



TANCO HOLDINGS BERHAD

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixtieth (60th) Annual General Meeting ("AGM") of the Company will be held at Poolside Cove, Sunway Lagoon Club, No. 3, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 18 December 2019 at 10.30 a.m. for the following purposes:-

AGENDA

- To receive the audited financial statements for the financial year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 1)
- To re-elect Mr. James Wong Kwong Yew who is retiring in accordance with Clause 114 of the Company's Constitution and being eligible, has offered himself for re-election. (Resolution 1)
- To re-elect the following Directors who are retiring in accordance with Clause 119 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - Datuk Rashidi bin Hasbullah (Resolution 2)
 - Mr. Christopher Tan Khoon Suan (Resolution 3)
- To approve the payment of Directors' fees amounting to RM143,000.00 for the period from 19 December 2019 until the next AGM of the Company to be held in 2020 for the Non-Executive Directors of the Company. (Resolution 4)
- To approve the payment of Director's fee amounting to RM10,742.00 for the period from 1 September 2019 up to the date of the forthcoming 60th AGM of the Company for Datuk Rashidi bin Hasbullah. (Resolution 5)
- To approve the payment of benefits payable (excluding Directors' fees) of up to RM98,800.00 for the period from 19 December 2019 until the next AGM of the Company to be held in 2020 for the Non-Executive Directors of the Company. (Resolution 6)
- To re-appoint Messrs. Baker Tilly Monteiro Heng PLT, as Auditors of the Company, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

AS SPECIAL BUSINESS

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

8. Ordinary Resolutions

- Continuing in office as Independent Non-Executive Directors

- "THAT approval be and is hereby given to Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance 2017 ("MCCG")." (Resolution 8)
- "THAT subject to the passing of the Ordinary Resolution 1, approval be and is hereby given to Mr. James Wong Kwong Yew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the MCCG." (Resolution 9)

9. Ordinary Resolution

- Approval for issuance of new ordinary shares pursuant to Section 75 and Section 76 of the Companies Act 2016

"THAT subject always to the Companies Act 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered and authorised, pursuant to Section 75 and Section 76 of the Act to issue and allot new ordinary shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such persons/parties or party/parties whomsoever as the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued share capital of the Company at the time of issue AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company." (Resolution 10)

- To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Act.

By Order of the Board

Choi Siew Fun (MAICSA 0877848)
Company Secretary

Puchong, Selangor Darul Ehsan
31 October 2019

NOTES:-

A. Proxy and Entitlement of Attendance

- Only members whose names appear on the Record of Depositors as at 10 December 2019 shall be eligible to attend, participate, speak and vote at the Meeting or to appoint proxy(ies) in his/her stead or in the case of a corporation, a duly authorised representative to attend, participate, speak and/or vote in its stead.
- A member entitled to attend, participate, speak and vote at the Meeting is entitled to appoint a proxy or proxies to attend, participate, speak and vote in his/her stead. A proxy may, but need not, be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- A member may appoint up to two (2) proxies to attend, participate, speak and vote at the same Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 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 but not more than two (2) proxies 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.
- 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.
- The instrument appointing a proxy or proxies shall be signed by the appointer or of his/her 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.
- For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company at No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Meeting or adjourned Meeting.

B. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

C. Abstention from Voting

The respective Independent Non-Executive Director who is a shareholder of the Company will abstain from voting on Ordinary Resolutions 4, 5 and/or 6 concerning his Director's fees and Director's benefits (excluding Director's fees) at the 60th AGM. Any Director referred to in Ordinary Resolutions 1, 2, 3, 8, and 9 who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election or retention as a Director at the 60th AGM.

EXPLANATORY NOTES:-

1. Agenda 1 - Audited Financial Statements

This agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolutions 1, 2 and 3 – Re-election of Directors

Clause 114 of the Company's Constitution provides that one-third or the number nearest to one-third of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company. Each Director shall retire from office once at least in each three years but shall be eligible for re-election.

Mr. James Wong Kwong Yew being eligible, has offered himself for re-election at the 60th AGM.

Dato' Dr. Mohd. Noordin bin Haji Kelang has informed the Board in writing of his intention to retire as an Independent Non-Executive Director of the Company and therefore, will not seek re-election at the 60th AGM. Hence, he will retain office until the conclusion of the 60th AGM in accordance with Clause 114 of the Company's Constitution.

Clause 119 of the Company's Constitution provides that any Director appointed shall hold office only until the conclusion of the next following AGM and shall be eligible for re-election. Datuk Rashidi bin Hasbullah and Mr. Christopher Tan Khoon Suan who were appointed on 1 September 2019, are standing for re-election as Directors and being eligible, have offered themselves for re-election.

3. Ordinary Resolutions 4, 5 and 6 – Payment of Directors' fees and Benefits Payable (excluding Directors' fees) to Non-Executive Directors

In accordance with Section 230(1) of the Act that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this AGM for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 4 to 6.

(i) Ordinary Resolutions 4 and 5 – Payment of Directors' fees to Non-Executive Directors of the Company.

The quantum of the Directors' fees for each of the Non-Executive Director is the same as the previous financial year ended 30 June 2018.

Following the appointment of Datuk Rashidi bin Hasbullah as an Independent Non-Executive Director of the Company with effect from 1 September 2019, the Director's fee payable to Datuk Rashidi bin Hasbullah was pro-rated from 1 September 2019 (Date of Appointment) up to the date of the forthcoming 60th AGM of the Company.

(ii) Ordinary Resolution 6 – Payment of benefits payable (excluding Directors' fees) to Non-Executive Directors of the Company.

The Directors' benefits payable (excluding Directors' fees) to the Non-Executive Directors of the Company comprises of meeting attendance allowances and other benefits.

In determining the estimated Directors' benefits payable (excluding Directors' fees) to the Non-Executive Directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and general meetings of the Company, assuming full attendance by all of the Non-Executive Directors. The anticipated amount of Directors' benefits payable (excluding Directors' fees) also caters for unforeseen circumstances i.e. the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors' benefits (excluding Directors' fees), particularly after they have discharged their responsibilities and rendered their services to the Company.

In the event, where the payment of Directors' fees and benefits payable (excluding Directors' fees) during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

4. Ordinary Resolutions 8 and 9 - Continuing in office as Independent Non-Executive Directors

Pursuant to Practice 4.2 of the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) 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 (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process.

The Board via the Nomination Committee has assessed the independence of Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years and Mr. James Wong Kwong Yew who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and the Board has recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- They have fulfilled the criteria under the definition on Independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- They are able to bring independent and objective judgment to the Board;
- They have been with the Company for more than twelve (12) and nine (9) years respectively and therefore understand the Company's business operations which enable them to participate actively and contribute positively during deliberations or discussions at Board Meetings;
- They have devoted sufficient time to discharge their statutory duties and fiduciary responsibilities; and
- They have exercised due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company and shareholders.

In view of the above, Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse will have to go through a two-tier voting process as described in the Guidance to Practice 4.2 of the MCCG under Ordinary Resolution 8.

5. Ordinary Resolution 10 - Approval for Issuance of new Ordinary Shares pursuant to Section 75 and Section 76 of the Act

The proposed Ordinary Resolution No. 10, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot new ordinary shares in the Company up to and not exceeding in total ten per cent (10%) of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

As at the date of this notice, the Company has not issued any new shares under the general authority, which was approved at the Fifty-Ninth (59th) AGM held on 29 November 2018, and which will lapse at the conclusion of the 60th AGM. A renewal of this authority is being sought at the 60th AGM under the proposed Ordinary Resolution No. 10.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.