GPSB to record their respective obligations towards each other in the GPSB in which the SHA came into force and effect upon the completion of the Proposed Acquisition and remains valid, enforceable and subsisting as at the LPD; and
- (c) profit guarantee agreement dated 7 February 2023 (“**PGA**”) entered between GHB, Liang Tian Kiat, Ong Siang Long, Chao Miew San and Liang Tian Jing collectively as guarantors, PSRMB and GPSB whereby the guarantors provided a profit guarantee to PSRMB in respect of GPSB's future financial performance. The PGA remains valid, enforceable and subsisting as at the LPD.

3. MATERIAL LITIGATION, CLAIM AND ARBITRATION

As at the date of this Circular, neither Tanco nor Tanco's subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on the Company's financial position, and the Directors are not aware of any proceedings, pending or threatened against Tanco Group or of any facts likely to give rise to any proceedings which may materially and adversely affect our financial position or business.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies of them are available for inspection at the Company's registered office at No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan during ordinary business hours from Mondays to Fridays (excluding public holidays) from the date of this Circular up to the date of the forthcoming AGM:-

- (a) the Constitution of Tanco;
- (b) material contracts referred to in Section 2 above; and
- (c) the Audited Financial Statements of Tanco for the two (2) financial years ended 30 June 2022 and 30 June 2023.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

ORDINARY RESOLUTION

- PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Tanco Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3.3 of the Circular to Shareholders dated 30 October 2023 ("Circular") with the related parties listed in Section 2.3.2 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Tanco Group and are carried out at arm's length basis on normal commercial terms of Tanco Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental of the minority shareholders of the Company;

THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the said authority shall lapse, unless renewed by a resolution passed at that meeting; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT, the Directors and/or any of them be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as may consider necessary and expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary and expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this resolution."