

**Tanco Holdings Berhad (3326-K)**

**Condensed Consolidated Statements of Financial Position as at 30 June 2019**

	<b>Current Year As At 30-Jun-19 (Unaudited) RM'000</b>	<b>Preceding Year As At 30-Jun-18 (Restated) RM'000</b>	<b>As At 01-Jul-17 (Restated) RM'000</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	75,126	70,450	58,817
Investment Properties	27,036	28,187	33,825
Inventories	87,379	87,353	87,282
Other Investments	5	111	17
Deferred Tax Assets	837	307	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>190,383</b>	<b>186,408</b>	<b>179,941</b>
<b>CURRENT ASSETS</b>			
Inventories	77,525	76,055	69,423
Trade Receivables	744	1,378	1,715
Contract Costs	4,014	4,169	4,605
Other Receivables, Deposits and Prepayments	1,705	3,803	1,922
Cash, Bank Balances and Deposits	7,247	10,846	4,526
	91,235	96,251	82,191
<b>Assets Classified as Held For Sale</b>	<b>-</b>	<b>-</b>	<b>22,205</b>
<b>TOTAL CURRENT ASSETS</b>	<b>91,235</b>	<b>96,251</b>	<b>104,396</b>
<b>TOTAL ASSETS</b>	<b>281,618</b>	<b>282,659</b>	<b>284,337</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad (3326-K)**

**Condensed Consolidated Statements of Financial Position as at 30 June 2019**

	<b>Current Year As At 30-Jun-19 (Unaudited) RM'000</b>	<b>Preceding Year As At 30-Jun-18 (Restated) RM'000</b>	<b>As At 01-Jul-17 (Restated) RM'000</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</u></b>			
Share Capital	51,877	48,877	47,977
Capital Reserves	50,233	50,233	50,233
RCN - Equity Component	95	10	100
Retained Profits	45,563	61,107	62,924
Foreign Currency Reserve	-	-	(1,303)
	147,768	160,227	159,931
Non-controlling interests	-	-	81
<b>TOTAL EQUITY</b>	<b>147,768</b>	<b>160,227</b>	<b>160,012</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Borrowings	40,862	41,862	38,286
Long Term Payables	2,239	748	748
Deferred Tax Liabilities	9	1	231
	43,110	42,611	39,265
<b><u>CURRENT LIABILITIES</u></b>			
Trade Payables	12,893	18,076	21,417
Other Payables, Deposits and Accruals	34,257	29,935	27,544
Contract Liabilities	32,128	24,974	20,568
Provisions For Liabilities	153	153	451
RCN - Liability Component	3,014	92	877
Borrowings	4,160	3,656	7,440
Amount Owing To Directors	3,380	2,180	6,008
Tax Payable	755	755	755
	90,740	79,821	85,060
<b>TOTAL LIABILITIES</b>	<b>133,850</b>	<b>122,432</b>	<b>124,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>281,618</b>	<b>282,659</b>	<b>284,337</b>
<b>Net Asset Per Share (RM)</b>	<b>0.2020</b>	<b>0.2386</b>	<b>0.2417</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad (3326-K)**

**Condensed Consolidated Statements of Changes in Equity for the Twelve (12)-months financial year ended 30 June 2019**

(The figures have not been audited)

**30 June 2019**

	<b>Attributable To Owners Of The Company</b>						<b>Non-Controlling Interests</b>	<b>Total Equity</b>
	<b>Non-distributable</b>			<b>Distributable</b>				
	<b>Share Capital</b>	<b>Capital Reserve</b>	<b>RCN - Equity Component</b>	<b>Foreign Currency Reserve</b>	<b>Retained profits</b>	<b>Total</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July 2018								
- As previously reported	48,877	50,233	10	-	61,127	160,247	-	160,247
- Effect of transition to MFRS 15	-	-	-	-	(20)	(20)	-	(20)
Restated balance as at 1 July 2018	48,877	50,233	10	-	61,107	160,227	-	160,227
Issuance of Redeemable Convertible Notes	-	-	154	-	-	154	-	154
Conversion of Redeemable Convertible Notes	2,000	-	(69)	-	-	1,931	-	1,931
Conversion of Warrants	1,000	-	-	-	-	1,000	-	1,000
Total comprehensive loss for the year	-	-	-	-	(15,544)	(15,544)	-	(15,544)
At 30 June 2019	51,877	50,233	95	-	45,563	147,768	-	147,768

**30 June 2018**

	<b>Attributable To Owners Of The Company</b>						<b>Non-Controlling Interests</b>	<b>Total Equity</b>
	<b>Non-distributable</b>			<b>Distributable</b>				
	<b>Share Capital</b>	<b>Capital Reserve</b>	<b>RCN - Equity Component</b>	<b>Foreign Currency Reserve</b>	<b>Retained profits</b>	<b>Total</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 July 2017								
- As previously reported	47,977	50,233	100	(1,303)	61,213	158,220	81	158,301
- Effect of transition to MFRS 15	-	-	-	-	1,711	1,711	-	1,711
Restated balance at 1 July 2017	47,977	50,233	100	(1,303)	62,924	159,931	81	160,012
Acquisition of non-controlling interests	-	-	-	-	81	81	(81)	-
Conversion of Redeemable Convertible Notes	900	-	(90)	-	-	810	-	810
Liquidation of subsidiaries	-	-	-	1,303	-	1,303	-	1,303
Total comprehensive loss for the year	-	-	-	-	(1,898)	(1,898)	-	(1,898)
At 30 June 2018 (Restated)	48,877	50,233	10	-	61,107	160,227	-	160,227

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad (3326-K)**  
**Condensed Consolidated Statements of Profit or Loss**  
**For the Twelve (12)-months Financial Year Ended 30 June 2019**  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Year Quarter 30-Jun-19 RM'000	Preceding Year Corresponding Quarter 30-Jun-18 (Restated) RM'000	Current Year To Date 30-Jun-19 RM'000	Preceding Year Corresponding Year 30-Jun-18 (Restated) RM'000
<b>Continuing Operations</b>				
Revenue	2,485	408	3,044	15,724
Cost of sales	(1,426)	(600)	(2,180)	(3,931)
<b>Gross profit/(loss)</b>	1,059	(192)	864	11,793
Other income	225	7,124	713	8,022
Administrative expenses	(2,150)	(3,900)	(12,205)	(16,774)
<b>Operating (loss)/profit</b>	(866)	3,032	(10,628)	3,041
Finance costs	(2,306)	(2,278)	(5,343)	(4,144)
<b>(Loss)/Profit before taxation</b>	(3,172)	754	(15,971)	(1,103)
Taxation	541	(7)	427	508
<b>(Loss)/Profit for the financial year</b>	(2,631)	747	(15,544)	(595)
<b>(Loss)/Profit attributable to :-</b>				
Owners of the Company	(2,631)	743	(15,544)	(595)
Non-controlling interests	-	4	-	-
	(2,631)	747	(15,544)	(595)
(a) Basic (sen)	(0.38)	0.11	(2.25)	(0.09)
(b) Diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad (3326-K)**  
**Statements of Other Comprehensive Income**  
**For the Twelve (12)-months Financial Year Ended 30 June 2019**  
(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Jun-19 RM'000	Preceding Year Corresponding Quarter 30-Jun-18 (Restated) RM'000	Current Year To Date 30-Jun-19 RM'000	Preceding Year Corresponding Year 30-Jun-18 (Restated) RM'000
<b>(Loss)/Profit for the financial year</b>	(2,631)	747	(15,544)	(595)
<b>Other comprehensive loss:</b>				
Foreign currency reserve	-	-	-	(1,303)
Total comprehensive loss for the financial year	(2,631)	747	(15,544)	(1,898)
<b>Total comprehensive (loss)/profit attributable to:</b>				
Owners of the Company	(2,631)	743	(15,544)	(1,898)
Non-controlling interests	-	4	-	-
	(2,631)	747	(15,544)	(1,898)

*Notes:*  
*Other Income and (Expenses) highlights*

	INDIVIDUAL PERIOD	CUMULATIVE YEAR
	Current Period Quarter 30/06/2019 RM'000	Current Year To Date 30/06/2019 RM'000
Gain on disposal of property, plant and equipment	42	42
Interest income	111	337
Other income	1,151	1,361
Reversal of impairment loss on other receivables no longer required	978	1,028
Bad debts written off	40	(1)
Deposit written off	(42)	(42)
Depreciation and amortisation	(646)	(2,525)
Impairment of receivables	(627)	(627)
Interest expenses	(2,306)	(5,343)
Property, plant and equipment written off	(10)	(10)

- (1) There were no provisions for receivables and inventories, gain or loss on disposal of quoted or unquoted investment (save as disclosed in note B6), impairment of assets and any exceptional items for the current quarter under review.  
(2) Gain or loss on derivatives is not applicable as the Company does not have any derivative financial instrument.

(The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad (3326-K)**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Twelve (12)-months Financial Year Ended 30 June 2019**  
(The figures have not been audited)

	<b>12 Months Ended 30-Jun-19 (Unaudited) RM'000</b>	<b>12 Months Ended 30-Jun-18 (Restated) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(15,971)	(1,103)
Adjustment for :		
Non-operating items	7,500	5,778
Operating (loss)/profit before working capital changes	<u>(8,471)</u>	<u>4,675</u>
Changes in Working Capital		
Net change in current assets	1,417	(10,280)
Net change in current liabilities	7,785	2,051
	<u>731</u>	<u>(3,554)</u>
Interest received	337	92
Interest paid	(5,326)	(4,137)
Tax paid	(104)	-
Net Operating Cash Flows	<u>(4,362)</u>	<u>(7,599)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Interest paid for RCN	-	(10)
- Addition in property, plant and equipment	(6,056)	(8,908)
- Addition in land held for property development	(26)	-
- Addition in other investment	-	(1,100)
- Proceeds from disposal of PPE	42	82
- Proceeds from disposal of other investment	100	-
- Proceeds from disposal of Duta Vista	-	26,891
Net Investing Cash Flows	<u>(5,940)</u>	<u>16,955</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Conversion of warrants	1,000	-
- Directors' accounts	1,200	(3,828)
- Net of repayments	(834)	(859)
- Proceeds from issuance of RCN	5,000	-
Net Financing Cash Flows	<u>6,366</u>	<u>(4,687)</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<b>(3,936)</b>	<b>4,669</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>6,686</b>	<b>2,017</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF YEAR</b>	<b><u>2,750</u></b>	<b><u>6,686</u></b>
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	7,247	10,846
Bank overdraft	(3,497)	(3,160)
	<u>3,750</u>	<u>7,686</u>
Less : Deposits pledged with licensed banks	(1,000)	(1,000)
	<u>2,750</u>	<u>6,686</u>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.)

## TANCO HOLDINGS BERHAD (3326-K)

### Notes to the Interim Financial Statements For the Fourth Quarter ended 30 June 2019

#### A1. BASIS OF PREPARATION

The interim financial report is prepared in accordance with the requirements of paragraph 9.22, Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and complies with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB).

The interim financial report is unaudited and should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 30 June 2018, which were prepared in accordance with Financial Reporting Standards (FRSs).

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group’s accounting year beginning 1 July 2018.

The financial statements of the Group for the quarter ended 30 June 2019 are prepared in accordance with the MFRS Framework, hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards has been applied. The MFRS Framework is effective for the Group from 1 July 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 July 2017.

#### A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 30 June 2018, except as disclosed below:

##### **Effective for financial year beginning on or after 1 January 2018**

- Amendments to MFRS 2 Classification and Measurement of Shares-based Payment Transactions
- Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers
- MFRS 15 Clarification to MFRS 15
- Amendments to MFRS 140 Transfer of Investment Property
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to MFRS Standards 2014-2016 Cycle.

The adoption of the MFRS framework do not have any material significant financial impact on the financial statements of the Group except for the adoption of MFRS 15 as disclosed below.

**TANCO HOLDINGS BERHAD (3326-K)**

The effects of the transition to the MFRS 15 on the interim financial statements of the Group are disclosed as follow:

**Reconciliation of statements of comprehensive income**

	Individual Period			Cumulative Year		
	As previously reported 30-Jun-2018 RM'000	Effect of MFRS15 30-Jun-2018 RM'000	Restated 30-Jun-2018 RM'000	As previously reported 30-Jun-2018 RM'000	Effect of MFRS15 30-Jun-2018 RM'000	Restated 30-Jun-2018 RM'000
Revenue	1,465	(1,057)	408	19,971	(4,247)	15,724
Cost of Sales	(3,277)	2,677	(600)	(7,953)	4,022	(3,931)
<b>Gross profit</b>	<b>(1,812)</b>	<b>1,620</b>	<b>(192)</b>	<b>12,018</b>	<b>(225)</b>	<b>11,793</b>
Other income	7,122	2	7,124	8,010	12	8,022
Administrative expenses	(3,832)	(68)	(3,900)	(16,395)	(379)	(16,774)
<b>Operating profit/(loss)</b>	<b>1,478</b>	<b>1,554</b>	<b>3,032</b>	<b>3,633</b>	<b>(592)</b>	<b>3,041</b>
Finance costs	(631)	(1,647)	(2,278)	(2,497)	(1,647)	(4,144)
<b>Profit/(Loss) before taxation</b>	<b>847</b>	<b>(93)</b>	<b>754</b>	<b>1,136</b>	<b>(2,239)</b>	<b>(1,103)</b>
Taxation	-	(7)	(7)	-	508	508
<b>Profit/(Loss) for the financial year</b>	<b>847</b>	<b>(100)</b>	<b>747</b>	<b>1,136</b>	<b>(1,731)</b>	<b>(595)</b>
Profit/(Loss) attributable to:						
Owners of the Company	843	(100)	743	1,136	(1,731)	(595)
Non-controlling interests	4	-	4	-	-	-
	<b>847</b>	<b>(100)</b>	<b>747</b>	<b>1,136</b>	<b>(1,731)</b>	<b>(595)</b>
Earnings/(loss) per share attributable to Owners of the Company:						
(a) Basic (sen)	0.13	-	0.11	0.17	-	(0.09)
(b) Diluted (sen)	N/A	-	N/A	N/A	-	N/A

**TANCO HOLDINGS BERHAD (3326-K)**

	Individual Period			Cumulative Year		
	As previously reported 30-Jun-2018 RM'000	Effect of MFRS15 30-Jun-2018 RM'000	Restated 30-Jun-2018 RM'000	As previously reported 30-Jun-2018 RM'000	Effect of MFRS15 30-Jun-2018 RM'000	Restated 30-Jun-2018 RM'000
Profit/(Loss) for the financial year	847	(100)	747	1,136	(1,731)	(595)
<b>Other comprehensive profit/(loss):</b>						
Foreign currency reserve	-	-	-	(1,303)	-	(1,303)
Total comprehensive profit/(loss) for the financial year	<u>847</u>	<u>(100)</u>	<u>747</u>	<u>(167)</u>	<u>(1,731)</u>	<u>(1,898)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>						
Owners of the Company	843	(100)	743	(167)	(1,731)	(1,898)
Non-controlling interests	4	-	4	-	-	-
	<u>847</u>	<u>(100)</u>	<u>747</u>	<u>(167)</u>	<u>(1,731)</u>	<u>(1,898)</u>

**TANCO HOLDINGS BERHAD (3326-K)**

**Reconciliation of statements of financial position**

	<b>Audited as at 30-Jun-2018 RM'000</b>	<b>Effect of MFRS15 RM'000</b>	<b>Restated as at 30-Jun-2018 RM'000</b>	<b>Audited as at 01-Jul-2017 RM'000</b>	<b>Effect of MFRS15 RM'000</b>	<b>Restated as at 01-Jul-2017 RM'000</b>
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	70,450	-	70,450	58,817	-	58,817
Investment Properties	28,187	-	28,187	33,825	-	33,825
Inventories	87,353	-	87,353	87,282	-	87,282
Other Investments	111	-	111	17	-	17
Deferred Tax Assets	-	307	307	-	-	-
<b>Total Non-Current Assets</b>	<b>186,101</b>	<b>307</b>	<b>186,408</b>	<b>179,941</b>	<b>-</b>	<b>179,941</b>
<b>Current Assets</b>						
Property Development Costs	44,498	(44,498)	-	38,718	(38,718)	-
Inventories	21,939	54,116	76,055	21,939	47,484	69,423
Trade Receivables	1,378	-	1,378	1,715	-	1,715
Contract Costs	-	4,169	4,169	-	4,605	4,605
Other Receivables, Deposits and Prepayments	3,803	-	3,803	1,922	-	1,922
Cash, Bank Balances and Deposits	10,846	-	10,846	4,526	-	4,526
	<b>82,464</b>	<b>13,787</b>	<b>96,251</b>	<b>68,820</b>	<b>13,371</b>	<b>82,191</b>
Assets Classified as Held for Sale	-	-	-	22,205	-	22,205
<b>Total Current Assets</b>	<b>82,464</b>	<b>13,787</b>	<b>96,251</b>	<b>91,025</b>	<b>13,371</b>	<b>104,396</b>
<b>Total Assets</b>	<b>268,565</b>	<b>14,094</b>	<b>282,659</b>	<b>270,966</b>	<b>13,371</b>	<b>284,337</b>

**TANCO HOLDINGS BERHAD (3326-K)**

	<b>Audited as at 30-Jun-2018 RM'000</b>	<b>Effect of MFRS15 RM'000</b>	<b>Restated as at 30-Jun-2018 RM'000</b>	<b>Audited as at 01-Jul-2017 RM'000</b>	<b>Effect of MFRS15 RM'000</b>	<b>Restated as at 01-Jul-2017 RM'000</b>
<b>Equities and Liabilities</b>						
<b>Equity Attributable to Owners of the Company</b>						
Share Capital	48,877	-	48,877	47,977	-	47,977
Capital Reserves	50,233	-	50,233	50,233	-	50,233
RCN – Equity Component	10	-	10	100	-	100
Retained Profits	61,127	(20)	61,107	61,213	1,711	62,924
Foreign Currency Reserve	-	-	-	(1,303)	-	(1,303)
	<u>160,247</u>	<u>(20)</u>	<u>160,227</u>	<u>158,220</u>	<u>1,711</u>	<u>159,931</u>
Non-controlling interests	-	-	-	81	-	81
<b>Total Equity</b>	<u>160,247</u>	<u>(20)</u>	<u>160,227</u>	<u>158,301</u>	<u>1,711</u>	<u>160,012</u>
<b>Non-Current Liabilities</b>						
Borrowings	41,862	-	41,862	38,286	-	38,286
Long Term Payables	748	-	748	748	-	748
Deferred Tax Liabilities	1	-	1	30	201	231
	<u>42,611</u>	<u>-</u>	<u>42,611</u>	<u>39,064</u>	<u>201</u>	<u>39,265</u>
<b>Current Liabilities</b>						
Trade Payables	26,338	(8,262)	18,076	29,451	(8,034)	21,417
Other Payables, Deposits and Accruals	29,935	-	29,935	27,544	-	27,544
Contract Liabilities	-	24,974	24,974	-	20,568	20,568
Provision for Liabilities	2,751	(2,598)	153	1,526	(1,075)	451
RCN – Liability Component	92	-	92	877	-	877
Borrowings	3,656	-	3,656	7,440	-	7,440
Amount owing to Directors	2,180	-	2,180	6,008	-	6,008
Tax Payable	755	-	755	755	-	755
	<u>65,707</u>	<u>14,114</u>	<u>79,821</u>	<u>73,601</u>	<u>11,459</u>	<u>85,060</u>
<b>Total Liabilities</b>	<u>108,318</u>	<u>14,114</u>	<u>122,432</u>	<u>112,665</u>	<u>11,660</u>	<u>124,325</u>
<b>Total Equity and Liabilities</b>	<u>268,565</u>	<u>14,094</u>	<u>282,659</u>	<u>270,966</u>	<u>13,371</u>	<u>284,337</u>

## **TANCO HOLDINGS BERHAD (3326-K)**

### **A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the Group's audited financial statements for the financial year ended 30 June 2018 was not subject to any audit qualification.

### **A4. SEASONAL OR CYCLICAL FACTORS**

The operation of the Group was not affected by any material significant seasonal or cyclical factors during the current financial quarter under review.

### **A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

Save for the event explained under note A11, there were no unusual items for the current financial quarter under review.

### **A6. CHANGE IN ESTIMATES**

There were no change in the estimates of amounts reported which have material effect in the current financial quarter under review.

### **A7. DEBT AND EQUITY SECURITIES**

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current financial quarter under review, save as disclosed below: -

- (i) The issuance of 10,000,000 new ordinary shares resulting from the conversion of the principal amount of Redeemable Convertible Notes ("RCN") at a conversion price of RM0.05 per share on 15 April 2019.
- (ii) The issuance of 10,000,000 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.05 per share on 8 August 2019.

### **A8. DIVIDEND PAID**

No dividend has been paid for the current financial quarter under review.

## TANCO HOLDINGS BERHAD (3326-K)

### A9. SEGMENTAL REPORTING

Segmental information is presented in respect of the Group's business segments. The primary format, business segments, is based upon the industry of the underlying investment.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical location is not presented.

12 months ended 30-Jun-19	Property development/ Management RM'000	Resorts and Club Operation/ Management RM'000	Construction RM'000	Investment holding RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	2,363	681	-	-	-	3,044
Inter-segment sales	824	-	-	-	(824)	-
Total revenue	<u>3,187</u>	<u>681</u>	<u>-</u>	<u>-</u>	<u>(824)</u>	<u>3,044</u>
<b>Results</b>						
Loss from operations	(7,295)	(2,053)	4,498	(2,077)	(3,701)	(10,628)
Finance costs						<u>(5,343)</u>
Loss before taxation						(15,971)
Taxation						<u>427</u>
Loss after taxation						(15,544)
Other comprehensive loss						<u>-</u>
Total comprehensive loss						<u>(15,544)</u>
<b>Other Information</b>						
Depreciation and amortisation	761	1,817	-	15	(68)	<u>2,525</u>
<b>Consolidated Statements of Financial Position</b>						
<b>Assets</b>						
Segment assets	<u>297,760</u>	<u>66,785</u>	<u>1</u>	<u>232,497</u>	<u>(315,425)</u>	<u>281,618</u>
<b>Liabilities</b>						
Segment liabilities	<u>(227,688)</u>	<u>(70,313)</u>	<u>(1,530)</u>	<u>(56,050)</u>	<u>221,731</u>	<u>(133,850)</u>

### A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no material change in the valuation on property, plant and equipment in the current financial quarter under review.

**A11. MATERIAL EVENTS DURING THE QUARTER**

On 31 May 2019, the Company had announced that Palm Springs Development Sdn Bhd (a wholly-owned subsidiary of World Vacation Ownership Sdn Bhd which in turn is a wholly-owned subsidiary of Tanco) (“Palm Springs” or “Lessor”) entered into a lease agreement (“Lease Agreement”) with Time IT in E (Sabah) Sdn Bhd (a wholly-owned subsidiary of Eduspec Sdn Bhd which in turn is a wholly-owned subsidiary of Eduspec Holdings Berhad (“Eduspec”)) (“Time IT” or “Lessee”). Pursuant to the terms and conditions contained in the Lease Agreement, Palm Springs (Lessor) agrees to lease to Time IT (Lessee) a parcel of freehold commercial land held under H.S.(D) 42460 PT No. 59 measuring approximately 7.545 acres located in Pekan Sungai Menyala, Port Dickson, Negeri Sembilan (“Lease”) for the purpose of constructing, building, completing, commissioning and operating thereon an edutainment theme park (including water play section) (STEM EduPark).

Further details on the Lease are set out in the Company’s announcement dated 31 May 2019.

**A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

As at 22 August 2019, being the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report, the material events of the Group subsequent to the end of the interim period are as follows:

- (a) On 31 July 2019, the Company had announced that it had entered into a supplemental agreement with Advanced Opportunities Fund I (“**AOF I**” or “**Subscriber**”) to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Subscription Agreement dated 2 March 2016 (“**Subscription Agreement**”) for, amongst others, to remove Advance Capital Partners Asset Management Pte Ltd (“**ACPAM**”) as a party to the Subscription Agreement following the termination of ACPAM as the discretionary investment manager of AOF I pursuant to the Subscriber’s written notice dated 29 May 2019, to which ACPAM ceased to be the discretionary investment manager of all the investments of AOF I and ceased to have the authority and capacity to perform its obligations in accordance with the terms under the Subscription Agreement.

Further details on this are set out in the Company’s announcement dated 31 July 2019.

- (b) On 22 August 2019, the Company had announced that it had entered into a 2nd supplemental agreement with the Subscriber to amend, modify, substitute, vary and alter the terms, conditions and provisions of the Subscription Agreement (“**Proposed Variation**”). Pursuant to the 2nd supplemental agreement, the Company and the Subscriber have agreed to, amongst others, the following:

- (i) to change the maturity date from 3 years to 7 years from the closing date of the first sub-tranche of Tranche 1 Notes; and
- (ii) to set RM0.05, being the then par value of Tanco Share as the minimum conversion price (MCP) of the Notes.

For the avoidance of doubt, there will be no material change and variation to the proposed utilisation of proceeds for the RCN program as approved by the Company’s shareholders at the previous Extraordinary General Meeting (“EGM”) held on 27 July 2016.

The Proposed Variation is subject to the approval from the shareholders at the forthcoming EGM to be convened; and any other relevant authorities or parties, if required.

Further details on this are set out in the Company’s announcement dated 22 August 2019.

**TANCO HOLDINGS BERHAD (3326-K)**

**A13. CHANGE IN THE COMPOSITION OF THE GROUP**

There were no material changes to the composition of the Group during the current financial quarter under review.

**A14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

As at 30 June 2019, the Group has no other contingent assets and contingent liabilities save as disclosed below.

	<b>RM'000</b>
Corporate guarantees given by our Company to banks for credit facilities granted to the subsidiaries	<u>41,845</u>

**A15. CAPITAL COMMITMENT**

There were no capital commitment for the current financial quarter under review.

## TANCO HOLDINGS BERHAD (3326-K)

### Bursa Securities Listing Requirements (Part A of Appendix 9B)

#### B1. REVIEW OF PERFORMANCE

For the current quarter ended 30 June 2019, the Group had recorded a loss before taxation (“LBT”) of RM3.2 million as compared to LBT of RM0.8 million in the preceding year corresponding quarter ended 30 June 2018 (Restated). The increase in LBT was mainly due to decrease in other income in the current quarter.

For the twelve (12) months financial year ended 30 June 2019, the Group has recorded LBT of RM15.9 million as compared to LBT of RM1.1 million in the preceding year’s corresponding financial year ended 30 June 2018 (Restated). The significant drop is primarily due to the prior year billings of management charges totalling to about RM6.9 million which was recognised in September 2017 and also a decrease in revenue during the year.

#### B2. MATERIAL CHANGE IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER ENDED 31 MARCH 2019

	<b>Current Period Quarter 30/06/2019</b>	<b>Immediate Preceding Quarter 31/03/2019 (Restated)</b>
	<b>RM’000</b>	<b>RM’000</b>
Revenue	2,485	1,933
Loss after tax	(2,631)	(7,899)

The Group recorded a revenue of RM2.5 million in the current quarter ended 30 June 2019 as compared to a revenue of RM1.9 million in the preceding quarter ended 31 March 2019. The increase in revenue during the current quarter under review is mainly due to higher revenue generated from property development and management.

The Group recorded a loss after taxation (“LAT”) of RM2.6 million in current quarter ended 30 June 2019 as compared to LAT of RM7.9 million in preceding quarter ended 31 March 2019 mainly resulting from the lower administrative expenses incurred in the current quarter.

#### B3. PROSPECTS

With the current economic outlook, the overall sentiment is expected to remain challenging for Financial Year 2020. However, with the ongoing focus and efforts especially by the new Government to support and enhance local tourism and tourism related developments and products, the Group’s activities in the development of resort hotel projects should be well placed to benefit accordingly.

Attractive exchange rates for foreign currencies is also expected to weigh positively in attracting more foreign tourist arrivals whilst encouraging more domestic travels, and this will boost the demand and interest for tourism related developments and foreign investments in the same.

The development of the Splash Park project is progressing satisfactory and with the other resort development phases in Dickson Bay attracting interest both from prospective investors and operators, coupled with the Group’s ongoing endeavours for more strategic tie-ups and joint-ventures with branded local and foreign labels to provide the Group’s projects with further enhanced branding.

## TANCO HOLDINGS BERHAD (3326-K)

### B3. PROSPECTS (cont'd)

With this, the Board is reasonably optimistic of the prospects of the Group for the financial year ending 30 June 2020, and that it will be well positioned to prudently progress with its goals while constantly reviewing market conditions that more business opportunities may be developed, but at the same time remaining alert on the possible changes in the trends and policies in the property market.

### B4. PROFIT FORECAST

The Company did not announce any profit forecast nor profit guarantee for the current financial year under review.

### B5. TAXATION

	<b>Current Period Quarter 30/06/2019 RM'000</b>	<b>Current Year To Date 30/06/2019 RM'000</b>
Income Tax		
- Current year	-	-
Real Property Gains Tax		
- Current year	-	(104)
Deferred Tax		
- Current year	541	531
	<u>541</u>	<u>427</u>

The Group's tax rate is disproportionate to the statutory tax rate due to unabsorbed tax loss and unutilised tax allowances and deferred tax benefits of certain companies within the Group.

### B6. PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There was no other sale of unquoted investments or properties other than those exercised in the ordinary course of business of the Group for the quarter.

### B7. QUOTED SECURITIES

a) There were no purchases or disposal of quoted securities made in this quarter.

b) Investments in Quoted Securities

	<b>RM'000</b>
Quoted shares in Malaysia, at fair value	<u>4</u>

**B8. CORPORATE PROPOSALS**

Save for the following and disclosed in A12, there are no other corporate proposals announced by the Company but not completed as at 22 August 2019, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report.

RCN program

As at 22 August 2019, the Company has issued thirty-eight (38) Sub-Tranches under Tranche 1 of the RCNs amounting to RM19.0 million.

Following the aforesaid issuance, RCNs of RM15.4 million were converted into a total of 290,382,364 new ordinary shares of the Company.

As at the date of this report, the status of the utilisation of the gross proceeds of RM19.0 million arising from the RCN issuance is as follow:-

<b>Purposes</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended Timeframe for Utilisation ^</b>
Splash Park project	79,600	9,987	Within thirty-six (36) months
Acquisition of land	5,500	3,249	Within twelve (12) months
Repayment of bank borrowings	1,000	-	Within twelve (12) months
Working capital	6,400	3,626	Within thirty-six (36) months
Estimated expenses in relation to the Proposals	7,500	2,138	Within thirty-six (36) months
<b>Total</b>	<b>100,000</b>	<b>19,000</b>	

Note:

^ The proceeds raised were utilised from the date of issuance of the respective sub-tranches of the Notes and within the estimated timeframe stated above.

## TANCO HOLDINGS BERHAD (3326-K)

### B9. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowings as at 30 June 2019 are as follow: -

	<b>As at 30/06/2019 RM'000</b>
Short term borrowings	
Secured: -	
- Bank overdraft	3,497
- Hire purchase and lease liabilities	377
- Term loan	286
	<hr/> 4,160
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	301
- Bridging loan	34,817
- Term loan	5,744
	<hr/> 40,862
<b>Total</b>	<hr/> <b>45,022</b> <hr/>

The above borrowings are denominated in Ringgit Malaysia (RM).

### B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at 22 August 2019, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, the Group does not have any off balance sheet financial instruments.

### B11. MATERIAL LITIGATION

As at 22 August 2019, being the latest practicable date that is not earlier than 7 days from the date of issue of this quarterly report, the Group is not engaged in any material litigation except for:

Court proceedings via Originating Summons were filed by a wholly owned subsidiary of the Company via its solicitors against Pacific Trustees Bhd ("PTB") for declaratory relief to inter alia, dispute and challenge the validity and legality of the RM120,000 Dissolution Fee and the RM900,000 Disposal Fee being unilaterally imposed by PTB respectively for its fee per the dissolution of the Duta Vista Vacation Ownership ("DVVO") Scheme undertaken by the Subsidiary, and for its fee per the subsidiary's disposal of the 41 DVVO units in Duta Vista Executive Suites, with an alternate prayer for the Court to assess a fair and reasonable sum for the Dissolution Fees should the Court decide that a fee is due for PTB's works per the dissolution of the DVVO Scheme. On 18 May 2018, the Court directed that the court proceedings be refiled via a Writ action, which the Subsidiary has done, and that the new trial dates for the Writ action is now set for 27 to 29 April 2020 after being adjourned during the 18.7.2019 trial date.

No provisions has been made for the disputed amounts as the solicitors acting for the subsidiary in the above matter are of the view that the subsidiary has a strong case against PTB.

## TANCO HOLDINGS BERHAD (3326-K)

### B12. DIVIDEND

There was no dividend declared during the current financial quarter under review.

### B13. (LOSS)/EARNINGS PER SHARE

<u>Basic</u>		<b>Current Period Quarter <u>30/06/2019</u></b>	<b>Preceding Year Corresponding Quarter <u>30/06/2018</u></b>	<b>Current Year To Date <u>30/06/2019</u></b>	<b>Preceding Year To Date <u>30/06/2018</u></b>
Net (loss)/profit attributable to owners of the Company	(RM'000)	<u>(2,631)</u>	<u>743</u>	<u>(15,544)</u>	<u>(595)</u>
Weighted average number of ordinary shares	('000)	<u>691,706</u>	<u>664,196</u>	<u>691,706</u>	<u>664,196</u>
Basic (loss)/earnings per share	(Sen)	<u>(0.38)</u>	<u>0.11</u>	<u>(2.25)</u>	<u>(0.09)</u>

As at 30 June 2019, the Group has no potential dilutive ordinary shares. As such, there is no dilutive effect on the net loss per share of the Group for the current financial quarter under review.

By Order of the Board,

Choi Siew Fun  
Company Secretary  
Date: 29 August 2019