



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Tanco Holdings Berhad ("Tanco" or the "Company") will be held at St. Andrew's Hall, Duta Vista Executive Suites, No. 1, Persiaran Ledang, Off Jalan Duta, 50480 Kuala Lumpur on Friday, 8 November 2013 at 9.30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Fifty-Fourth (54th) Annual General Meeting of the Company which will be held on the same date at the same venue, whichever shall be the later, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965 ("ACT") INVOLVING THE CANCELLATION OF RM0.80 OF THE PAR VALUE OF EACH EXISTING ORDINARY SHARE OF RM1.00 EACH IN TANCO ("TANCO SHARE(S)" OR "SHARE(S)") ("PROPOSED PAR VALUE REDUCTION");

"THAT subject to the passing of Special Resolution 2, the sanction of the High Court of Malaya pursuant to Section 64(1) of the Act and the approvals of the relevant authorities, approval be and is given for the reduction of the existing issued and paid-up share capital of Tanco comprising 334,886,726 ordinary shares of RM1.00 via the cancellation of RM0.80 from the par value of each ordinary share of RM1.00 each in Tanco **AND THAT** the credit arising therefrom be utilised to set-off the accumulated losses of the Company and any remaining credit after the set-off of the accumulated losses of the Company will be credited to the retained earnings of the Company which shall include but not limited to be distributed, capitalised and/or set-off accumulated losses in future (if any) by the Company in the manner to be determined by the Board at a later date.

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Par Value Reduction with full power to assent to any condition, modification, variation and/or amendment as may be imposed or permitted by the relevant authorities and/or the High Court of Malaya as the Directors may in their discretion deem fit or expedient in the best interest of the Company."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY TO FACILITATE THE PROPOSED PAR VALUE REDUCTION AND THE PROPOSED SIS (AS DEFINED HEREIN) ("PROPOSED M&A AMENDMENTS");

"THAT, subject to the passing of Special Resolution 1 and the approvals of the relevant authorities, approval be and is hereby given for the Company to amend its Memorandum and Articles of Association in the manner set out in Section 2.2 of the Company's Circular to Shareholders dated 17 October 2013 ("Circular") to facilitate the implementation of the Proposed Par Value Reduction and the Proposed SIS (as defined herein);

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed M&A Amendments with full power to assent to any condition, modification, variation and/or amendment as may be imposed or permitted by the relevant authorities as the Directors may in their discretion deem fit or expedient in the best interest of the Company."

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM33,488,672 NOMINAL VALUE OF THREE (3)-YEAR, 3%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK ("ICULS") AT 100% OF ITS NOMINAL VALUE OF RM0.10 EACH ("RIGHTS ICULS") ON THE BASIS OF RM0.10 NOMINAL VALUE OF RIGHTS ICULS FOR EVERY ONE (1) TANCO SHARE HELD AFTER THE PROPOSED PAR VALUE REDUCTION, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF RM15,000,000 NOMINAL VALUE OF RIGHTS ICULS, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE OF ICULS")

"THAT, subject to the passing of Special Resolution 1 and Special Resolution 2 and the approvals of all relevant authorities, approval be and is hereby given to the Directors of the Company to:

- (i) provisionally allot and issue by way of renounceable rights issue of up to RM33,488,672 nominal value of Rights ICULS at 100% of its nominal value of RM0.10 each on the basis of RM0.10 nominal value of Rights ICULS for every one (1) Tanco Share held after the Proposed Par Value Reduction on the Entitlement Date, to disregard fractional entitlements under the Proposed Rights Issue of ICULS and to deal with the aggregate of such fractions as the Directors of the Company may at their sole discretion deem fit and expedient and in the best interest of the Company and to deal with the excess Rights ICULS not subscribed by the other entitled shareholders in the manner as detailed in Section 2.3.1 of the Circular, **AND THAT** the Rights ICULS so allotted and issued to the shareholders shall rank pari passu in all respects with the then all other unsubordinated and unsecured obligations of the Company subject only to those preferred by mandatory provisions of law;
- (ii) utilise the proceeds to be derived from the Proposed Rights Issue of ICULS in the manner as set out in Section 2.3.9 of the Circular and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (iii) create and issue the ICULS at the conversion price of RM0.20 for every one (1) new Share, (or such price adjusted in accordance with the trust deed to be executed by the Company constituting the ICULS ("Trust Deed") based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of the Trust Deed;
- (iv) allot and issue new Shares pursuant to the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed); and
- (v) enter into and execute the Trust Deed constituting the ICULS and to do all acts, deed and things as Directors of the Company may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed.

AND THAT such new Shares to be issued pursuant to the full conversion of the ICULS shall, upon issuance and allotment, rank pari passu in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new Shares.

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Rights Issue of ICULS with full power to assent to any condition, modification, variation and/or amendment as may be imposed or permitted by the relevant authorities as the Directors may in their discretion deem fit or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF A SHARE ISSUANCE SCHEME FOR THE ELIGIBLE EMPLOYEES AND DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES ("PROPOSED SIS")

"THAT subject to the passing of Special Resolution 1 and Special Resolution 2 and the approvals of the relevant authorities being obtained for the Proposed SIS, approval be and is hereby given to the Company to:

- (i) establish and administer a share issuance scheme ("SIS" or "Scheme"), which involves the granting of options to all eligible employees and Directors of the Tanco Group, save for subsidiaries which are dormant, who meet the eligibility criteria for participation in the Proposed SIS as set out in the By-laws containing the rules, terms and conditions of the Scheme to be adopted by the Company, a draft of which is set out in Appendix II of the Circular ("By-Laws") ("Eligible Persons") to subscribe for new Shares at a pre-determined exercise price ("Option(s)") for a period of three (3) years from the date the Scheme comes into force;
- (ii) allot and issue such number of new Tanco Shares to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed SIS while this approval is in force provided that the aggregate number of Tanco Shares to be allotted and issued shall not exceed fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any one time throughout the duration of the Proposed SIS, subject always that not more than ten percent (10%) of the total number of new Tanco Shares to be issued under the Proposed SIS would be allocated to any one Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and paid-up share capital of Tanco (excluding treasury shares);
- (iii) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Malaysia Securities Berhad and any other relevant authorities for the listing of and quotation for the new Tanco Shares which may from time to time be allotted and issued pursuant to the Proposed SIS. Such new Tanco Shares will, upon allotment and issuance, rank pari passu in all respects with the then existing Tanco Shares, save and except that the new Tanco Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, the entitlement date of which precedes the date of allotment of such new Tanco Shares;
- (iv) modify and/or amend the Proposed SIS from time to time provided that such modifications and/or amendments are effected in accordance with the By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed SIS; and
- (v) extend the duration of the Proposed SIS for up to an additional seven (7) years (the duration of the Proposed SIS would then be for a total period of ten (10) years from the effective date of the Proposed SIS), if the Board of Directors of Tanco deems fit;

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed SIS with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any condition, variation, modification and/or amendment as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities."

ORDINARY RESOLUTION 3 - PROPOSED GRANTING OF UP TO 3,000,000 OPTIONS TO DATO' TAN JING NAM, THE GROUP MANAGING DIRECTOR

ORDINARY RESOLUTION 4 - PROPOSED GRANTING OF UP TO 2,000,000 OPTIONS TO DATO' TAN LEE SING, AN EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 5 - PROPOSED GRANTING OF UP TO 2,000,000 OPTIONS TO ANDREW TAN JUN SUAN, AN EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 6 - PROPOSED GRANTING OF UP TO 1,000,000 OPTIONS TO DATO' DR. MOHD. AMINUDDIN BIN MOHD. ROUSE, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 7 - PROPOSED GRANTING OF UP TO 1,000,000 OPTIONS TO DATO' DR. MOHD. NOORDIN BIN HAJI KELING, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 8 - PROPOSED GRANTING OF UP TO 1,000,000 OPTIONS TO JAMES WONG KWONG YEW, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 9 - PROPOSED GRANTING OF UP TO 2,000,000 OPTIONS TO CHAN CHEE MENG, AN EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 10 - PROPOSED GRANTING OF UP TO 2,000,000 OPTIONS TO KOAY GHEE TEONG, AN EXECUTIVE DIRECTOR

ORDINARY RESOLUTION 11 - PROPOSED GRANTING OF UP TO 1,500,000 OPTIONS TO TAN JING TONG, A PERSON CONNECTED TO DATO' TAN JING NAM

ORDINARY RESOLUTION 12 - PROPOSED GRANTING OF UP TO 750,000 OPTIONS TO CHRISTOPHER TAN KHOON SUAN, A PERSON CONNECTED TO DATO' TAN JING NAM

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2 and Ordinary Resolution 2 above, and for so long as this approval remains in force, approval be and is hereby given to the SIS committee appointed by the Board of Directors of Tanco to administer the Proposed SIS, at any time, and from time to time, to offer and grant to the above-mentioned Directors of the Company and persons connected to them, options to subscribe for such number of new Tanco Shares under the Proposed SIS, and to allot and issue such number of new Tanco Shares to him/her upon exercise of the options, subject always that not more than ten percent (10%) of the total number of new Tanco Shares to be issued under the Proposed SIS would be allocated to any one Director of the Company who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and paid-up share capital of Tanco (excluding treasury shares) and such terms and conditions of the Proposed SIS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws."

BY ORDER OF THE BOARD

Chan Keng Yew (MACPA 1718)
Choi Siew Fun (MAICSA 0877848)
Company Secretaries

Kuala Lumpur
17 October 2013

Notes:

- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 29 October 2013 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- (ii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 are not applicable to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (iii) A member shall be entitled to appoint more than one proxy to attend and vote at the same meeting. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. In such instance, the member shall specify the securities account number for each appointment.
- (v) Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect to the omnibus account.
- (vi) The instrument appointing a proxy or proxies shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (vii) The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at No. 1, Persiaran Ledang, Off Jalan Duta, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.