

CORPORATE GOVERNANCE REPORT

STOCK CODE : 2429
COMPANY NAME : TANCO HOLDINGS BERHAD
FINANCIAL YEAR : June 30, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board")'s principal activities amongst others include setting out strategic plans and policies and overseeing the investments and businesses of the Company and its subsidiaries ("Group"). In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to identify the Group's significant risks and implementation of appropriate internal controls and mitigation measures to manage these risks. Key matters such as approval of annual and interim results, major acquisitions and disposals, major agreements as well as review of the adequacy and integrity of the internal controls system and risk management strategies of the Group are reserved for the Board. The Group has in place financial authorisation limit for matters such as operating and capital expenditure and Standard Operating Procedures to improve efficiency and productivity among all departments within the Group.</p> <p>The Board has delegated the day-to-day affairs of the Group's business to the Group Managing Director ("GMD") of the Company. The GMD, supported by the Executive Directors, will focus on the business and leads the Senior Management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The GMD may delegate appropriate functions to any member of the Senior Management reporting to the Executive Directors.</p> <p>The Board has established a Board Charter which provides reference for Directors in relation to the Boards' roles, powers, duties and functions. The Board Charter also outlines the processes and procedures to ensure the Board's and Board Committees' effectiveness and efficiency. The Board Charter is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>

	<p>Apart from the aforesaid principal roles and responsibilities of the Board, the Board also delegates certain responsibilities to the following Board Committees, each with clearly defined Terms of Reference (“TOR”) to assist the Board in discharging its responsibilities:</p> <p>(a) Audit Committee (“AC”); (b) Nomination Committee (“NC”); (c) Remuneration Committee (“RC”); and (d) Risk Management and Sustainability Committee (“RMSC”).</p> <p>While the Board Committees have their own functions and delegated roles, duties and responsibilities, they will report to the Board with their decisions and/or recommendations. Hence, the ultimate responsibility and decision on all matters lies with the Board.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse, is a Non-Independent Non-Executive Director who is responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>As provided under the Company's Board Charter, the Chairman is responsible for:</p> <ul style="list-style-type: none">• providing leadership to the Board and ensuring the effectiveness of all aspects of its role;• ensuring the efficient organisation and conduct of Board meetings and encouraging all Directors to play an active role in Board activities;• taking the lead in setting the values and standards of the Company;• ensuring that quality, accurate and timely information is furnished to Board members to facilitate effective decision-making;• chairing general meetings and ensuring the orderly conduct of such meetings;• ensuring effective communication with shareholders and stakeholders; and• facilitating the contributions of Non-Executive Directors and maintaining constructive relations between Executive and Non-Executive Directors. <p>During Board meetings, the Chairman leads discussion and ensures that sufficient time is allocated for deliberations on key issues and complex matters. He also encourages active participation by all Directors and allows views, including dissenting opinions, to be freely expressed.</p> <p>The Chairman also plays a key role in the conduct of general meetings by ensuring the orderly proceedings of the meetings and facilitating effective communication with shareholders. He encourages active participation by shareholders and allows sufficient time for questions to be raised and addressed during the questions and answers ("Q&A") session.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Dato' Dr. Mohd. Aminuddin Bin Mohd. Rouse as the Non-Independent Non-Executive Chairman and Dato' Sri Andrew Tan Jun Suan as the GMD.</p> <p>There is a clear separation between the Chairman's role and the GMD to ensure a division of responsibilities and a balance of control, power and authority.</p> <p>The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective TOR, to ensure its own effectiveness, while the GMD manages the businesses and operations of the Group and implements and develops the Board's decisions, policies and strategies.</p> <p>The distinct and separation roles and responsibilities of the Chairman and GMD are clearly stated in the Board Charter which is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse, is not a member of the AC, NC, RC and RMSC. During the financial year ended 30 June 2026 ("FYE 2026"), the Chairman was not invited to attend any meetings of these Board Committees.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is supported by a suitably qualified, experienced and competent Company Secretary who is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators and is also qualified under the Companies Act 2016.</p> <p>The Company Secretary advises the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group. The Company Secretary attends Board and Board Committees meetings and is responsible for ensuring the meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also ensures that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company.</p> <p>The Company Secretary has been continuously attending the necessary training programmes, conferences, seminars, briefings and/or forums so as to keep herself abreast with the current regulatory changes in laws and regulatory requirements that are relevant to her profession and enabling her to provide the necessary advisory role to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Regular Board and Board Committee meetings are scheduled throughout the year to enable the Directors to plan ahead and fit the meetings into their own schedules. To facilitate attendance, the Company Secretary consults the Directors before finalising the meeting dates.</p> <p>In order to discharge their responsibilities effectively, the Board meet regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.</p> <p>Notices of the Board and Board Committee meetings together with the relevant Board papers compiled by the Company Secretary shall be circulated to all the Directors electronically at least five (5) working days in advance before the meeting is held, except in the case of an emergency, where reasonable time would suffice.</p> <p>To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions. The Board reviews and deliberates on the Group's financial performance and results, business operations, reports of the various Board Committees, corporate exercises and strategic financials and investments decisions.</p> <p>In the intervals between Board meetings, matters requiring urgent Board decisions and/or approvals may be dealt with by way of circular resolutions, supported by relevant information and explanations to enable the Directors to make informed decisions.</p>

	<p>All issues discussed, decisions and conclusions and whether any Director abstained from voting or deliberating on a particular matter at the Board and Board Committee meetings with required actions to be taken by responsible parties are documented in the minutes by the Company Secretary.</p> <p>Draft minutes of Board and Board Committee meetings are circulated to the Board members in a timely manner for their review and comments. Upon confirmation, the minutes are signed by the respective Chairs as a correct record of the proceedings of the meetings.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the respective roles and responsibilities of the Board, individual Directors and Management, including matters reserved for the Board's consideration and decision. The respective TOR of the Board Committees further define their composition, functions, duties and responsibilities.</p> <p>The Board Charter and TOR serve as guiding documents to ensure that the Directors are aware of their respective roles, duties and responsibilities and uphold the principles and practices of good corporate governance in discharging their responsibilities and conducting the affairs of the Company, in accordance with applicable laws and regulations.</p> <p>The Board Charter and TOR are periodically reviewed and updated in tandem with changes in regulations and best practices that may have impact on the discharge of the Board's responsibilities.</p> <p>The latest Board Charter and TOR are available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised a Code of Ethics and Conduct for its Directors which is incorporated in the Board Charter, to enhance the standard of corporate governance and promote ethical conduct of the Directors and the same is adhered to at all times.</p> <p>The Group has also established and adopted a Group Code of Conduct and Business Ethics to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation.</p> <p>Both the aforesaid Codes are available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group has in place a Whistleblowing Policy and Procedure which serves as an internal disclosing channel in relation to whistleblowing at work place to enable employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis.</p> <p>The Whistleblowing Policy and Procedure, underlining its protection and reporting channels, is available on the Company’s website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Company has embedded its sustainability governance within its broader corporate governance framework to ensure effective alignment with its Environmental, Social, and Governance (“ESG”) and climate-related priorities.	
		The Board provides strategic oversight of sustainability and climate-related matters and reviews and approves key sustainability policies, targets and disclosures in alignment with the Group’s long-term business strategy.	
		The RMSC monitors implementation and oversees material ESG and climate-related risks and opportunities, including relevant sustainability disclosures and performance.	
		The Sustainability Working Group, coordinated by the Corporate Strategy and Sustainability Director, works with business and functional units on implementation, data collection, performance monitoring and sustainability reporting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company engages, both regularly and periodically, with a wide range of stakeholders who influence or are affected by its business. The key stakeholder groups include Employees, Customers, Vendors (Suppliers, Consultants and Contractors), Government Bodies and Regulators, Financiers, Shareholders, Media and Local Communities. The Company adopts a two-way communication approach that enables stakeholder feedback to be considered in its sustainability priorities and response to stakeholder concerns. Through this engagement, the Company aims to enhance transparency, strengthen trust, and support inclusive and sustainable growth.</p> <p>The Company's sustainability strategies, priorities and targets as well as performance are reported in its Sustainability Statement, which is published separately from the Company's Annual Report 2026 and made available on the Company's website. This statement reflects the Company's efforts to integrate sustainability into operations and disclose developments in a consistent manner.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors who served on the Board during FYE 2026 had successfully completed the Mandatory Accreditation Programme (“MAP”) Part II in relation to sustainability and the related roles of a Director in the preceding financial year, as prescribed under Paragraph 15.08 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).</p> <p>The Board continues to enhance its knowledge and understanding of sustainability matters relevant to the Group’s businesses, including climate-related risks and opportunities, through relevant training programmes, briefings and updates from Bursa Securities, the Securities Commission Malaysia and other relevant regulators. During FYE 2026, the Directors attended various sustainability-related training programmes, details of which are disclosed in the Corporate Governance Overview Statement in the Company’s Annual Report 2026.</p> <p>Subsequent to the FYE 2026, Puan Azizah binti Mohd Yatim (“Puan Azizah”) was appointed as an Independent Non-Executive Director of the Company on 18 September 2026. She has completed MAP Part I and is required to complete MAP Part II within 18 months from the date of her appointment, i.e. on or before 17 March 2028.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>During FYE 2026, the annual Board effectiveness assessment included an evaluation of the Board's performance in addressing the Group's ESG matters and material sustainability risks and opportunities through a questionnaire-based assessment. The Board Evaluation Questionnaire relating to ESG and Sustainability was completed by all Directors, and the results were reviewed by the NC and subsequently noted by the Board.</p> <p>Sustainability responsibilities and performance are monitored through the Group's governance and management reporting processes. The Company will continue to strengthen the incorporation of relevant sustainability responsibilities into senior management performance evaluation, where appropriate.</p> <p>The Human Resource Department and relevant management functions will support the progressive incorporation of material sustainability responsibilities into senior management performance evaluation, where appropriate.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Mr. Collin Chin Kok Meng, Corporate Strategy and Sustainability Director, is the designated management lead for sustainability, providing dedicated focus on the coordination and implementation of the Group's sustainability strategies, priorities and reporting. He is supported by the cross-functional Sustainability Working Group and works with Heads of Departments and Heads of Business Units to integrate sustainability considerations into relevant business activities and to identify, assess and report material sustainability-related risks and opportunities.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the NC, undertakes an annual review of the Board's size and composition to ensure that they remain appropriate having regard to the scope and nature of the Group's businesses and operations, and to facilitate effective Board deliberations and decision-making.</p> <p>As part of the annual evaluation process, the NC reviews the tenure of each Director and assesses the effectiveness of the Board as a whole and its Board Committees, as well as the performance and contribution of individual Directors. The NC also evaluates the performance and contribution of Directors who are subject to retirement at the forthcoming 67th Annual General Meeting ("AGM") of the Company and, based on the outcome of the assessment, makes recommendations to the Board on their re-election in accordance with the Company's Constitution and the relevant provisions of the Companies Act 2016, for shareholders' approval at the forthcoming 67th AGM.</p> <p>Subsequent to FYE 2026, the Board appointed Puan Azizah as an Independent Non-Executive Director on 18 September 2026, further strengthening the Board's composition and diversity.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>As at FYE 2026, the Board comprised eight (8) Directors, consisting of three (3) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman. The Independent Directors represented 50% of the Board's composition, which complied with Paragraph 15.02 of the MMLR of Bursa Securities.</p> <p>However, as the Company falls within the definition of a Large Company under the Malaysian Code on Corporate Governance 2021 ("MCCG"), the Board's composition did not meet the requirement under Practice 5.2 for a majority of the Board to comprise Independent Directors.</p> <p>Notwithstanding the above, the Board maintains an appropriate balance of Executive and Non-Executive Directors, with Independent Directors constituting half of the Board's composition during FYE 2026.</p> <p>The presence of Independent Directors provides independent judgement and objective perspectives during Board deliberations and decision-making, while the Board Committees provide additional oversight within their respective areas of responsibility. These arrangements facilitate constructive discussions, appropriate checks and balances, and objective decision-making in the best interests of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>Subsequent to FYE 2026, the Board, upon the recommendation of the NC, appointed Puan Azizah as an Independent Non-Executive Director on 18 September 2026.</p> <p>Following her appointment, the Board's composition increased to nine (9) Directors, comprising five (5) Independent Non-Executive Directors, three (3) Executive Directors and one (1) Non-Independent Non-Executive Chairman. Accordingly, Independent Directors now constitute a majority of the Board, representing approximately 55.6% of its composition, thereby aligning with the recommendation under Practice 5.2 of the MCCG.</p>

Timeframe	:	Others	Achieved on 18 September 2026, subsequent to FYE 2026.
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has adopted an Independent Director Tenure Policy to limit the tenure of Independent Directors to a cumulative term of not more than 12 years from the date of first appointment. Upon completion of the 12th year, an Independent Director may continue to serve on the Board as a Non-Independent Non-Executive Director. This is in compliance with the definition of independent directors under the MMLR of Bursa Securities.</p> <p>Nonetheless, the said policy provides that an Independent Director who has served on the Board for a cumulative term of nine (9) years may continue to serve as an Independent Director, subject to annual shareholders' approval through a two-tier voting process, with appropriate justification and assessment of the director's independence and contribution.</p> <p>Presently, there is no Independent Director on the Board who has served the Company for a cumulative term of more than nine (9) years since his/her appointment as Independent Director.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.</p> <p>The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.</p> <p>The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. While Board appointments continue to be based on merit, skills, experience, independence and diversity, the Company supports the objective of maintaining at least 30% female representation on the Board.</p> <p>The Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.</p> <p>The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a work place environment free of harassment and discrimination on the basis of gender, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.</p> <p>The Board, through the NC, evaluates and recommends candidates for appointment to the Board based on their merits, skills, knowledge, expertise, experience, professionalism, integrity and time commitment to ensure that they are able to contribute effectively to the Board. In the case of candidates for appointment as Independent Non-Executive Directors, the NC also assesses their ability to exercise independent</p>

	judgement and discharge the responsibilities expected of Independent Non-Executive Directors.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the NC the responsibility of making recommendations on any potential and suitable candidate for the appointment as a new Director. The NC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and that appointments are made on merits, as guided by the Company's Directors' Fit and Proper Policy. The process for the appointment of a new Director is summarised in the sequence as follows:</p> <ol style="list-style-type: none">1. The candidate identified upon the recommendation by the existing Directors, management, major shareholders, independent search firms and/or other independent sources;2. In evaluating the suitability of candidates for appointment to the Board, the NC considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates will be required to confirm their compliance with the criteria of an independent director as prescribed in the MMLR of Bursa Securities;3. Recommendation shall then be made by the NC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees. <p>In identifying suitable candidates for appointment to the Board, the NC may consider recommendations from existing Directors, Management and major shareholders, as well as candidates identified through independent sources, including professional associations and independent recruitment agencies. The NC is mindful of the importance of broadening the pool of potential candidates to ensure that appointments are made based on merit and the needs of the Board.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>To assist shareholders in making informed decisions on the appointment and/or re-appointment of directors at the forthcoming 67th AGM, the Company discloses relevant information on the retiring Directors, including their age, gender, qualifications, directorships, working experience, shareholdings in the Company and any conflict of interest, if applicable, in their respective profiles in the Company's Annual Report 2026.</p> <p>The Board, through the NC, conducted an assessment of the Directors who are subject to retirement at the forthcoming 67th AGM, taking into consideration their performance and contribution to the Board. Having considered the assessment and recommendations of the NC, the Board supports the re-election of the retiring Directors and recommends the same for shareholders' approval at the forthcoming 67th AGM.</p> <p>Further details on the re-election of Directors are set out in the explanatory notes accompanying the Notice of the 67th AGM, as well as in the Corporate Governance Overview Statement and the NC Statement of the Company's Annual Report 2026.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Datuk Rashidi bin Hasbullah, who is a Senior Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During FYE 2026, the Board comprised two (2) women Directors, namely Dato' Martini binti Osman and Puan Syafinaz Merican binti Isahak Merican, representing 25% of the total Board composition. While this complied with Paragraph 15.02(1)(b) of the MMLR of Bursa Securities, the Board had not achieved the minimum 30% women representation recommended under Practice 5.9 of the MCGG.</p> <p>The Board recognises the importance of gender diversity in promoting diverse perspectives and enhancing the effectiveness of Board deliberations and decision-making. Through the NC, the Board considers gender diversity as part of its assessment of Board composition and the identification of suitable candidates for appointment, while ensuring that appointments are made based on merit, skills, experience and competencies.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Subsequent to FYE 2026, the Board appointed Puan Azizah as an Independent Non-Executive Director of the Company on 18 September 2026. Following her appointment, the number of women Directors increased to three (3), representing approximately 33.3% of the total Board composition. Accordingly, the Company has achieved the minimum 30% women representation under Practice 5.9 of the MCGG.
Timeframe	:	Others
		Achieved on 18 September 2026, subsequent to FYE 2026.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a Human Rights Policy for the Company, which incorporates diversity, equity and inclusion under a broader human rights framework and replaces the previous standalone Gender Diversity Policy.</p> <p>A copy of the Human Rights Policy is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Company has yet to engage an independent expert to facilitate the Board evaluation. The Company will enhance its existing Board evaluation process to incorporate independent external facilitation in line with the best practice applicable to Large Companies.
	The NC has and established a formal annual evaluation mechanism to assess the effectiveness of the Board, Board Committees and each individual Director, including the independence of the Independent Non-Executive Directors.
	The annual assessment criteria are based on customised questionnaires prepared in line with the best practices of the MCCG taking into account the mix of skills, knowledge, expertise, experience, composition, performance, contribution and effectiveness of the Board as a whole, the Board Committees and individual Directors.
	The results of the assessments are compiled by the Company Secretary and presented in the form of a summary by the NC Chairman to the Board for consideration. These results also form part of the NC's considerations in making recommendations to the Board on the re-election of Directors at the AGM.
	The NC also reviews the terms of office and performance of the AC and its members to ensure that they have discharged their duties and responsibilities in accordance with the TOR of the AC. The assessments and evaluations carried out by the NC in the discharge of its function are properly documented.

	<p>The established annual evaluation process provides a structured and objective mechanism for the Board to assess the effectiveness of the Board, Board Committees and individual Directors. The process enables the Board and NC to identify areas for improvement, assess the effectiveness of the Board’s composition and support informed decisions on Board succession and the re-election of Directors.</p> <p>Accordingly, the alternative practice contributes to achieving the intended outcome of ensuring that the effectiveness of the Board, Board Committees and individual Directors is regularly assessed and that the assessment outcomes are considered in strengthening the Board’s effectiveness and composition.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will engage an independent expert to facilitate the Board evaluation and will review the existing evaluation methodology, including the scope and assessment criteria, to incorporate the independent expert’s input and recommendations.
Timeframe	:	Within 3 years

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The Board has in place a Remuneration Policy and Procedures to determine the remuneration of its Director and Senior Management. The details are as set out in the said policy and is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The TOR of the RC which set out the policies and procedures to determine the remuneration of the Board and Senior Management is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure on named basis for the remuneration of individual Directors for FYE 2026 are set out on the following page of this report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	Non-Executive Non-Independent Director	80.031	4.500	-	-	-	-	84.531	80.031	4.500	-	-	-	-	84.531
2	Datuk Rashidi bin Hasbullah	Independent Director	46.016	10.000	-	-	-	-	56.016	46.016	10.000	-	-	-	-	56.016
3	Dato' Martini binti Osman	Independent Director	46.016	8.500	-	-	-	-	54.516	46.016	8.500	-	-	-	-	54.516
4	Mr. Wong Jee Seng	Independent Director	46.016	8.000	-	-	-	-	54.016	46.016	8.000	-	-	-	-	54.016
5	Puan Syafinaz Merican binti Isahak Merican	Independent Director	46.016	7.000	-	-	-	-	53.016	46.016	7.000	-	-	-	-	53.016
6	Dato' Sri Andrew Tan Jun Suan	Executive Director	-	-	-	-	-	-	-	-	-	616.000	-	30.200	75.313	721.513
7	Datuk Christopher Tan Khoon Suan	Executive Director	-	-	-	-	-	-	-	-	5.400	304.000	-	18.348	38.305	366.053
8	Mr. Koay Ghee Teong	Executive Director	-	-	-	-	-	-	-	-	25.600	288.000	-	7.600	37.465	358.665
9	Madam Chew Shen Hoay (Resigned on 15 October 2025)	Executive Director	-	-	-	-	-	-	-	-	16.920	235.000	-	3.523	31.401	286.844
10	Puan Azizah binti Mohd Yatim (Appointed on 18 September 2026)	Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has opted not to disclose on a named basis for the Senior Management’s remuneration in bands of RM50,000 due to confidentiality and sensitivity of individual remuneration packages as well as the competitive market for talent within the Group’s business.	
		As an alternative, details of the remuneration of the top five (5) Senior Management of the Group (including salary, benefits in-kind and other emoluments) for FYE 2026 are disclosed on an aggregate basis and in each successive bands of RM50,000 as follows:	
		Range of Remuneration	Number of Senior Management
		RM500,001 to RM550,000	1
		RM400,001 to RM450,000	1
RM350,001 to RM400,000	1		
RM300,001 to RM350,000	1		
RM150,001 to RM200,000	1		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will continue to review the Company’s remuneration disclosure practices, taking into consideration the confidentiality and sensitivity of individual remuneration packages, market practices and the need for transparency to shareholders. The Company will consider adopting the recommended practice when deemed appropriate.	
Timeframe	:	Others	The Board will review the adoption of this Practice from time to time, taking into consideration the Company’s circumstances and prevailing market practices.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the AC is Mr. Wong Jee Seng, who is an Independent Non-Executive Director and the Chairman of the Board is Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse, who is a Non-Independent Non-Executive Chairman.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The policy on observation of a cooling-off period of at least three (3) years for a former key audit partner prior to the appointment as an AC member is incorporated in the TOR of the AC.</p> <p>Presently, no member of the AC was a former key audit partner of the Group’s External Auditors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has adopted an External Auditors Policy which outlines the policies and procedures for the AC to govern the assessment and to monitor the External Auditors.</p> <p>Apart from the above, the TOR of the AC also requires the AC to assess the suitability, objectivity and independence of the External Auditors annually.</p> <p>The Board has delegated to the AC to undertake an annual assessment of the quality of audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standards and devising tools to obtain the relevant data. The areas of assessment include among others, the External Auditors' calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as audit communications.</p> <p>In addition to performing their own assessment, the AC may also request the Chief Financial Officer/Finance Director and/or the finance personnel (who have substantial contact with the external audit team) to perform annual assessment of the External Auditors. The AC also takes into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism.</p> <p>To support the AC's assessment of their independence, the External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.</p> <p>The External Auditors are required to rotate the audit engagement partner after a maximum period of seven (7) cumulative years, in accordance with the applicable professional and regulatory requirements, to safeguard their independence and objectivity.</p>

	<p>At the AC meetings held on 21 May 2026 and 27 August 2026 respectively, the External Auditors namely, Messrs. KPMG PLT (“KPMG”) has presented their 2026 Audit Plan and Audit Status Report for FYE 2026 which included KPMG’s confirmation that they have complied with the requirements for independence.</p> <p>The AC, having been satisfied with the performance of the External Auditors, had at its meeting held on 27 August 2026 recommended to the Board for approval of the re-appointment of the External Auditors for the ensuing financial year ending 30 June 2027. The Board has no objection to the re-appointment of the External Auditors and will accordingly seek shareholders’ approval for their re-appointment at the forthcoming AGM of the Company.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The AC comprises wholly of Independent Non-Executive Directors. During FYE 2026, all three (3) AC members satisfied the independence criteria prescribed under the MMLR of Bursa Securities.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to effectively discharge their duties and responsibilities in accordance with the TOR of the AC.</p> <p>The current AC comprises three (3) members, including one (1) of whom is a Chartered Management Accountant.</p> <p>All members of the AC are financially literate and able to analyse and interpret financial statements to effectively discharge their duties and responsibilities.</p> <p>The AC recognises the importance of continuous professional development to enhance and broaden its members' knowledge in accounting, auditing and other relevant areas to effectively discharge their roles and responsibilities.</p> <p>The training programmes and seminars attended by the AC members during FYE 2026 are disclosed in the Corporate Governance Overview Statement under the section "Director's Training" in the Company's Annual Report 2026.</p> <p>In addition, the AC members were also briefed by KPMG, the External Auditors, on the financial reporting developments, including new and amended Malaysian Financial Reporting Standards and International Financial Reporting Standards, during the AC meetings held in FYE 2026.</p> <p>During FYE 2026, the Board, through the NC, reviewed the effectiveness of the AC by way of an evaluation questionnaire. Based on the evaluation results, the Board was satisfied with the overall performance and effectiveness of the AC, recognising that the collective skills,</p>

	<p>experience, knowledge and expertise of its members contributed to the effective discharge of the AC's duties and responsibilities.</p> <p>Further details of the activities undertaken by the AC during FYE 2026 are disclosed in the AC Report in the Company's Annual Report 2026.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges that risk management and internal control are integral parts of the Group's overall management processes, involving the ongoing identification, evaluation, monitoring, management and mitigation of risks that may affect the achievement of the Group's business objectives.</p> <p>The Board continues to review the adequacy and effectiveness of the Group's risk management and internal control system, recognising that such a system is designed to provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.</p> <p>The Board has endorsed a risk management and internal control framework, comprising formalised risk management policies and procedures, to ensure a systematic and consistent approach towards evaluating and improving the adequacy and effectiveness of the Group's risk management processes.</p> <p>Further details on the management and reporting of risks, as well as the internal controls established to mitigate and manage such risks, are provided in the Statement on Risk Management and Internal Control in the Company's Annual Report 2026.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The key features of the Group's risk management and internal control framework, which cover their adequacy and effectiveness, are disclosed in the Statement on Risk Management and Internal Control in the Company's Annual Report 2026.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>During FYE 2026, the RMSC of the Company was established on 17 September 2025 following the separation of the former Audit and Risk Management Committee into two separate committees, namely the AC and the RMSC. The RMSC comprises a majority of Independent Non-Executive Directors.</p> <p>The Board retains overall responsibility for the Group's risk management and internal control framework and for overseeing its adequacy and effectiveness. In discharging this responsibility, the Board is assisted by the RMSC, which is entrusted with reviewing and overseeing the Group's risk management framework and system of internal control, including their adequacy, effectiveness and integrity.</p> <p>The RMSC is also entrusted with overseeing matters relating to anti-corruption and bribery, including reviewing the adequacy and effectiveness of the Group's relevant policies and procedures in upholding its zero-tolerance stance against corruption.</p> <p>The TOR of the RMSC is available on the Company's website at https://tancoholdings.com/investor-relations/#corporate-governance.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC is responsible for overseeing and reviewing the effectiveness of the Group’s internal audit function, which is outsourced to S F Chang Corporate Services Sdn. Bhd. (“Internal Auditors”). The Internal Auditors are independent and free from any relationships or conflicts of interest that could impair their objectivity and independence.</p> <p>The Internal Auditors report directly to the AC and provide independent assurance on the adequacy and effectiveness of the Group’s system of internal control. The Internal Auditors attend AC meetings to present their internal audit reports, including the scope of work performed, audit findings, Management’s responses and recommendations for improvement.</p> <p>Further details on the Group’s internal audit function are disclosed in the AC Report as well as the Statement on Risk Management and Internal Control in the Company’s Annual Report 2026.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Internal Auditor reports to the AC. This reporting relationship supports internal audit independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions. This relationship also gives the internal audit team the authority needed for full, free and unrestricted access to any or all operations, records, property and personnel within the Group.</p> <p>The internal audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The internal audit team comprises four (4) personnel and is headed by Mr. Chang Siew Foong, who is a member of the Malaysian Institute of Accountants. The internal audit team is free from any relationships or conflicts of interest that could impair its objectivity and independence.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of transparency and accountability to its shareholders and stakeholders. Accordingly, the Company utilises various communication channels to ensure the timely and effective dissemination of comprehensive and relevant information to shareholders, investors, the financial community and the public.</p> <p>The Board has adopted the following measures to facilitate effective communication and engagement with the Company's stakeholders:</p> <p>(i) Announcements to Bursa Securities</p> <p>Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities. Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results and the distribution of annual reports and circulars in the website of Bursa Securities at www.bursamalaysia.com.</p> <p>(ii) Corporate Website</p> <p>A corporate website at www.tancoholdings.com is maintained and the said website contains relevant information on the Group's activities, financial results, major strategic development and other matters affecting stakeholders' interests for the shareholders, potential investors, suppliers and the general public.</p> <p>(iii) Annual Reports</p> <p>The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.</p>

	<p>(iv) AGMs</p> <p>The AGM is the principal forum for dialogue and communication with shareholders.</p> <p>(v) Investor Relations</p> <p>Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone, facsimile or email, details of which are as follows:</p> <p>Address : No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, Malaysia</p> <p>Telephone No. : +6(03) 8070 8288</p> <p>Fax No. : +6(03) 8070 8299</p> <p>Email Address : corporate@tancoholdings.com</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company currently presents its financial, corporate governance, sustainability-related and other material information through its Annual Report and other relevant corporate disclosures in accordance with the applicable requirements of Bursa Malaysia Securities Berhad and other relevant regulatory requirements. The Company has yet to adopt integrated reporting based on a globally recognised framework.</p> <p>The Company adopts a comprehensive reporting and stakeholder communication approach through its Annual Report, Sustainability Statement, corporate website and other relevant corporate disclosures.</p> <p>These reporting channels provide stakeholders with information on the Group's financial and operational performance, business strategy, corporate governance, material sustainability matters, environmental and social initiatives, risk management and future prospects, enabling stakeholders to better understand the Group's business, policies and performance and make informed decisions.</p> <p>The Board, supported by the relevant Board Committees, provides oversight of the Company's financial reporting, governance, risk management and sustainability matters to promote transparency and accountability.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will continue to monitor developments in integrated reporting practices and globally recognised reporting frameworks, as well as stakeholder expectations and applicable reporting requirements. The Company will assess the feasibility and appropriateness of adopting integrated reporting having regard to the Group's business needs and reporting practices.

Timeframe	:	Others	The Company will continue to assess the appropriateness and feasibility of adopting integrated reporting and will consider its adoption when deemed appropriate.
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Notice of the Company’s last AGM (“66th AGM”) was made available to shareholders on the Company's website on 30 October 2025, thereby providing shareholders with more than 28 days’ notice prior to the 66th AGM held on 10 December 2025.</p> <p>The Notice of the 66th AGM, together with the Annual Report 2025 and other relevant AGM documents, was made available electronically on the Company’s website to provide shareholders with sufficient time to make arrangements to attend the AGM or appoint proxies to attend and vote on their behalf. The Notice was accompanied by explanatory notes, where appropriate, to facilitate shareholders' understanding of the proposed resolutions. A notification letter was also sent to shareholders informing them of the availability of these documents on the Company’s website.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Seven (7) out of eight (8) Directors attended the Company’s 66th AGM held on 10 December 2025, with one (1) Director unable to attend due to an emergency matter.	
		Notwithstanding the absence, the Chairs of the AC, NC, RC and RMSC, together with the Senior Management, External Auditors and Solicitors, were present at the 66th AGM to facilitate shareholder engagement and address questions and concerns raised by shareholders.	
		During the 66th AGM, the Company also presented its responses to the questions raised by the Minority Shareholders Watch Group (“ MSWG ”) prior to the meeting.	
		The Company ensured that the Chairs of all Board Committees and relevant Senior Management were present at the AGM to facilitate effective shareholder engagement and provide meaningful responses to questions raised.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company will continue its existing practice of facilitating full Board attendance at general meetings, barring unforeseen circumstances.	
Timeframe	:	Others	Not applicable, as the departure arose from an isolated unforeseen circumstance.

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Pursuant to Paragraph 8.27A of the MMLR of Bursa Securities, all listed issuers are required to conduct their general meetings either physically or in a hybrid manner with effect from 1 March 2025.</p> <p>In compliance with the MMLR, the Company's 66th AGM held on 10 December 2025 was conducted physically at Quest Hotel Midport Port Dickson, Negeri Sembilan, Malaysia.</p> <p>Nevertheless, the Company leveraged technology by adopting electronic voting ("e-Voting") for all resolutions tabled at the 66th AGM. Boardroom Share Registrars Sdn. Bhd. was appointed as the Poll Administrator to conduct the e-Voting, while Quantegic Services Sdn. Bhd. was appointed as the Independent Scrutineer to verify and validate the poll results.</p> <p>Shareholders who were unable to attend the said AGM in person could exercise their voting rights by appointing proxies to attend and vote on their behalf. The Company also adopted e-Voting to facilitate an efficient and transparent polling process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board will continue to assess the feasibility of adopting remote participation and voting facilities for future general meetings, taking into consideration shareholders' needs, the availability of suitable technology and the associated costs.
Timeframe	:	Others
		Subject to the Board's assessment.

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of general meetings as a platform for meaningful engagement and communication between the Board, Senior Management and shareholders.</p> <p>During the Q&A session at the 66th AGM held on 10 December 2025, the Group Executive Director presented the Company's responses to the questions raised by the MSWG prior to the AGM. The questions and responses covered various matters relating to the Group's operational and financial performance, business strategies, sustainability and corporate governance.</p> <p>The Board and Senior Management remain committed to facilitating open communication and meaningful engagement with shareholders at general meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

provide brief reasons on the choice of the meeting platform.		
Application	:	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	:	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the Company's 66 th AGM, detailing the proceedings of the meeting, were made available on the Company's website at www.tancoholdings.com within 30 business days after the AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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