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

AGREEMENT BETWEEN MIDPORTS HOLDINGS SDN BHD AND OCEAN BRIDGE INTERNATIONAL PORTS MANAGEMENT CO., LTD ("AGREEMENT")

1. INTRODUCTION

The Board of Directors of Tanco wishes to announce that Midports Holdings Sdn Bhd ("**MHSB**") (a 79% owned subsidiary of the Company) had on 26 December 2025 entered into the Midport Smart AI Container Terminal Entrusted Operational Management Agreement ("**Agreemen**t") with Ocean Bridge International Ports Management Co.,Ltd. ("**OBIPM**") with regard to MHSB's proposed development of a "Smart AI Container Port" in Dickson Bay, District of Port Dickson, Negeri Sembilan ("**the Project**").

(MHSB and OBIPM are each referred to as a "**Party**" and are collectively referred to as the "**Parties**")

2. SALIENT TERMS OF THE AGREEMENT

2.1 The Agreement appoints OBIPM as the operator of the port terminal per the Project and its associated assets ("**Terminal**"), wherein OBIPM shall operate and manage the Terminal and related terminal assets owned by MHSB efficiently and profitably, and to carry out related businesses using the latest port-related AI automated technology (including but not limited to using Terminal Operating System (TOS)), such as container logistics transportation, container cargo handling/storage/packing and unpacking, agency and other related businesses, as well as to be responsible for the Terminal organization, equipment management, safety control and other aspects.

2.2 In addition, OBIPM will assist MHSB in optimizing the design and feasibility study and research plan of the Terminal, rational equipment selection and configuration, optimization of the production technology, revision of rules and regulations, maintenance standards and norms, organizational setup, personnel training, port commissioning, production organization, equipment commissioning, material management, technological transformation, and other aspects of the port business, to provide technical support and consulting services.

2.3 OBIPM shall send a management team to be stationed at the Terminal and shall operate the Terminal through MHSB as the platform. OBIPM shall assume overall responsibility for the operation, management, and oversight of all assets, business activities, and personnel at the Terminal as covered within the scope of cooperation.

2.4 The daily operation and management rights of the relevant assets within the scope of co-operation shall be exercised by OBIPM. However, the ownership and ultimate disposal rights (except for normal scrapping of fixed assets) shall still be retained by MHSB, and their profits and losses shall be borne or enjoyed by MHSB itself. OBIPM shall make best efforts to safeguard the interests of MHSB and continuously improve the operational efficiency of the assets.

2.5 Any decision by MHSB substantially affecting OBIPM's normal operations and related assets requires prior consultation.

2.6 With prior notification to MHSB, OBIPM's management team is authorized to exercise the following rights in relation to the Terminal:

1) Formulate operational plans and proposals for the Terminal;
2) Develop annual financial budgets and final accounts for the Terminal;
3) Determine internal organizational structure and staffing;
4) Appoint or dismiss the Terminal management personnel based on the General Manager's nomination;
5) Establish fundamental management policies;
6) Design employee incentive schemes.

2.7 OBIPM shall provide insurance coverage for the personnel of the management team, whereas the Terminal's assets be insured by MHSB.

2.8 If either party fails to perform its obligations under this Agreement as stipulated, thereby causing actual losses to the other Party, unless otherwise agreed in this Agreement, the breaching party shall compensate the non-breaching party for the actual economic losses suffered.

2.9 The conclusion, effectiveness, interpretation, performance, and dispute resolution of this Agreement shall be governed by the laws of Malaysia. Any content of this Agreement that conflicts with laws or regulations shall be governed by the provisions of such laws or regulations.
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2.10 In the event that the performance of this Agreement is rendered impossible by force majeure, including but not limited to unforeseeable, unavoidable, and insurmountable natural disasters, accidental incidents, etc., the affected Party shall have the right to terminate this Agreement in writing. The termination of this Agreement or its expiration shall not affect the legal responsibilities assumed by the Parties prior thereto.

3. DETAILS OF THE PARTIES

3.1 Corporate information on MHSB

MHSB was incorporated in Malaysia on 16 October 2023 under the Companies Act 2016 as a private limited company. The principal activities of MHSB are in port operations, carrier haulage and transportation, logistics, and property investment.

As at the date of this announcement, MHSB has an issued share capital of RM10,000.00 comprising 10,000 ordinary shares. MHSB is a 79%-owned subsidiary of Tanco, the remaining 21% equity interest in MHSB is owned by Global Marque Logistics Sdn Bhd.

Dato' Sri Andrew Tan Jun Suan, Datuk Wira Chuah Lim Leng and Edwin Tan Kium Suan are the directors of MHSB.

3.2 Corporate information on OBIPM

OBIPM is a company specializing in global port operations management with its legal address at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong and has a share capital of HK$1,000,000.00.

4. RATIONALE

The rationale for the Agreement is to form a strategic partnership with the expertise and network of a qualified, experienced, capable, reputable and branded port operator for the future operations of the Project, that will support, benefit and further expand the various industries and the economic growth of Negeri Sembilan, and to further to add to the Group's business activities and revenue sources.

5. FINANCIAL EFFECTS OF THE AGREEMENT

5.1 Share capital and substantial shareholders' shareholdings

The Agreement will not have any effect on the issued share capital of Tanco as well as its substantial shareholders' shareholdings.

5.2 Net assets ("NA"), NA per share, gearing, earnings and earnings per share ("EPS")

The Agreement is not expected to have any material effect on the NA, NA per share and gearing of the Group as well as the earnings of the Group and EPS for the financial year ending 30 June 2026.

However, the future financial effects on the Group's NA, NA per share, gearing, earnings and EPS will depend on the future profit contributions from the Project as well as the manner of funding for the Project.

6. APPROVALS REQUIRED

The Agreement is not subject to the approval of the Company's shareholders or any regulatory authorities.

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

None of the directors, major shareholders of the Group and/or persons connected with them have any interests, whether direct or indirect, in the Agreement.

8. DIRECTORS' STATEMENT

The Board of Directors of Tanco, having reviewed and considered the terms and conditions of the Agreement, is of the opinion that the Agreement is in the best interests of the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Agreement is available for inspection at the registered office of Tanco during office hours from Monday to Friday (except public holidays) at No.1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor for a period of 3 months from the date of this announcement.

This announcement is dated 26 December 2025.