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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.

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登高集團

TANCO HOLDINGS BERHAD

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

PART A

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

AND

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED AUTHORITY FOR THE COMPANY TO
PURCHASE ITS OWN ORDINARY SHARES
 (“PROPOSED SHARE BUY-BACK AUTHORITY”)**

(COLLECTIVELY, THE “PROPOSALS”)

The ordinary resolution pertaining to the proposals above will be tabled as Special Business at the 65th Annual General Meeting (“**65th AGM**”) of Tanco Holdings Berhad (“**Tanco**” or “**the Company**”). The 65th 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 Friday, 20 December 2024 at 10.30 a.m. or at any adjournment thereof. The notice of the 65th AGM and the Form of Proxy are issued together with this Circular. Please refer to the Administrative Guide on the conduct of a fully virtual 65th AGM.

You are entitled to participate, speak (*in the form of real-time submission of typed texts*) and vote remotely at the 65th 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 65th 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 65th AGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 18 December 2024 at 10.30 a.m.

Day, date and time of the 65th AGM : Friday, 20 December 2024 at 10.30 a.m.

This Circular is dated 21 November 2024

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 [Registration No. 200301033577 (635998-W)]
Code	: Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisition, including any amendment that may be made from time to time
Circular	: This Circular to Shareholders in relation to the Proposals dated 21 November 2024
Director(s)	: Director(s) of the Company and has the meaning given in Section 2(1) of the Capital Markets 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 Company, its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
EPS	: Earnings per Share
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 thereto that may be made from time to time
LPD	: 13 November 2024, 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 (1) 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 Renewal of Shareholders' Mandate, Major Shareholder 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 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.

DEFINITIONS (Cont'd)

Mandate Period	: The period commencing from and inclusive of 20 December 2024, being the date of the forthcoming 65 th AGM and expiring upon the conclusion of the next AGM of the Company; or 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 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 of the Company in a general meeting of the Company, whichever is the earlier
NA	: Net assets
Person(s) Connected	: As defined in Paragraph 1.01 of the Listing Requirements
Proposals	: Proposed Renewal of Shareholders' Mandate and Proposed Share Buy-Back Authority, collectively
Proposed Renewal of Shareholders' Mandate	: Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions to be entered into by the Group at the forthcoming 65 th AGM pursuant to Paragraph 10.09 of the Listing Requirements
Proposed Share Buy-Back Authority	: Proposed authority for the company to purchase its own ordinary shares
Purchased Share(s)	: Share(s) that have been purchased by the Company pursuant to the Proposed Share Buy-Back Authority
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)
Share(s) or Tanco Share(s)	: Ordinary share(s) in Tanco
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
VWAP	: Volume weighted average market price

All references to "you" in this Circular are to the shareholders of Tanco who are entitled to attend and vote at the 65th AGM of the Company and whose names appear in the Company's Record of Depositors on 13 December 2024.

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).

DEFINITIONS (Cont'd)

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 I – Further Information

Appendix II – Extract of Notice of 65th AGM

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



登高集團

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

21 November 2024

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 Binti Isahak Merican (*Independent Non-Executive Director*)

To: Shareholders of the Company

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

1. INTRODUCTION

At the 64th AGM of the Company held on 20 December 2023, the Company had obtained shareholders' mandate for Tanco Group to enter into Recurrent Related Party Transactions which are necessary for Tanco Group's day-to-day operations. The authority conferred by the said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 65th AGM unless authority for its renewal is obtained from the shareholders of the Company at its forthcoming 65th AGM.

On 19 November 2024, the Board announced to Bursa Securities that the Company proposes to seek the approval of the shareholders for the Proposed Renewal of Shareholders' Mandate at the forthcoming 65th AGM of the Company.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 65TH AGM OF THE COMPANY.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 65TH AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

2.1.1 Pursuant to Part E, Paragraph 10.09(2) 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. In accordance with Paragraph 2.1(gA) of Practice Note 18 under the Main Market Listing Requirements of Bursa Securities, circulars or documents in relation to the renewal of shareholder mandates for Recurrent Related Party Transactions are exempt from the provisions of Paragraph 9.30(1) of the Listing Requirements ("**Exempt Circular**"). As such, prior perusal of the draft circular by Bursa Securities before the issuance of the circular is not required;
- (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 Renewal of 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 Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming 65th AGM, shall take effect from and including 20 December 2024, being the date of the forthcoming 65th 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 Renewal of 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 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.

2.2 Principal Business Activities of 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

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
6.	Medan Melati Sdn. Bhd.	Malaysia	100.0	Investment holding
7.	Acrez33 Sdn. Bhd.	Malaysia	100.0	Dormant
8.	Midports Holdings Sdn. Bhd.	Malaysia	79.0	Port operations, carrier haulage and transportation, logistics and investment holdings
Held through Tanco Development Sdn. Bhd.:				
9.	Tanco Builders Sdn. Bhd.	Malaysia	100.0	Contracting and building works
10.	Tanco Dot Com Sdn. Bhd.	Malaysia	100.0	Provision of multimedia related business
Held through Tanco Builders Sdn. Bhd.:				
11.	Tanco Supplies Sdn. Bhd.	Malaysia	100.0	Installation and trading of construction materials
12.	Tanco Designs Sdn. Bhd.	Malaysia	100.0	Interior design, furnishing and renovation works
Held through World Vacation Ownership Sdn. Bhd.:				
13.	Tanco Resorts Berhad	Malaysia	100.0	Investment holding, and the management and operation of resorts and of vacation ownership interval and point based schemes
14.	BizCredit Sdn. Bhd.	Malaysia	100.0	Money lending business
15.	Palm Springs Development Sdn. Bhd.	Malaysia	100.0	Property development and property investment
16.	Palm Springs Resort (MM2H) Sdn. Bhd.	Malaysia	100.0	Provide services in relation to Malaysia My Second Home Programme

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
17.	Tanco Properties Sdn. Bhd.	Malaysia	100.0	Property development and property investment
18.	Genium Corporation Sdn. Bhd.	Malaysia	100.0	General agent
Held through Midports Holdings Sdn. Bhd.:				
19.	MBINS Ventures Sdn. Bhd.	Malaysia	80.0	Port development, operation of terminal facilities and investment holdings
Held through Genium Corporation Sdn. Bhd.:				
20.	Herbitec (M) Sdn. Bhd. @	Malaysia	72.6	Research and sales of pharmaceutical products
Held through Herbitec (M) Sdn. Bhd.:				
21.	Herbitec Marketing Sdn. Bhd.	Malaysia	72.6	Sales of pharmaceutical products
Held through Palm Springs Development Sdn. Bhd.:				
22.	Palm Springs Club Sdn. Bhd.	Malaysia	100.0	Investment holding
23.	Regal Resort Sdn. Bhd.	Malaysia	100.0	Property development
Held through Tanco Properties Sdn. Bhd.:				
24.	Tanco Land Sdn. Bhd.	Malaysia	80.0	Property investment
25.	Palm Springs Resort Management Berhad #	Malaysia	100.0	Property investment
Held through Palm Springs Club Sdn. Bhd.:				
26.	Palm Springs Resort Berhad	Malaysia	100.0	Operator of golf and marina clubs
Held through Tanco Resorts Berhad:				
27.	Palm Springs Leisure Sdn. Bhd.^	Malaysia	100.0	Property and resort management
28.	Tanco Enterprise Sdn. Bhd.	Malaysia	100.0	Property investment and general trading
29.	Tanco Club Berhad	Malaysia	100.0	Club operator
30.	Tanco Lake Resorts Sdn. Bhd.	Malaysia	100.0	Resort operator

No.	Name of subsidiaries	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
31.	Tanco Recreational Holdings Sdn. Bhd.	Malaysia	100.0	Property management
Held through Splash Park Sdn. Bhd.:				
32.	DB Spa Villas Management Sdn. Bhd.	Malaysia	100.0	Property and resort management
Held through Palm Springs Resort Management Berhad:				
33.	Gplex Properties Sdn. Bhd.	Malaysia	50.1	Investment holding and business consulting

Notes:

@ The effective equity interest held in *Herbitec (M) Sdn. Bhd.* is 72.6% whereby 51.0% is held by *Genium Corporation Sdn. Bhd.* and the remaining 21.6% is held by *Tanco*

The effective equity interest held in *Palm Springs Resort Management Berhad* is 100% whereby 85.7% is held by *Tanco Properties Sdn. Bhd.* and the remaining 14.3% is held by *Tanco*

^ The effective equity interest held in *Palm Springs Leisure Sdn. Bhd.* is 100% whereby 97.5% is held by *Tanco Resorts Berhad* and the remaining 2.5% is held by *Tanco*.

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

2.3.1 Class of Related Parties

The Proposed Renewal of 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 14.15% and indirect shareholding of 37.01% 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 37.01% 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 Renewal of Shareholders' Mandate

The Proposed Renewal of 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⁾	New estimated value from the Mandate Period to the next AGM ⁽²⁾ (RM)	Previous estimated value as disclosed in existing mandate ⁽³⁾ (RM)	Actual value transacted (from the date of last AGM up to LPD) ⁽⁴⁾ (RM)
Related Party	Company within Tanco Group					
HMSB	TSSB	Supply of various products, construction and/or building materials such	(a) Dato' Sri Andrew Tan Jun Suan being the interested Director and	10,000,000.00	10,000,000.00	271,817.00

Transacting parties		Types of Recurrent Transactions	Interested Related Parties ⁽¹⁾	New estimated value from the Mandate Period to the next AGM ⁽²⁾ (RM)	Previous estimated value as disclosed in existing mandate ⁽³⁾ (RM)	Actual value transacted (from the date of last AGM up to LPD) ⁽⁴⁾ (RM)
Related Party	Company within Tanco Group					
		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	<p>interested Major Shareholder;</p> <p>(b) Mr. Christopher Tan Khoon Suan being the interested Directors and Person Connected to Dato' Sri Andrew Tan Jun Suan;</p> <p>(c) Mr. Edwin Tan Kium Suan being the interested Director of TSSB and Person Connected to Dato' Sri Andrew Tan Jun Suan; and</p> <p>(d) TJN Capital being the interested Major Shareholder.</p>			

Notes: -

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

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

[^] 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 new estimated value of the transactions from the Mandate Period to the next AGM 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 new estimated value during the Mandate Period disclosed above.*
- (3) *The previous estimated value of the transactions as disclosed in the circular to shareholders dated 30 October 2023.*
- (4) *Actual value of the transactions since the 64th AGM held on 20 December 2023 up to the LPD.*

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 and 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 and Risk Management Committee, on a quarterly basis. Any member of the Audit and 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 and 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/her or the Audit and Risk Management Committee has an interest (direct or indirect) in any Recurrent Related Party Transactions, he/she will abstain from voting on any matter relating to any decision making by the Board or the Audit and Risk Management Committee in respect of such transactions;
- (h) the interested Director and Major Shareholder shall undertake that he/she will ensure that Persons Connected with him/her abstain from voting on the resolution deliberating or approving the Recurrent Related Party Transactions at a general meeting; and
- (i) the annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Renewal of Shareholders' Mandate.

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 and 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 and Risk Management Committee

The Audit and 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 and 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 Renewal of Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF 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 Renewal of 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 Renewal of 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 RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of 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 Renewal of 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 Renewal of Shareholders' Mandate: -

- (i) Dato' Sri Andrew Tan Jun Suan is the Group Managing Director and Major Shareholder by virtue of his direct shareholding of 14.15% and indirect shareholding of 37.01% 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 Khoo Suan, the Executive Director of Tanco, is the brother of Dato' Sri Andrew Tan Jun Suan. Hence, Mr. Christopher Tan Khoo 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 37.01% 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	307,385,500	14.15	804,059,064 ⁽²⁾	37.01
Christopher Tan Koon Suan	-	-	-	-
Interested Major Shareholder				
TJN Capital	804,059,064	37.01	-	-

Notes: -

- (1) *Based on the total number of 2,172,544,049 Tanco 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 Renewal of 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 Renewal of Shareholders' Mandate at the 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 Renewal of Shareholders' Mandate at the forthcoming 65th 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 Renewal of Shareholders' Mandate at the forthcoming 65th 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 Renewal of Shareholders' Mandate, is of the view that the Proposed Renewal of 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 Renewal of Shareholders' Mandate to be tabled at the forthcoming 65th AGM.

9. AGM

The ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate will be tabled as Special Business at our forthcoming 65th AGM. Our 65th AGM, the notice of which can be downloaded from our Company's website at <https://www.tancoholdings.com/investor-relations/#shareholder-meetings>, will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC D6A471702) on Friday, 20 December 2024 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 Renewal of Shareholders' Mandate. Please refer to the Administrative Guide on the conduct of a fully virtual 65th 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 65th 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 65th 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 65th 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

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED AUTHORITY FOR THE
COMPANY TO PURCHASE ITS OWN ORDINARY SHARES**



登高集團

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

21 November 2024

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 Khoo 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 Binti Isahak Merican (*Independent Non-Executive Director*)

To: Shareholders of the Company

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 19 November 2024, the Board announced to Bursa Securities that the Company intends to seek the approval of the shareholders for the Proposed Share Buy-Back Authority at the forthcoming 65th AGM of the Company.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 65TH AGM OF THE COMPANY.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 65TH AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board proposes to seek shareholders' approval to purchase up to ten percent (10%) of the Company's total number of issued shares at any point in time, subject to Section 127 of the Act, Subdivision 5 of Division 1 of Part III of the Act, Chapter 12 of the Listing Requirements, the Code and the prevailing laws at the time of purchase.

2.1 Quantum

The maximum aggregate number of Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares of the Company at any point in time.

As at the LPD, Tanco has 578,336,357 outstanding existing Warrants which will expire on 25 August 2025. For illustrative purposes, the maximum number of Tanco Shares that can be purchased and/or held by the Company will be as follows: -

	Minimum Scenario <small>(1)</small>	Maximum Scenario <small>(2)</small>
	No. of Tanco Shares	No. of Tanco Shares
Total number of issued Shares as at the LPD	2,172,544,049	2,172,544,049
Assuming full exercise of 578,336,357 outstanding Warrants	-	578,336,357
Total number of issued Shares	<u>2,172,544,049</u>	<u>2,750,880,406</u>
Maximum number of Shares that may be purchased (10% of total number of issued Shares)	<u>217,254,405</u>	<u>275,088,041</u>

Notes:

(1) *Assuming none of the outstanding Warrants is exercised.*

(2) *Assuming all outstanding Warrants are exercised.*

The actual number of Shares to be purchased will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of the Company at the time of the purchase(s).

2.2 Funding

The Proposed Share Buy-Back Authority may be funded through internally-generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company from time to time, subject to compliance with the prevailing laws.

The actual amount of funds to be utilised for the Proposed Share Buy-Back Authority will only be determined later depending on the actual number of Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The Proposed Share Buy-Back Authority, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of the Company. In the event the Proposed Share Buy-Back Authority is to be financed by bank borrowings, the Company will ensure the capabilities of repaying such borrowings and that such repayment will not have a material effect on the cash flow. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back Authority.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority shall not exceed the retained profits of the Company from time to time. Based on the Company's latest audited financial statements for the FYE 30 June 2024, the audited retained profits of the Company is approximately RM309,220,209.35.

2.3 Duration

The authority from the Shareholders to undertake the Proposed Share Buy-Back Authority, if granted, will be effective immediately after obtaining your approval at the forthcoming AGM and will continue to be in force until: -

- (a) the conclusion of the next AGM of the Company at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

Your approval for the Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase the Shares. However, it will allow the Board to exercise the power of the Company to purchase the Shares at any time within the abovementioned time period.

2.4 Purchase price

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase the Shares on Bursa Securities at a price which is not more than 15% above the 5-day weighted average market price of the Shares immediately before the date of the purchase(s).

2.5 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, where the Company has purchased the Shares, the Directors may deal with the Purchased Shares, at their discretion, in the following manner: -

- (a) cancel the Purchased Shares; or
- (b) retain the Purchased Shares as treasury shares; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Directors may, at their discretion:-

- (a) distribute the Purchased Shares as dividends to the shareholders, such dividends to be known as "shares dividends"; or
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities; or
- (c) transfer the Purchased Shares or any of the Purchased Shares for the purposes of or under an employees' share scheme; or
- (d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration; or
- (e) cancel the Purchased Shares or any of the Purchased Shares; or
- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister charged for the responsibility for companies may by order prescribe.

If the Purchased Shares are held as treasury shares, the holder of treasury shares shall not confer the right to attend or vote at meetings and any purported exercise of such rights is void; and 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.

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 this provision, the provisions of any law or requirements of the constitution of the company or the listing requirements of a stock exchange on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolution(s) at a meeting.

According to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer any treasury shares on Bursa Securities at: -

- (a) a price which is not less than the weighted average market price for the shares for the 5 market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the 5-day weighted average market price for the shares for the 5 market days immediately before the date of the resale or transfer provided that:-
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

As at the date of this Circular, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future. An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either resell the Purchased Shares or cancel them.

2.6 Public shareholding spread

The Proposed Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the public shareholding spread of Tanco was approximately 46.05%.

The Board will be mindful of the public shareholding spread requirement before making any purchase of its own Shares.

2.7 Implication of the Code

Pursuant to the Code, if the Proposed Share Buy-Back Authority 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 Share Buy-Back Authority, 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 Tanco Shares not already owned by him/them pursuant to the Code.

However, a waiver to undertake a mandatory offer may be granted by the Securities Commission Malaysia ("**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, TJN Capital Sdn. Bhd. is a substantial shareholder of the Company having direct equity interest of more than thirty-three percent (33%) but less than fifty percent (50%) of the voting shares in the Company. The Proposed Share Buy-Back Authority, if fully exercised, will require TJN Capital Sdn. Bhd. to undertake a mandatory take-over offer for the remaining shares in the Company not already owned by it. The Board is aware of the implications of the Code and they shall take all necessary steps to ensure that the Proposed Share Buy-Back Authority when implemented, will not result in the holdings of TJN Capital Sdn. Bhd. exceeding 2% of the voting shares of the Company within any period of six (6) months as provided under the Code.

However, in the event an obligation to undertake a mandatory offer is expected to arise with respect to TJN Capital Sdn. Bhd. resulting from the Proposed Share Buy-Back Authority, which is an action outside its direct participation, TJN Capital Sdn. Bhd. will make necessary application to the SC for an exemption from undertaking a mandatory offer pursuant to the Code prior to any buy-back of the Shares.

2.8 Historical share prices

The monthly highest and lowest traded prices of Tanco Shares on Bursa Securities for the past 12 months up to November 2024 are as follows: -

	High (RM)	Low (RM)
2023		
December	0.59	0.56
2024		
January	0.66	0.37
February	0.70	0.51
March	0.87	0.68
April	0.87	0.78
May	1.02	0.83
June	1.08	0.94
July	1.09	0.97
August	1.08	0.98
September	1.36	1.08
October	1.50	1.20
November	1.41	1.28

Last transacted market price on LPD RM 1.41

(Source: Bloomberg)

2.9 Purchase, Resale or Cancellation Made in the Preceding 12 Months

As at the LPD, the Company does not hold any treasury shares. During the last 12 months preceding the LPD, the Company did not purchase any of its own Shares, resell or cancel any treasury shares.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority if exercised is expected to potentially benefit the Company and its shareholders as follows: -

- (i) The Proposed Share Buy-Back Authority, if implemented, will allow the Company to utilise its financial resources which are not immediately used for purchase of the Shares. If the Shares purchased are held as treasury shares or cancelled immediately, this may strengthen the consolidated EPS of the Group;

- (ii) If the Shares bought back are kept as treasury shares, the Proposed Share Buy-Back Authority will give the Directors an option to sell the Shares so purchased at a higher price than the purchase prices and therefore make a potential capital gain for the Company and such proceeds may be subsequently used for investment opportunities arising in the future, working capital and/or distribution as dividends to shareholders; and
- (iii) The Company may be able to stabilise the supply and demand of its Shares in the open market of Bursa Securities and reduce the short term volatility of Tanco Share prices. The stability of Tanco Share prices is important to maintain investors' confidence in order to facilitate future fund raising exercises of the Company via the equity market.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (a) to allow the Company to take preventive measures against speculation particularly when the shares are undervalued, which would in turn, stabilise the market price of Tanco Shares and hence, enhance investors' confidence;
- (b) to enable the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- (c) if the Purchased Shares which are retained as treasury shares are resold at a higher price than the purchase price, it will provide the Company with opportunities for potential capital gains; and
- (d) if the treasury shares are distributed as share dividends by the Company, it may then serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (a) the Proposed Share Buy-Back Authority will reduce the financial resources of the Group and may result in the Group foregoing other investment opportunities that may emerge in the future; and
- (b) as the Proposed Share Buy-Back Authority can only be made out of retained earnings of the Company, the amount of retained profits available for distribution of dividends to shareholders of the Company may decrease accordingly.
- (c) If the Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back Authority, the cash flow of the Company may be affected to the extent of the interest costs associated with such borrowings.

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The financial effects of the Proposed Share Buy-Back Authority are set out below.

5.1 Issued Shares

The effect of the Proposed Share Buy-Back Authority on the total number of issued shares will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

In the event that all Purchased Shares are retained as treasury shares, resold, or distributed to the shareholders, the Proposed Share Buy-Back Authority will have no effect on the total number of issued shares of the Company.

Based on the total number of issued shares of the Company as at the LPD, and assuming that the maximum number of Tanco Shares (of up to 10% of the total number of issued shares) authorised under the Proposed Share Buy-Back Authority are purchased and cancelled, the effects of the Proposed Share Buy-Back Authority are set out below: -

	Minimum Scenario <small>(1)</small>	Maximum Scenario <small>(2)</small>
	No. of Tanco Shares	No. of Tanco Shares
Total number of issued Shares as at the LPD	2,172,544,049	2,172,544,049
Assuming full exercise of 578,336,357 outstanding Warrants	-	578,336,357
Total number of issued Shares	<u>2,172,544,049</u>	<u>2,750,880,406</u>
<i>Less: Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Share Buy-Back Authority</i>	217,254,405	275,088,041
Total number of issued share capital after cancellation of Shares purchased under the Proposed Share Buy-Back	<u>1,955,289,644</u>	<u>2,475,792,365</u>

Notes:

(1) *Assuming none of the outstanding Warrants is exercised.*

(2) *Assuming all outstanding Warrants are exercised.*

5.2 NA and working capital

The effect of the Proposed Share Buy-Back Authority on the NA of the Group will depend on the actual number of Tanco Shares purchased, the purchase prices of Tanco Shares, the effective cost of funding and the treatment of the Shares purchased.

The Proposed Share Buy-Back Authority will reduce the NA per Share if the purchase price is more than the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is less than the NA per Share at the time of purchase.

The Proposed Share Buy-Back Authority, as and when implemented, will result in an outflow of cash and thereby reduce funds available for working capital of the Company and the Group. The quantum of reduction in working capital is dependent on, amongst others, the number of Tanco Shares purchased, the purchase price(s) of Tanco Shares and any costs incurred in making the purchase.

However, for Tanco Shares so purchased and kept as treasury shares, upon its resale at a higher selling price than the initial purchase price, the working capital and the cash flow of Tanco Group will increase. 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.

5.3 Earnings and EPS

The effects of the Proposed Share Buy-Back Authority on the EPS of Tanco Shares are dependent on the number and the purchase prices of the Purchased Shares, the effective cost of funding and/or the interest income forgone in connection with the funding of such Purchased Shares. If the Tanco Shares so purchased 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 the Group.

5.4 Existing convertible securities

Save for the 578,336,357 outstanding Warrants of the Company, the Company does not have any other outstanding convertible securities as at the LPD.

5.5 Dividends

The Proposed Share Buy-Back Authority is not expected to have any impact on the policy of the Board in recommending dividends, if any, to the shareholders. However, as stated in Section 2.5 of Part B of this Circular, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back Authority.

5.6 Substantial shareholders' and Directors' shareholdings

For illustration purposes only, based on the Register of Substantial Shareholders and Register of Directors' Shareholdings of the Company as at the LPD and assuming the purchase by the Company of its Shares pursuant to the Proposed Share Buy-Back Authority is carried out in full on the basis that all the Shares are purchased from shareholders other than the existing substantial shareholders and Directors of the Company, the effect of such purchase on the shareholdings of the existing substantial shareholders and Directors of the Company are as follows: -

Minimum Scenario – Assuming none of the outstanding Warrants is exercised

	Shareholdings as at the LPD				Proforma 1 After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<u>Substantial Shareholders</u>								
TJN Capital Sdn. Bhd.	804,059,064	37.01	-	-	804,059,064	41.12	-	-
Dato' Sri Andrew Tan Jun Suan	307,385,500	14.15	804,059,064*	37.01	307,385,500	15.72	804,059,064*	41.12

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Act.

	Shareholdings as at the LPD				Proforma 1 After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<u>Directors</u>								
Dato' Sri Andrew Tan Jun Suan	307,385,500	14.15	804,059,064*	37.01	307,385,500	15.72	804,059,064*	41.12
Dato' Dr. Mohd. Aminuddin Bin Mohd. Rouse	-	-	-	-	-	-	-	-
Koay Ghee Teong	-	-	-	-	-	-	-	-
Christopher Tan Khoon Suan	-	-	-	-	-	-	-	-
Chew Shen Hoay	-	-	-	-	-	-	-	-
Datuk Rashidi Bin Hasbullah	-	-	-	-	-	-	-	-
Dato' Martini Binti Osman	-	-	-	-	-	-	-	-
Wong Jee Seng	-	-	-	-	-	-	-	-
Syafinaz Merican Binti Isahak Merican	-	-	-	-	-	-	-	-

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Act.

Maximum Scenario – Assuming all outstanding Warrants are exercised

	Shareholdings as at the LPD				Proforma 1 After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<u>Substantial Shareholders</u>								
TJN Capital Sdn. Bhd.	804,059,064	37.01	-	-	804,059,064	32.48	-	-
Dato' Sri Andrew Tan Jun Suan	307,385,500	14.15	804,059,064*	37.01	307,385,500	12.42	804,059,064*	32.48

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Act.

	Shareholdings as at the LPD				Proforma 1 After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<u>Directors</u>								
Dato' Sri Andrew Tan Jun Suan	307,385,500	14.15	804,059,064*	37.01	307,385,500	12.42	804,059,064*	32.48
Dato' Dr. Mohd. Aminuddin Bin Mohd. Rouse	-	-	-	-	-	-	-	-
Koay Ghee Teong	-	-	-	-	-	-	-	-
Christopher Tan Khoon Suan	-	-	-	-	-	-	-	-
Chew Shen Hoay	-	-	-	-	-	-	-	-
Datuk Rashidi Bin Hasbullah	-	-	-	-	-	-	-	-
Dato' Martini Binti Osman	-	-	-	-	-	-	-	-
Wong Jee Seng	-	-	-	-	-	-	-	-
Syafinaz Merican Binti Isahak Merican	-	-	-	-	-	-	-	-

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Act.

6. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is subject to the approval of the shareholders of Tanco at the forthcoming 65th AGM.

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

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders in Tanco as a result of the Proposed Share Buy-Back Authority, none of the Directors, Major Shareholders of Tanco, and/or persons connected to them, have any interest, whether directly or indirectly, in the Proposed Share Buy-Back Authority.

8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Share Buy-Back Authority, is of the view that the Proposed Share Buy-Back Authority is in the best interest of Tanco. Accordingly, the Board recommends that you vote in favour of the ordinary resolution relating to the Proposed Share Buy-Back Authority to be tabled at the forthcoming 65th AGM.

9. AGM

The ordinary resolution pertaining to the Proposed Share Buy-Back Authority will be tabled as Special Business at our forthcoming 65th AGM. Our 65th AGM, the notice of which can be downloaded from our Company's website at <https://www.tancoholdings.com/investor-relations/#shareholder-meetings>, will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC D6A471702) on Friday, 20 December 2024 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 Share Buy-Back Authority. Please refer to the Administrative Guide on the conduct of a fully virtual 65th 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 65th 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 65th 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 65th 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;
- (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; and
- (d) joint venture agreement dated 27 February 2024 entered into between Menteri Besar Negeri Sembilan (Pemerbadanan) and Midports Holdings Sdn. Bhd. to collaborate on a joint venture basis in respect of a proposed development of a “*Smart AI Container Port*” on a section of the submerged land in Dickson Bay, District of Port Dickson, Negeri Sembilan measuring approximately 33.66 hectares (approximately 83.19 acres);
- (e) deed of settlement dated 28 June 2024 entered between Palm Springs Development Sdn. Bhd. (“**PSD**”) and 5T3M Edupark Sdn. Bhd. (“**SESB**”) for the settlement of the claim sum of RM14,776,992.00 in total from SESB to PSD in respect of the termination of the lease agreement dated 31 May 2019 pursuant to the leasing of a parcel of commercial freehold land located in Pekan Sungai Menyala, Port Dickson, Negeri Sembilan; and
- (f) joint venture cum shareholders' agreement dated 11 October 2024 entered into between Menteri Besar Negeri Sembilan (Pemerbadanan) and Tanco Land Sdn. Bhd. to collaborate on a joint venture basis to develop an industrial zone/ park on the land measuring approximately 623.9231 hectares held under the title number GRN 71023 Lot 415, Mukim Pasir Panjang, Daerah Port Dickson, Negeri Sembilan.

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 the Company's 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 2023 and 30 June 2024.

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION

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

"THAT, subject to the provisions of the Main Market 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 21 November 2024 ("**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 ("**the 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."

ORDINARY RESOLUTION

- PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")

"THAT, subject always to the provision of Companies Act 2016 ("**the Act**"), the Constitution, the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and/or any other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company ("**Company Shares**") as may be determined by the Directors of the Company from time to time through Bursa Securities as the Director may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the maximum aggregate number of Company Shares which may be purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time of the said purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing Company Shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

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

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

THAT upon completion of the purchase of Company Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Company Shares purchased in their absolute discretion in the following manner:

- (i) cancel the Company Shares so purchased; or
- (ii) retain all or part of the Company Shares so purchased as treasury shares for distribution as shares dividends to shareholders and/or resell on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transferred for the purposes of an employees’ share scheme and/or transferred as purchase consideration and/or cancelled subsequently; or
- (iii) retain part of the Company Shares so purchased as treasury shares and cancel the remainder of the Company Shares; or
- (iv) deal with the Company Shares so purchased in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time,

and such authority to deal with the Company Shares so purchased shall continue to be valid until all such Company Shares have been dealt with by the Directors of the Company.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and enter into any instrument, agreements or arrangements with any party or parties to implement, finalise and give full effect to the aforementioned purchase of Company Shares by the Company with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion, deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”