

**Tanco Holdings Berhad**

Registration No. 195801000190 (3326-K)

**Condensed Consolidated Statements of Financial Position as at 30 June 2022**

	<b>Current Year As At 30-Jun-22 (Unaudited) RM'000</b>	<b>Preceding Year As At 30-Jun-21 (Restated) RM'000</b>
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Plant and Equipment	51,870	52,418
Investment Properties	26,601	26,669
Inventories	97,982	98,027
Right-of-use assets	16,801	17,109
Other Investments	57	3
Goodwill on Consolidation	380	380
<b>TOTAL NON-CURRENT ASSETS</b>	<b>193,691</b>	<b>194,606</b>
<b><u>CURRENT ASSETS</u></b>		
Inventories	66,490	65,375
Trade Receivables	7,241	1,420
Other Receivables, Deposits and Prepayments	4,838	570
Contract Costs	3,639	3,729
Cash, Bank Balances and Deposits	6,941	5,844
	89,149	76,938
Assets Classified as Held for Sale	3,910	3,910
<b>TOTAL CURRENT ASSETS</b>	<b>93,059</b>	<b>80,848</b>
<b>TOTAL ASSETS</b>	<b>286,750</b>	<b>275,454</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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

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Registration No. 195801000190 (3326-K)

**Condensed Consolidated Statements of Financial Position as at 30 June 2022**

	<b>Current Year As At 30-Jun-22 (Unaudited) RM'000</b>	<b>Preceding Year As At 30-Jun-21 (Restated) RM'000</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</u></b>		
Share Capital	107,981	92,721
Capital Reserves	50,233	50,233
RCN - Equity Component	275	40
Retained Profits	13,656	26,460
	172,145	169,454
Non-controlling Interests	144	293
<b>TOTAL EQUITY</b>	172,289	169,747
<b><u>NON-CURRENT LIABILITIES</u></b>		
Borrowings	5,582	26,725
Lease Liabilities	189	268
Long Term Payables	6,916	5,355
Deferred Tax Liabilities	87	33
<b>TOTAL NON-CURRENT LIABILITIES</b>	12,774	32,381
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	14,215	12,294
Other Payables, Deposits and Accruals	13,678	9,896
Contract Liabilities	31,791	32,555
Provisions For Liabilities	-	78
Borrowings	35,501	15,002
Lease Liabilities	111	164
Amount Owing To Directors	1,113	1,398
RCN - Liability Component	4,147	865
Current Tax Liabilities	1,131	1,074
<b>TOTAL CURRENT LIABILITIES</b>	101,687	73,326
<b>TOTAL LIABILITIES</b>	114,461	105,707
<b>TOTAL EQUITY AND LIABILITIES</b>	286,750	275,454
<b>Net Asset Per Share (RM)</b>	0.1025	0.1280

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad**

Registration No. 195801000190 (3326-K)

**Condensed Consolidated Statements of Changes in Equity for the Twelve (12)-months financial year ended 30 June 2022**

(The figures have not been audited)

**30 June 2022**

	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 2021	92,721	50,233	40	16,744	159,738	293	160,031
- Prior years adjustment	-	-	-	9,716	9,716	-	9,716
Restated balance at 1 July 2021	92,721	50,233	40	26,460	169,454	293	169,747
Issuance of Redeemable Convertible Notes	-	-	886	-	886	-	886
Conversion of Redeemable Convertible Notes	9,500	-	(651)	-	8,849	-	8,849
Conversion of Warrants	5,760	-	-	-	5,760	-	5,760
Total comprehensive loss for the year	-	-	-	(12,804)	(12,804)	(149)	(12,953)
At 30 June 2022	107,981	50,233	275	13,656	172,145	144	172,289

**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
- Prior years adjustments	-	-	-	9,705	9,705	-	9,705
Restated balance at 1 July 2020	76,798	50,233	40	40,171	167,242	-	167,242
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	-	-	-	(13,711)	(13,711)	(14)	(13,725)
At 30 June 2021 (restated)	92,721	50,233	40	26,460	169,454	293	169,747

(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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**Tanco Holdings Berhad**

Registration No. 195801000190 (3326-K)

**Condensed Consolidated Statements of Comprehensive Income****For the Twelve (12)-months Financial Year Ended 30 June 2022**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter  30-Jun-22 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30-Jun-21 (Restated) RM'000	Current Year To Date 30-Jun-22 (Unaudited) RM'000	Preceding Year Corresponding Year 30-Jun-21 (Restated) RM'000
Revenue	9,478	2,234	14,325	4,423
Cost of sales	(8,206)	(2,590)	(11,497)	(3,247)
<b>Gross profit/(loss)</b>	1,272	(356)	2,828	1,176
Other income	1,719	2,209	1,915	2,829
Administrative expenses	(5,752)	(7,333)	(14,957)	(15,249)
<b>Operating loss</b>	(2,761)	(5,480)	(10,214)	(11,244)
Finance income	12	15	28	48
Finance costs	(644)	(1,058)	(2,701)	(2,519)
<b>Loss before taxation</b>	(3,393)	(6,523)	(12,887)	(13,715)
Taxation	(73)	(10)	(66)	(10)
<b>Loss for the financial year</b>	(3,466)	(6,533)	(12,953)	(13,725)
<b>Loss attributable to : -</b>				
Owners of the Company	(3,422)	(6,519)	(12,804)	(13,711)
Non-controlling interests	(44)	(14)	(149)	(14)
	(3,466)	(6,533)	(12,953)	(13,725)
(a) Basic (sen)	(0.20)	(0.49)	(0.76)	(1.04)
(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 2021 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 2022**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Year
	30-Jun-22 (Unaudited) RM'000	30-Jun-21 (Restated) RM'000	30-Jun-22 (Unaudited) RM'000	30-Jun-21 (Restated) RM'000
<b>Loss for the financial period</b>	(3,466)	(6,533)	(12,953)	(13,725)
<b>Other comprehensive loss:</b>				
Foreign currency reserve	-	-	-	-
Total comprehensive loss for the financial year	(3,466)	(6,533)	(12,953)	(13,725)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(3,422)	(6,519)	(12,804)	(13,711)
Non-controlling interests	(44)	(14)	(149)	(14)
	(3,466)	(6,533)	(12,953)	(13,725)

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

	INDIVIDUAL PERIOD	CUMULATIVE YEAR
	Current Period Quarter 30/06/2022 RM'000	Current Year To Date 30/06/2022 RM'000
Interest income	12	28
Other income	1,337	1,525
Reversal of impairment loss on receivables no longer required	382	390
Reversal of impairment loss on investment properties	1,083	1,083
Deposit & Prepayment written off	(85)	(85)
Depreciation and amortisation	(513)	(2,050)
Impairment loss on receivables	(1,800)	(1,800)
Impairment loss on properties	(365)	(365)
Interest expenses	(644)	(2,701)

(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 2021 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 2022**

(The figures have not been audited)

	<b>12 Months Ended 30-Jun-22 RM'000</b>	<b>12 Months Ended 30-Jun-21 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(12,887)	(13,715)
Adjustment for :		
Non-operating items	3,564	7,137
Operating loss before working capital changes	<u>(9,323)</u>	<u>(6,578)</u>
Changes in Working Capital		
Net change in current assets	(11,061)	(6,792)
Net change in current liabilities	2,508	2,173
	<u>(17,876)</u>	<u>(11,197)</u>
Interest received	28	48
Interest paid	(530)	(2,091)
Tax paid	(9)	(19)
Net Operating Cash Flows	<u>(18,387)</u>	<u>(13,259)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Acquisition of subsidiaries for cash, net of cash acquired	-	10
- Addition in property, plant and equipment	(43)	-
- Addition in other investment	(53)	(237)
- Proceeds from disposal of PPE	-	4
- Changes in pledged fixed deposits	(21)	(28)
Net Investing Cash Flows	<u>(117)</u>	<u>(251)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Conversion of warrants	5,760	6,923
- Directors' accounts	458	(410)
- Addition in long term payables	928	-
- Net of repayments of borrowings	(571)	(198)
- Proceeds from issuance of RCN	13,000	9,000
Net Financing Cash Flows	<u>19,575</u>	<u>15,315</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,071</b>	<b>1,805</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>3,739</b>	<b>1,934</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF YEAR</b>	<b><u>4,810</u></b>	<b><u>3,739</u></b>
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	6,941	5,844
Bank overdraft	(992)	(987)
	<u>5,949</u>	<u>4,857</u>
Less : Deposits pledged with licensed banks	(1,139)	(1,118)
	<u>4,810</u>	<u>3,739</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 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**Notes to the Interim Financial Statements  
For the Fourth Quarter ended 30 June 2022**

**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 2021.

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 2021.

The financial statements of the Group for the quarter ended 30 June 2022 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 2021, except as disclosed below:

**Effective for financial year beginning on or after 1 January 2021**

- Amendments to MFRS 4 Insurance Contracts (Interest Rate Benchmark Reform - Phase 2)
- Amendments to MFRS 7 Financial Instruments: Disclosures (Interest Rate Benchmark Reform - Phase 2)
- Amendments to MFRS 9 Financial Instruments (Interest Rate Benchmark Reform - Phase 2)
- Amendments to MFRS 16 Leases (Interest Rate Benchmark Reform - Phase 2)
- Amendments to MFRS 139 Financial Instruments: Recognition and Measurement (Interest Rate Benchmark Reform - Phase 2)

**Effective for financial year beginning on or after 1 April 2022**

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

**Effective for financial year beginning on or after 1 January 2022**

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to MFRS 9 Financial Instruments (Annual Improvements to MFRS standards 2018-2020)
- Amendments to MFRS 116 Property, Plant & Equipment (Proceeds before Intended Use)

**A2. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEARS' ADJUSTMENT (Cont'd)**

- Amendments to MFRS 137 Provisions, Contingent Liabilities & Contingent Assets (Onerous Contract – Cost of Fulfilling a Contract)
- Amendments to MFRS 141 Agriculture (Annual Improvements to MFRS Standards 2018-2020)

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

**Prior years' adjustment**

During the current financial year ended 30 June 2022, the Group made current and prior year adjustments in relation to derecognition of financial liabilities where obligations to make payment expired under Limitation Act, 1965 after 6 years from the date of debt acknowledgement or last payment. Relevant tax impacts in relation to above derecognition have been accounted accordingly.

Accordingly, the following accounts in prior years have been restated to reflect the effects of the above adjustments:

	As previously report	Prior year adjustment	As restated
As at 30 June 2021	RM'000	RM'000	RM'000

*Statements of Financial Position*

**Liabilities**

Trade Payables	18,159	(5,865)	12,294
Other Payables, Deposits and Accruals	14,064	(4,167)	9,897
Current Tax Liabilities	757	317	1,074

**Equity**

Retained Profits	16,744	9,716	26,460
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*Statements of Comprehensive Income*

Other Income	2,814	15	2,829
Taxation	(6)	(4)	(10)

	As previously report	Prior year adjustment	As restated
As at 30 June 2020	RM'000	RM'000	RM'000

*Statements of Financial Position*

**Liabilities**

Trade Payables	11,362	(5,850)	5,512
Other Payables, Deposits and Accruals	12,953	(4,167)	8,786
Current Tax Liabilities	755	314	1,069

**Equity**

Retained Profits	30,466	9,704	40,170
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**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 2021 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 changes 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 2,500,000 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.2000 per share on 22 June 2022.
- (ii) The issuance of 2,757,859 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.1813 per share on 7 July 2022.
- (iii) The issuance of 2,757,859 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.1813 per share on 9 August 2022.
- (iv) The issuance of 2,757,859 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.1813 per share on 17 August 2022.
- (v) The issuance of 16,547,159 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.1813 per share on 19 August 2022.

**A8. DIVIDEND PAID**

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

**TANCO HOLDINGS BERHAD**

Registration No. 195801000190 (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.

<b>12 months ended 30-Jun-22</b>	<b>Property development/ Management RM'000</b>	<b>Resorts and Club Operation/ Management RM'000</b>	<b>Construction RM'000</b>	<b>Investment holding RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External sales	2,015	1,441	10,860	9	-	14,325
Inter-segment sales	654	-	-	-	(654)	-
Total revenue	<u>2,669</u>	<u>1,441</u>	<u>10,860</u>	<u>9</u>	<u>(654)</u>	<u>14,325</u>
<b>Results</b>						
Profit/(loss) from operations	(3,103)	(379)	7,098	(6,128)	(7,702)	(10,214)
Finance income						28
Finance costs						(2,701)
Loss before taxation						(12,887)
Taxation						(66)
Loss after taxation						(12,953)
Other comprehensive loss						-
Total comprehensive loss						<u>(12,953)</u>
<b>Other Information</b>						
Depreciation and amortisation	<u>1,082</u>	<u>1,621</u>	<u>-</u>	<u>15</u>	<u>(668)</u>	<u>2,050</u>
<b>Consolidated Statements of Financial Position</b>						
<b>Assets</b>						
Segment assets	<u>279,868</u>	<u>55,516</u>	<u>26,827</u>	<u>251,785</u>	<u>(327,246)</u>	<u>286,750</u>
<b>Liabilities</b>						
Segment liabilities	<u>(178,090)</u>	<u>(36,855)</u>	<u>(8,246)</u>	<u>(27,985)</u>	<u>137,933</u>	<u>(113,243)</u>

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

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

**A11. MATERIAL EVENTS DURING THE QUARTER**

- (i) On 2 December 2021, the Group has announced that Herbitec (M) Sdn Bhd (a 51% owned indirect subsidiary of the Company through Genium Corporation Sdn Bhd, which in turn is a wholly-owned subsidiary of World Vacation Ownership Sdn Bhd, which in turn is a wholly-owned subsidiary of Tanco Holdings Berhad) signed a Research Services Agreement (“the Agreement”) with Universiti Malaya (“UM”) for UM to undertake the Statement of Work titled “Effect of Noden Supplement Against Dengue Infection: A Clinical Trial Study”.

On 17 June 2022, the Group has announced that at the request of UM, a Supplementary Agreement to the Agreement (“SA”) was duly executed by Herbitec and UM to revise and amend some of the provisions in the Agreement. Further details on the Agreement are set out in the Group’s Announcement dated 17 June 2022.

- (ii) On 28 June 2022, the Board of Directors of the Company announced that proposed to undertake a bonus issue of free warrants (“Warrants”) on the basis of 1 Warrant for every 2 existing ordinary shares in Tanco (“Tanco Shares”) held on an entitlement date to be determined later (“Proposed Free Warrants Issue”). Further details on the proposed bonus issue of warrants are set out in the Group’s Announcement dated 28 June 2022 and 10 August 2022.

- (iii) The Group/ Subsidiary had applied to the bank for the restructuring and rescheduling of its facilities since 2019, and has also appointed all the external independent consultants previously requested by the bank to facilitate the aforesaid application. Notwithstanding the positive reports from all the external independent consultants, the bank had in July 2022 requested for the appointment of another independent consultant for a further holistic assessment in furtherance of the bank’s interests. Given all these protracted negotiations and delays, the Group/ Subsidiary had in August 2022 submitted a proposal to the bank for the full and final settlement of the due facilities and deferring the abovesaid application. As negotiations with the bank for this full and final settlement are presently still ongoing, the Group/ Subsidiary’s said facilities with the bank is being presented as a current liability as at this financial year end, for good order.

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

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

- (i) On 28 June 2022, the Board of Directors of the Company announced that proposed to undertake a bonus issue of free warrants (“Warrants C”) on the basis of 1 Warrant C for every 2 existing ordinary shares in the Company held on the entitlement date to be on 24 August 2022 which was announced on 10 August 2022 (“Proposed Bonus Issue of Warrants”).

Subsequently, on 12 July 2022, Bursa Securities had, vide its letter approved the following:

- (i) admission to the Official List and the listing and quotation of up to 1,479,643,278 new Warrants C to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (ii) listing and quotation of up to 1,479,643,278 new Shares to be issued arising from the exercise of the new Warrants C.

**A12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD (Cont'd)**

The Proposed Free Warrants Issue was approved by the shareholders at the EGM held on 10 August 2022.

Further details on the Proposed Bonus Issue of warrants are set out in the Group's Announcement dated 28 June 2022 and 10 August 2022.

There were no 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**

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 2022, the Group has no other contingent assets and contingent liabilities save as disclosed below.

	<b>RM'000</b>
Corporate guarantees given by the Company to banks for credit facilities granted to the subsidiaries	<u>41,083</u>

**A15. CAPITAL COMMITMENT**

There were no capital commitments 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 12 months financial year ended 30 June 2022, the Group had recorded a loss before taxation (“LBT”) of RM12.89 million as compared to RM13.72 million in the preceding year ended 30 June 2021. The decrease in LBT was mainly attributable to higher revenue generated from construction segment in the current period.

**B2. MATERIAL CHANGE IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE IMMEDIATE PRECEDING QUARTER ENDED 31 MARCH 2022**

	<b>Current Period Quarter 30/06/2022 RM’000</b>	<b>Immediate Preceding Quarter 31/03/2022 RM’000</b>
Revenue	9,478	3,140
Loss after tax	(3,466)	(4,129)

The Group recorded a revenue of RM9.5 million in the current quarter ended 30 June 2022 as compared to RM3.1 million in the preceding quarter 31 March 2022. The increase in revenue during the current quarter under review is mainly attributable to higher revenue generated from the construction segment.

The Group recorded a lower loss after taxation (“LAT”) of RM3.5 million as compared to RM4.1 million in preceding quarter ended 31 March 2022 mainly resulting from a higher revenue generated from construction segment in the current quarter.

**B3. PROSPECTS**

The Malaysian economy is projected to remain resilient in 2023, with moderate inflation, whilst growth will be mainly supported by further expansion in domestic demand. The Group is confident that the Government’s supportive domestic policies will continue to catalyse opportunities in order for our Group to focus on expanding our core businesses and executing our growth plans. Despite our nation’s resilient economic outlook, the Group remains vigilant and cautiously optimistic in managing risks related to macroeconomic headwinds caused by persistent inflation, tightening of monetary policies, geopolitical tensions, volatile commodity prices and supply-related disruptions that have not fully recovered.

**B4. PROFIT FORECAST**

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

**TANCO HOLDINGS BERHAD**

Registration No. 195801000190 (3326-K)

**B5. TAXATION**

	<b>Current Period Quarter 30/06/2022 RM'000</b>	<b>Current Year To Date 30/06/2022 RM'000</b>
Income Tax		
- Current year	-	-
- Prior year	-	-
Deferred Tax		
- Current year	73	66
- Prior year	-	-
	<u>73</u>	<u>66</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**3

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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 22 August 2022, 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 2022, the Company has issued forty (40) Sub-Tranches under Tranche 1 of the RCNs amounting to RM20.0 million, forty (40) Sub-Tranches under Tranche 2 of the RCNs amounting to RM20.0 million and eight (8) Sub-Tranches under Tranche 3 of the RCNs amounting to RM4.0 million.

Following the aforesaid issuance, RCNs of RM44 million were converted into a total of 676,304,145 new ordinary shares of the Company.

As at the date of this report, the status of the utilisation of the gross proceeds of RM44 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	28,953	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	4,072	Within thirty-six (36) months
<b>Total</b>	<b>100,000</b>	<b>44,000</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.

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**B9. GROUP BORROWINGS AND DEBT SECURITIES**

Total Group's borrowings as at 30 June 2022 are as follow: -

	<b>As at 30/06/2022 RM'000</b>
Short Term Borrowings	
Secured: -	
- Bank overdraft	992
- Hire purchase and lease liabilities	111
- Bridging loan	34,237
- Term loan	272
	<u>35,612</u>
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	189
- Bridging loan	-
- Term loan	5,582
	<u>5,771</u>
<b>Total</b>	<b><u>41,383</u></b>

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

**B10. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS**

As at 22 August 2022 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 2022, 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 case is now fixed for trial on 30 August 2022 following the adjournment earlier trial dates of 11 and 12 August 2022.

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>		<b>Current Year Quarter <u>30/06/2022</u></b>	<b>Preceding Year Corresponding Quarter <u>30/06/2021</u></b>	<b>Current Year To Date <u>30/06/2022</u></b>	<b>Preceding Year To Date <u>30/06/2021</u></b>
Net loss attributable to owners of the Company	(RM'000)	(3,422)	(6,519)	(12,804)	(13,711)
Weighted average number of ordinary shares	('000)	1,678,963	1,323,826	1,678,963	1,323,826
Basic loss per share	(Sen)	(0.20)	(0.49)	(0.76)	(1.04)

As at 30 June 2022, 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 2022