

TANCO HOLDINGS BERHAD ("TANCO" OR THE "COMPANY")

TERM SHEET ("TERM SHEET") BETWEEN TANCO AND PERTUBUHAN KESELAMATAN SOSIAL ("PERKESO") FOR THE SUBSCRIPTION IN FULL OF 100,000,000 REDEEMABLE PREFERENCE SHARES ("RPS") IN THE COMPANY AT RM1.00 EACH FOR RM100 MILLION ("PROPOSED RPS SUBSCRIPTION")

(For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in the announcements dated 25 October 2022 and 28 October 2022 in relation to the Proposed RPS Subscription.)

We refer to our announcements dated on 25 October 2022 and 28 October 2022 on the Proposed RPS Subscription.

The Board of Directors of Tanco wishes to announce that Tanco had on late 14 March 2023 received from PERKESO the signed supplemental term sheet dated 10 March 2023 ("**Supplemental Term Sheet**") to supplement/ vary and amend certain terms in the Term Sheet dated 25 October 2022 in relation to the Proposed RPS Subscription.

The salient terms of the Supplemental Term Sheet are as follows:-

1. The Parties agree that PERKESO shall have the right to appoint an additional independent valuer to conduct a valuation of the Said Lands. In this event, PERKESO shall bear all the fees, costs charges and expenses incurred in connection with the formal valuation of the said Lands.
2. The Parties further agree for the purpose of determining the value of the Said Lands, the final valuation of the Said Lands shall be based on the whichever valuation which is lower between PERKESO's independent valuer and the independent valuer appointed by the Company.
3. Accordingly, in the event that the valuation of the Said Lands determine the Said Lands does not amount to 1.67 times of the Investment Amount, PERKESO shall reserve the right to terminate the Term Sheet with immediate effect and with no further notice to the Company.
4. The Parties also agree that the Transaction Documents shall be executed on or before 31 March 2023 ("**TS Cut -Off Date**") and that in the event that any Party fails, neglect or refuse to execute the Transaction Documents by the TS Cut-Off Date, the Term Sheet shall be automatically terminated and accordingly be null and void and none of the Parties shall have any claims against each other.

This announcement is dated 15 March 2023.