

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 30 June 2021

	Current Year As At 30-Jun-21 (Unaudited) RM'000	Preceding Year As At 30-Jun-20 (Audited) RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	52,419	56,128
Investment Properties	26,669	27,354
Inventories	98,027	96,405
Right-of-use assets	17,108	17,907
Other Investments	3	3
Goodwill on Consolidation	380	-
TOTAL NON-CURRENT ASSETS	194,606	197,797
<u>CURRENT ASSETS</u>		
Inventories	65,375	62,634
Trade Receivables	1,420	1,804
Other Receivables, Deposits and Prepayments	570	1,117
Contract Costs	3,729	3,996
Cash, Bank Balances and Deposits	5,844	4,020
	76,938	73,571
Assets Classified as Held for Sale	3,910	-
TOTAL CURRENT ASSETS	80,848	73,571
TOTAL ASSETS	275,454	271,368

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 30 June 2021

	Current Year As At 30-Jun-21 (Unaudited) RM'000	Preceding Year As At 30-Jun-20 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</u>		
Share Capital	92,721	76,798
Capital Reserves	50,233	50,233
RCN - Equity Component	40	40
Retained Profits	17,478	30,466
	160,472	157,537
Non-controlling Interests	293	-
TOTAL EQUITY	160,765	157,537
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	26,725	36,919
Lease Liabilities	268	367
Long Term Payables	9,955	6,736
Deferred Tax Liabilities	33	45
TOTAL NON-CURRENT LIABILITIES	36,981	44,067
<u>CURRENT LIABILITIES</u>		
Trade Payables	12,825	11,362
Other Payables, Deposits and Accruals	14,064	12,953
Contract Liabilities	32,555	33,474
Provisions For Liabilities	78	153
Borrowings	15,002	4,566
Lease Liabilities	164	138
Amount Owing To Directors	1,398	5,551
RCN - Liability Component	865	812
Tax Payable	757	755
TOTAL CURRENT LIABILITIES	77,708	69,764
TOTAL LIABILITIES	114,689	113,831
TOTAL EQUITY AND LIABILITIES	275,454	271,368
Net Asset Per Share (RM)	0.1212	0.1898

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Condensed Consolidated Statements of Changes in Equity for the Twelve (12)-months financial year ended 30 June 2021

(The figures have not been audited)

30 June 2021

	Attributable To Owners Of The Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Non-distributable		Distributable				
	Share Capital RM'000	Capital Reserve RM'000	RCN - Equity Component RM'000	Retained Profits RM'000			
At 1 July 2020	76,798	50,233	40	30,466	157,537	-	157,537
Issuance of Redeemable Convertible Notes	-	-	1,134	-	1,134	-	1,134
Conversion of Redeemable Convertible Notes	9,000	-	(1,134)	-	7,866	-	7,866
Conversion of Warrants	6,923	-	-	-	6,923	-	6,923
Acquisition of subsidiaries	-	-	-	-	-	307	307
Total comprehensive loss for the year	-	-	-	(12,988)	(12,988)	(14)	(13,002)
At 30 June 2021	92,721	50,233	40	17,478	160,472	293	160,765

30 June 2020

	Attributable To Owners Of The Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Non-distributable		Distributable				
	Share Capital RM'000	Capital Reserve RM'000	RCN - Equity Component RM'000	Retained Profits RM'000			
At 1 July 2019							
- As previously reported	51,877	50,233	95	45,563	147,768	-	147,768
- Retrospective adjustments	-	-	-	2,041	2,041	-	2,041
Restated balance at 1 July 2019	51,877	50,233	95	47,604	149,809	-	149,809
Issuance of Redeemable Convertible Notes	-	-	380	-	380	-	380
Conversion of Redeemable Convertible Notes	5,641	-	(435)	-	5,206	-	5,206
Conversion of Warrants	2,200	-	-	-	2,200	-	2,200
Debt / Equity swap	17,080	-	-	-	17,080	-	17,080
Total comprehensive loss for the year	-	-	-	(17,138)	(17,138)	-	(17,138)
At 30 June 2020	76,798	50,233	40	30,466	157,537	-	157,537

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Profit or Loss**For the Twelve (12)-months Financial Year Ended 30 June 2021**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Jun-21 RM'000	Preceding Year Corresponding Quarter 30-Jun-20 RM'000	Current Period To Date 30-Jun-21 RM'000	Preceding Year Corresponding Year 30-Jun-20 RM'000
Revenue	2,234	660	4,423	3,354
Cost of sales	(2,590)	(3,648)	(3,247)	(3,655)
Gross profit	(356)	(2,988)	1,176	(301)
Other income	3,230	3,389	3,850	3,840
Administrative expenses	(7,635)	(7,207)	(15,551)	(16,934)
Operating loss	(4,761)	(6,806)	(10,525)	(13,395)
Finance income	15	18	48	127
Finance costs	(1,058)	(76)	(2,519)	(2,817)
Loss before taxation	(5,804)	(6,864)	(12,996)	(16,085)
Taxation	(6)	(1,039)	(6)	(1,053)
Loss for the financial year	(5,810)	(7,903)	(13,002)	(17,138)
Loss attributable to : -				
Owners of the Company	(5,796)	(7,903)	(12,988)	(17,138)
Non-controlling interests	(14)	-	(14)	-
	(5,810)	(7,903)	(13,002)	(17,138)
(a) Basic (sen)	(0.44)	(0.95)	(0.98)	(2.06)
(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Statements of Other Comprehensive Income**For the Twelve (12)-months Financial Year Ended 30 June 2021**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Jun-21 RM'000	Preceding Year Corresponding Quarter 30-Jun-20 RM'000	Current Year To Date 30-Jun-21 RM'000	Preceding Year Corresponding Year 30-Jun-20 RM'000
Loss for the financial year	(5,810)	(7,903)	(13,002)	(17,138)
Other comprehensive loss:				
Foreign currency reserve	-	-	-	-
Total comprehensive loss for the financial year	(5,810)	(7,903)	(13,002)	(17,138)
Total comprehensive loss attributable to:				
Owners of the Company	(5,796)	(7,903)	(12,988)	(17,138)
Non-controlling interests	(14)	-	(14)	-
	(5,810)	(7,903)	(13,002)	(17,138)

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

	INDIVIDUAL PERIOD	CUMULATIVE YEAR
	Current Period Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2021 RM'000
Gain on disposal of property, plant and equipment	-	4
Interest income	15	48
Other income	2,285	2,602
Reversal of impairment loss on receivables no longer required	100	399
Reversal of impairment loss on properties no longer required	845	845
Depreciation and amortisation	(537)	(2,140)
Impairment loss on receivables	(1,358)	(1,358)
Impairment loss on properties	(3,403)	(3,403)
Interest expenses	(1,058)	(2,519)
Property, plant and equipment written off	(1)	(1)
Inventories written off	-	(15)

(1) 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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

**Condensed Consolidated Statements of Cash Flows
For the Twelve (12)-months Financial Year Ended 30 June 2021**

(The figures have not been audited)

	12 Months Ended 30-Jun-21 RM'000	12 Months Ended 30-Jun-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(12,996)	(16,085)
Adjustment for :		
Non-operating items	6,917	5,333
Operating loss before working capital changes	<u>(6,079)</u>	<u>(10,752)</u>
Changes in Working Capital		
Net change in current assets	(6,529)	2,955
Net change in current liabilities	1,940	2,799
	<u>(10,668)</u>	<u>(4,998)</u>
Interest received	48	127
Interest paid	(2,225)	(2,768)
Tax paid	(19)	(18)
Net Operating Cash Flows	<u>(12,864)</u>	<u>(7,657)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Acquisition of subsidiaries for cash, net of cash acquired	(10)	-
- Addition in property, plant and equipment	(237)	(76)
- Proceeds from disposal of PPE	4	-
- Drawdown of deposits	-	2,717
- Changes in pledged fixed deposits	(28)	31
Net Investing Cash Flows	<u>(271)</u>	<u>2,672</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Conversion of warrants	6,923	2,200
- Directors' accounts	(919)	1,067
- Net of repayments of borrowings	(64)	(531)
- Proceeds from issuance of RCN	9,000	4,000
Net Financing Cash Flows	<u>14,940</u>	<u>6,736</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	1,805	1,751
CASH & CASH EQUIVALENTS AT THE BEGINNING OF YEAR	1,934	183
CASH & CASH EQUIVALENTS AT THE END OF YEAR	<u>3,739</u>	<u>1,934</u>
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	5,844	4,020
Bank overdraft	(987)	(996)
	<u>4,857</u>	<u>3,024</u>
Less : Deposits pledged with licensed banks	(1,118)	(1,090)
	<u>3,739</u>	<u>1,934</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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

Notes to the Interim Financial Statements For the Fourth Quarter ended 30 June 2021

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 2020.

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 2020.

The financial statements of the Group for the quarter ended 30 June 2021 are prepared in accordance with the MFRS Framework.

A2. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEARS’ ADJUSTMENT

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 2020, except as disclosed below:

Effective for financial year beginning on or after 1 January 2020

- | | |
|--------------------------|--|
| • Amendments to MFRS 3 | Business Combinations (Definition of a business) |
| • Amendments to MFRS 7 | Financial Instruments: Disclosures – Interest Rate Benchmark Reform |
| • Amendments to MFRS 9 | Financial Instruments (Interest Rate Benchmark Reform) |
| • Amendments to MFRS 101 | Presentation of Financial Statements (Definition of Material) |
| • Amendments to MFRS 101 | Presentation of Financial Statements (Classification of Liabilities as Current or Non-current) |
| • Amendments to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material) |
| • Amendments to MFRS 139 | Financial Instruments: Recognition and Measurement (Interest Rate Benchmark Reform) |

Effective for financial year beginning on or after 1 June 2020

- | | |
|-------------------------|--|
| • Amendments to MFRS 16 | Leases : COVID-19 Related Rent Concessions |
|-------------------------|--|

Effective for financial year beginning on or after 1 April 2021

- | | |
|-------------------------|--|
| • Amendments to MFRS 16 | Leases : COVID-19 Related Rent Concessions beyond 30 June 2021 |
|-------------------------|--|

The adoption of these new MFRSs do not have any significant financial impact on the financial statements of the Group for the current quarter.

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 2020 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 70,000,000 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.05 per share on 1 April 2021.
- (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 27 April 2021.
- (iii) The issuance of 16,848,750 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 11 May 2021.
- (iv) The issuance of 7,582,150 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 20 May 2021.
- (v) The issuance of 80,671,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 27 May 2021.
- (vi) The issuance of 2,605,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 2 June 2021.
- (vii) The issuance of 9,235,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 8 June 2021.
- (viii) The issuance of 9,780,800 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 17 June 2021.

A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (ix) The issuance of 6,516,090 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 22 June 2021.
- (x) The issuance of 1,490,100 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 23 June 2021.
- (xi) The issuance of 3,736,400 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 30 June 2021.
- (xii) The issuance of 679,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 8 July 2021.
- (xiii) The issuance of 370,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 14 July 2021.
- (xiv) The issuance of 2,530,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 21 July 2021.
- (xv) The issuance of 521,250 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 26 July 2021.
- (xvi) The issuance of 27,565,250 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 29 July 2021.
- (xvii) The issuance of 26,859,077 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 4 August 2021.
- (xviii) The issuance of 1,546,780 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 11 August 2021.
- (xix) The issuance of 896,528 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 13 August 2021.
- (xx) The issuance of 36,147,537 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.05 per share on 20 August 2021.

A8. DIVIDEND PAID

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

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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-21	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
Revenue						
External sales	2,962	1,448	-	13	-	4,423
Inter-segment sales	385	-	-	-	(385)	-
Total revenue	3,347	1,448	-	13	(385)	4,423
Results						
Profit/(loss) from operations	16,680	17,279	2,355	(1,221)	(45,618)	(10,525)
Finance income						48
Finance costs						(2,519)
Loss before taxation						(12,996)
Taxation						(6)
Loss after taxation						(13,002)
Other comprehensive loss						-
Total comprehensive loss						(13,002)
Other Information						
Depreciation and amortisation	699	1,716	-	14	(289)	2,140
Consolidated Statements of Financial Position						
Assets						
Segment assets	290,042	55,843	4,247	231,921	(306,599)	275,454
Liabilities						
Segment liabilities	(190,106)	(44,604)	(1,530)	(24,304)	146,645	(113,899)

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

- i) On 7 October 2020, 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 Holdings Berhad) had entered into a memorandum of understanding ("MOU") to formalize a joint venture within 3 months with MyAngkasa Bina Sdn Bhd ("MyAngkasa Bina") (a wholly-owned subsidiary of MyAngkasa Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of Angkatan Koperasi Kebangsaan Malaysia Berhad) on further development of the Splash Park Project (including but not limited to the sales, marketing and promotions of the Suites to the MyAngkasa Bina's vast network of buyers and/ or the underwriting of such sales or the en-bloc purchase by MyAngkasa

A11. MATERIAL EVENTS DURING THE QUARTER (Cont'd)

Bina). Further details on the MOU are set out in the Group's announcement dated 7 October 2020.

On 31 December 2020, both Palm Springs Development Sdn Bhd and MyAngkasa Bina have agreed to extend the MOU Period for a further period of 3 months from 31 December 2020 ("the Extended MOU Period") and for the definitive Agreement between their respective selves on the MOU to be signed within the Extended MOU Period.

On 27 May 2021, the Group has announced that notwithstanding the expiry of the Extended MOU Period, the parties are still desirous of proceeding with the proposed arrangement as abovesaid, and are currently finalizing the terms of the definitive Agreement as between themselves on the same. An announcement on the definitive Agreement will be made in due course upon the parties' execution of the same.

However, on 13 August 2021, the Group has announced that since there had been no agreement concluded with MyAngkasa Bina since till to date, Palm Springs Development Sdn Bhd had issued a letter dated 13 August 2021 to MyAngkasa Bina to state and confirm that the MOU and all matters related to the same have lapsed and/ or expired and have no further effect.

- ii) On 1 April 2021, Genium Corporation Sdn Bhd ("Genium") (a wholly owned subsidiary of World Vacation Ownership Sdn Bhd, which in turn is a wholly owned subsidiary of Tanco Holdings Berhad) had proposed to subscribed 728,572 new ordinary shares ("New Shares") in Herbitec (M) Sdn Bhd ("Herbitec") at RM0.9608 each, representing 51% of the total enlarged share capital of Herbitec at a total cash subscription price of RM700,012.00. Subsequent to the Proposed Subscription, Herbitec will become a 51% owned indirect subsidiary of the Company through Genium.

On 13 April 2021, the Proposed Subscription is completed upon issuance and allotment of the New Shares in Herbitec.

Herbitec is a private limited company incorporated in Malaysia and is involved in the research, development, manufacturing, and sales of pharmaceutical products and/or health supplements with the requisite approvals, licenses and permits from the Relevant Authorities. It is also a registered holder of the intellectual rights of these pharmaceutical/health products namely; Noden, Livarton, and Kinetic. Further details on the Proposed Subscription are set out in the Group's announcement dated 1 April 2021.

- iii) Further to the announcement made on 20 November 2017 on the execution of the Facilitation Fund Agreement ("FFA") by Palm Springs Development Sdn Bhd ("PSD") (a wholly owned subsidiary of World Vacation Ownership Sdn Bhd, which in turn is a wholly owned subsidiary of Tanco Holdings Berhad) with the Government of Malaysia as represented by the Public Private Partnership Unit, Prime Minister's Department ("the Government") and Bank Pembangunan Malaysia Berhad ("BPMB"), a Supplemental Agreement to the FFA ("SA") has been duly executed by PSD, the Government and BPMB on 7 April 2021 to vary the terms and conditions of the FFA. The Group does not expect any immediate financial effects to the financial year ending 30 June 2021 following the execution of SA. Further details on the SA are set out in the Group's announcement dated 8 April 2021.

Save for the above, there were no material events during the quarter under review that have not been reflected.

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

Save for the above note A11 (i), there were no other material events subsequent to the end of the interim period under review that have not been reflected.

A13. CHANGE IN THE COMPOSITION OF THE GROUP

Pursuant to note A11 of this report, Herbitec is an indirect 51% owned subsidiary of the Company.

Save for the above, there were no other 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 2021, the Group has no other contingent assets and contingent liabilities save as disclosed below.

	RM'000
Corporate guarantees given by the Company to banks for credit facilities granted to the subsidiaries	<u>41,727</u>

A15. CAPITAL COMMITMENT

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

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Bursa Securities Listing Requirements (Part A of Appendix 9B)**B1. REVIEW OF PERFORMANCE**

For the current quarter ended 30 June 2021, the Group had recorded a loss before taxation (“LBT”) of RM5.8 million as compared to LBT of RM6.8 million in the preceding year corresponding quarter ended 30 June 2020. The decrease in LBT was mainly due to higher revenue in the current quarter.

B2. MATERIAL CHANGE IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER ENDED 31 MARCH 2021

	Current Period Quarter 30/06/2021 RM'000	Immediate Preceding Quarter 31/03/2021 RM'000
Revenue	<u>2,234</u>	<u>863</u>
Loss after tax	<u>(5,810)</u>	<u>(2,781)</u>

The Group recorded a revenue of RM2.2 million in the current quarter ended 30 June 2021 as compared to a revenue of RM0.9 million in the preceding quarter ended 31 March 2021. The increase in revenue during the current quarter under review is mainly due to higher revenue generated from property development and management segment.

The Group recorded a loss after taxation (“LAT”) of RM5.8 million in current quarter ended 30 June 2021 as compared to LAT of RM2.8 million in preceding quarter ended 31 March 2021 mainly resulting from a higher administrative expenses in the current quarter.

B3. PROSPECTS

The COVID-19 pandemic has been and continues to remain a major concern worldwide with the economies of many countries and global businesses taking a huge hit.

Our Government has made ongoing efforts to sustain economic activities whilst balancing the need to contain the further spread of the pandemic domestically. The reinstatement of the Movement Control Order (“MCO”) under Phase One of the National Recovery Plan will currently continue until the case threshold value are below 4,000 cases.

Furthermore, during this financial year we have all seen the country having a real see-saw battle with the COVID-19 pandemic as we moved past the 1st Movement Control Order (MCO) into a Conditional MCO, Recovery MCO and then back to MCO 2.0, MCO 3.0, Full MCO and even into an Enhanced MCO. The battle with this pandemic appears far from over as daily infection numbers continue to rise (even surpassing the 21,000 mark), and this will likely remain a major concern for the near future, as the Group, having already endured significant socio-economic disruptions, work to adapt to the various measures being implemented to strike and improve that balance between lives and livelihoods.

Notwithstanding the abovesaid, our outlook for financial year ending 30 June 2022 is cautiously optimistic, as challenging times will often, despite testing our resilience, resourcefulness and determination, spur greater creativity to reveal and/ or present more business development opportunities. Already armed with the experience from the various past MCOs, the Group is better equipped to formulate, identify, structure and/ or seize such opportunities whilst continuing to innovate and evolve our businesses in order to adapt to this new normal. The Group's recent acquisition of Herbitec is a clear step in that direction as we look to build up a strong presence in the health supplement industry.

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B3. PROSPECTS (Cont'd)

The ramping up of the national Covid-19 vaccination program is also another positive sign. With the increasing vaccination rates, we are hopeful for herd immunity to be achieved soonest possible and for the overall economy to gain more positive momentum. We, in turn, will continue to monitor the market conditions to seek interest and strategic collaborations from prospective partners, investors and operators and to explore fresh and innovative business models in this most extraordinary of times.

B4. PROFIT FORECAST

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

B5. TAXATION

	Current Period Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2021 RM'000
Income Tax		
- Current year	19	19
- Prior year	-	-
Deferred Tax		
- Current year	(13)	(13)
- Prior year	-	-
	<u>6</u>	<u>6</u>

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

Quoted shares in Malaysia, at fair value	RM'000 <u>3</u>
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B8. CORPORATE PROPOSALS

Save for the following, there are no other corporate proposals announced by the Company but not completed as at 23 August 2021, 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 23 August 2021, the Company has issued forty (40) Sub-Tranches under Tranche 1 of the RCNs amounting to RM20.0 million and twenty two (22) Sub-Tranches under Tranche 2 of the RCNs amounting to RM11.0 million.

Following the aforesaid issuance, RCNs of RM30.0 million were converted into a total of 582,382,364 new ordinary shares of the Company.

As at the date of this report, the status of the utilisation of the gross proceeds of RM31.0 million arising from the RCN issuance is as follow:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation ^
Splash Park project	79,600	16,723	Within thirty-six (36) months
Acquisition of land	5,500	5,500	Within twelve (12) months
Repayment of bank borrowings	1,000	1,000	Within twelve (12) months
Working capital	6,400	4,475	Within thirty-six (36) months
Estimated expenses in relation to the Proposals	7,500	3,302	Within thirty-six (36) months
Total	100,000	31,000	

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.

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TANCO HOLDINGS BERHAD

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B9. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowings as at 30 June 2021 are as follow: -

	As at 30/06/2021 RM'000
Short Term Borrowings	
Secured: -	
- Bank overdraft	987
- Hire purchase and lease liabilities	164
- Bridging loan	13,722
- Term loan	293
	<hr/> 15,166
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	268
- Bridging loan	20,955
- Term loan	5,770
	<hr/> 26,993
Total	<hr/> 42,159 <hr/>

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

B10. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

As at 23 August 2021, 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 23 August 2021, 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. The trial dates for the Writ action scheduled on 23 to 26 August 2021 have been vacated, and the matter is now set for case management on 2 September 2021.

No provision 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.

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B12. DIVIDEND

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

B13. LOSS PER SHARE

<u>Basic</u>		Current Year Quarter <u>30/06/2021</u>	Preceding Year Corresponding Quarter <u>30/06/2020</u>	Current Year To Date <u>30/06/2021</u>	Preceding Year To Date <u>30/06/2020</u>
Net loss attributable to owners of the Company	(RM'000)	(5,796)	(7,903)	(12,988)	(17,138)
Weighted average number of ordinary shares	('000)	1,323,826	830,229	1,323,826	830,229
Basic loss per share	(Sen)	(0.44)	(0.95)	(0.98)	(2.06)

As at 30 June 2021, 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: 30 August 2021