

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 31 March 2023

	Current Year As At 31-Mar-23 (Unaudited) RM'000	Preceding Year As At 30-Jun-22 (Audited) RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	56,915	55,204
Investment Properties	27,745	26,601
Inventories	97,288	97,982
Right-of-use assets	17,048	17,283
Investment in an associate	123	-
Other Investments	4	3
Goodwill on Consolidation	18,501	380
TOTAL NON-CURRENT ASSETS	217,624	197,453
<u>CURRENT ASSETS</u>		
Inventories	59,410	66,490
Trade Receivables	72,752	7,241
Other Receivables, Deposits and Prepayments	14,850	3,565
Contract Asset	3,592	1,338
Contract Costs	1,179	3,639
Cash, Bank Balances and Deposits	2,576	6,941
TOTAL CURRENT ASSETS	154,359	89,214
TOTAL ASSETS	371,983	286,667

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 31 March 2023

	Current Year As At 31-Mar-23 (Unaudited) RM'000	Preceding Year As At 30-Jun-22 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</u>		
Share Capital	135,481	107,981
Capital Reserves	50,233	50,233
RCN - Equity Component	153	275
Retained Profits	29,004	13,560
	214,871	172,049
Non-controlling Interests	1,712	144
TOTAL EQUITY	216,583	172,193
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	14,898	5,582
Lease Liabilities	394	191
Long Term Payables	6,916	6,916
Deferred Tax Liabilities	80	87
TOTAL NON-CURRENT LIABILITIES	22,288	12,776
<u>CURRENT LIABILITIES</u>		
Trade Payables	31,861	15,501
Other Payables, Deposits and Accruals	27,626	12,407
Contract Liabilities	28,345	31,791
Borrowings	4,668	35,500
Lease Liabilities	139	108
Amount Owing To Directors	30,658	1,113
RCN - Liability Component	4,799	4,147
Current Tax Liabilities	5,016	1,131
TOTAL CURRENT LIABILITIES	133,112	101,698
TOTAL LIABILITIES	155,400	114,474
TOTAL EQUITY AND LIABILITIES	371,983	286,667
Net Asset Per Share (RM)	0.1193	0.1025

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 Nine (9)-months financial period ended 31 March 2023

(The figures have not been audited)

31 March 2023

	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 2022	107,981	50,233	275	13,560	172,049	144	172,193
Issuance of Redeemable Convertible Notes	-	-	981	-	981	-	981
Conversion of Redeemable Convertible Notes	27,500	-	(1,103)	-	26,397	-	26,397
Acquisition of subsidiaries	-	-	-	-	-	1,493	1,493
Total comprehensive profit for the period	-	-	-	15,444	15,444	75	15,519
At 31 March 2023	135,481	50,233	153	29,004	214,871	1,712	216,583

31 March 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 adjustments	-	-	-	9,715	9,715	-	9,715
Restated balance at 1 July 2021	92,721	50,233	40	26,459	169,453	293	169,746
Issuance of Redeemable Convertible Notes	-	-	581	-	581	-	581
Conversion of Redeemable Convertible Notes	9,000	-	(621)	-	8,379	-	8,379
Conversion of Warrants	5,760	-	-	-	5,760	-	5,760
Total comprehensive loss for the period	-	-	-	(9,382)	(9,382)	(105)	(9,487)
At 31 March 2022	107,481	50,233	-	17,077	174,791	188	174,979

(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 2022 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 Nine (9)-months Financial Period Ended 31 March 2023**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 31-Mar-23 RM'000	Preceding Year Corresponding Quarter 31-Mar-22 RM'000	Current Period To Date 31-Mar-23 RM'000	Preceding Year Corresponding Period 31-Mar-22 RM'000
Revenue	21,192	3,140	72,222	4,847
Cost of sales	(20,122)	(2,581)	(59,653)	(3,291)
Gross profit	1,070	559	12,569	1,556
Other income	675	29	4,414	196
Administrative expenses	(3,745)	(3,932)	(14,983)	(9,205)
Operating profit/(loss)	(2,000)	(3,344)	2,000	(7,453)
Finance income	5,827	5	13,791	16
Finance costs	902	(797)	(591)	(2,057)
Share of profit of an associate, net of tax	230	-	230	-
Profit/(Loss) before taxation	4,959	(4,136)	15,430	(9,494)
Taxation	89	7	89	7
Profit/(Loss) for the financial period	5,048	(4,129)	15,519	(9,487)
Profit/(Loss) attributable to :-				
Owners of the Company	4,943	(4,072)	15,444	(9,382)
Non-controlling interests	105	(57)	75	(105)
	5,048	(4,129)	15,519	(9,487)
(a) Basic (sen)	0.27	(0.24)	0.86	(0.56)
(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 2022 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 Nine (9)-months Financial Period Ended 31 March 2023**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 31-Mar-23 RM'000	Preceding Year Corresponding Quarter 31-Mar-22 RM'000	Current Period To Date 31-Mar-23 RM'000	Preceding Year Corresponding Period 31-Mar-22 RM'000
Profit/(Loss) for the financial period	5,048	(4,129)	15,519	(9,487)
Other comprehensive profit/(loss):				
Foreign currency reserve	-	-	-	-
Total comprehensive profit/(loss) for the financial period	5,048	(4,129)	15,519	(9,487)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	4,943	(4,072)	15,444	(9,382)
Non-controlling interests	105	(57)	75	(105)
	5,048	(4,129)	15,519	(9,487)

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

	INDIVIDUAL PERIOD	CUMULATIVE YEAR
	Current Period Quarter 31/3/2023 RM'000	Current Period To Date 31/3/2023 RM'000
Interest income	5,827	13,791
Other income	675	2,397
Reversal of impairment loss on receivables no longer required	-	2,017
Bad debts written off	-	(5)
Depreciation and amortisation	(569)	(1,638)
Interest expenses	902	(591)
Inventories written off	(16)	(17)
Impairment loss on goodwill	(380)	(380)

(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.

(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 2022 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 Nine (9)-months Financial Period Ended 31 March 2023**

(The figures have not been audited)

	9 Months Ended 31-Mar-23 RM'000	9 Months Ended 31-Mar-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	15,430	(9,494)
Adjustment for :		
Non-operating items	(11,446)	3,609
Operating loss before working capital changes	3,984	(5,885)
Changes in Working Capital		
Net change in current assets	(35,083)	(5,389)
Net change in current liabilities	18,884	(2,721)
	(12,215)	(13,995)
Interest received	26	16
Interest paid	(596)	(382)
Tax paid	(304)	(13)
Net Operating Cash Flows	(13,089)	(14,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries for cash, net of cash acquired	(22,918)	-
Addition in property, plant and equipment	(186)	(35)
Changes in pledged fixed deposits	(18)	(16)
Net Investing Cash Flows	(23,122)	(51)
CASH FLOWS FROM FINANCING ACTIVITIES		
Conversion of warrants	-	5,760
Directors' accounts	29,545	(626)
Net of repayments of borrowings	(25,860)	(531)
Proceeds from issuance of RCN	27,996	8,000
Net Financing Cash Flows	31,681	12,603
NET CHANGES IN CASH & CASH EQUIVALENTS	(4,530)	(1,822)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,810	3,739
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	280	1,917
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	2,576	4,043
Bank overdraft	(1,140)	(992)
	1,436	3,051
Less : Deposits pledged with licensed banks	(1,156)	(1,134)
	280	1,917

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**Notes to the Interim Financial Statements
For the Third Quarter ended 31 March 2023**

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 2022.

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 2022.

The financial statements of the Group for the quarter ended 31 March 2023 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 2022, except as disclosed below:

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 16 Leases (Annual Improvements to MFRS standards 2018-2020)
- Amendments to MFRS 116 Property, Plant & Equipment (Proceeds before Intended Use)
- Amendments to MFRS 137 Provisions, Contingent Liabilities & Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)
- Amendments to MFRS 141 Agriculture (Annual Improvements to MFRS Standards 2018-2020)

Effective for financial year beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
Initial Application of MFRS 17 and MFRS 9—Comparative Information
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

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 2022 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 36,403,349 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.2747 per share on 14 February 2023.
- (ii) The issuance of 36,403,349 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.2747 per share on 17 February 2023.
- (iii) The issuance of 213,500 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 5 April 2023.
- (iv) The issuance of 125,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 10 April 2023.
- (v) The issuance of 1,460,100 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 13 April 2023.
- (vi) The issuance of 110,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 17 April 2023.
- (vii) The issuance of 1,278,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 19 April 2023.

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A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (viii) The issuance of 596,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 25 April 2023.
- (ix) The issuance of 2,363,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 27 April 2023.
- (x) The issuance of 7,200,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 3 May 2023.
- (xi) The issuance of 8,467,100 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 8 May 2023.
- (xii) The issuance of 5,667,533 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 11 May 2023.
- (xiii) The issuance of 1,400,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 18 May 2023.
- (xiv) The issuance of 1,045,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 23 May 2023.

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.

9 months ended 31-Mar-23	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	30,811	3,028	38,376	7	-	72,222
Inter-segment sales	673	-	438	-	(1,111)	-
Total revenue	<u>31,484</u>	<u>3,028</u>	<u>38,814</u>	<u>7</u>	<u>(1,111)</u>	<u>64,860</u>
Results						
Profit/(loss) from operations	6,002	(1,128)	576	(2,970)	(480)	(2,000)
Finance income						13,791
Finance costs						(591)
Share of profit of an associate, net of tax						230
Profit before taxation						<u>15,430</u>
Taxation						89
Profit after taxation						<u>15,519</u>
Other comprehensive income						-
Total comprehensive income						<u>15,519</u>
Other Information						
Depreciation and amortisation	794	1,319	1	11	(487)	1,638
Consolidated Statements of Financial Position						
Assets						
Segment assets	<u>300,282</u>	<u>114,121</u>	<u>32,769</u>	<u>338,376</u>	<u>(413,566)</u>	<u>372,983</u>
Liabilities						
Segment liabilities	<u>(125,310)</u>	<u>(70,389)</u>	<u>(20,828)</u>	<u>(58,200)</u>	<u>124,423</u>	<u>(150,304)</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 7 February 2023, Palm Springs Resort Management Berhad (“PSRMB”) (a subsidiary of Tanco Properties Sdn Bhd, which in turn is an indirect wholly-owned subsidiary of the Company) entered into a share sale agreement (“SSA”) with Googoplex Holding Berhad (“GHB”), being the vendor for the proposed acquisition of 250,500 ordinary shares in Gplex Properties Sdn Bhd (“GPSB”) representing 50.1% of the entire equity interest of GPSB for a total purchase consideration of RM20,000,000 (“Purchase Consideration”) to be fully satisfied via cash (“Proposed Acquisition”).

GPSB is a private limited company incorporated in Malaysia and is principally engaged in business as investment holding and business consulting. Further details on the agreements Proposed Acquisition are set out in the Group’s announcement dated 7 February 2023.

Subsequently, on 6 March 2023, The Board of Directors of the Company wishes to announce that the Company to date received notification that the transfer of the Sale Shares from GHB to PSRMB has been perfected. Accordingly, the Proposed Acquisition is now deemed completed.

Consequently, GPSB is now a 50.1% owned sub-subsiary of the Company and the associated company of GPSB is also an associated company of the Company.

- (ii) On 28 February 2023, with reference and further to the announcement dated 8 September 2022, the Board of Directors of the Company announced that Palm Springs Development Sdn Bhd (“PSD”), a wholly-owned indirect subsidiary of the Company, has to-date received the Bank’s letter dated 28 February 2023 confirming the Bank’s agreement to the full and final settlement of the Facility per the Settlement Sum of RM30.5 million remitted earlier by PSD (“the Concluded Settlement”).

Further details on the Proposed Full and Final Settlement are set out in the Group’s announcement dated 28 February 2023.

- (iii) On 15 March 2023, with reference and further to the announcement dated 25 October 2022 and 28 October 2022 on the Proposed RPS Subscription, the Board of Directors of the Company wishes to announce that the Company had on late 14 March 2023 received from PERKESO the signed supplemental term sheet dated 10 March 2023 (“Supplemental Term Sheet”) to supplement/ vary and amend certain terms in the Term Sheet dated 25 October 2022 in relation to the Proposed RPS Subscription.

- (iv) On 29 March 2023, The Board of Directors of the Company wishes to announce that Palm Springs Development Sdn Bhd (“PSD”), an indirect wholly-owned subsidiary of the Company and Gplex Realty Sdn Bhd (“GRSB”), an associate company of the Company had signed a letter of appointment (“the Appointment”) wherein PSD appoints GRSB to market and sell the remaining available and unsold units of PSD’s SPLASH PARK SUITES project located in Dickson Bay, Port Dickson, Negeri Sembilan (“the Project”).

Further details on the Appointment are set out in the Group’s announcement dated 29 March 2023.

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

- (v) On 30 March 2023, The Board of Directors of the Company wishes to announce that Tanco Builders Sdn. Bhd. ("TBSB"), a wholly-owned subsidiary of Tanco Development Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had accepted the Letter of Award dated 29 March 2023 ("LOA") from China Communications Construction (ECRL) Sdn. Bhd. ("CCCESB") to undertake the construction and completion of subgrade works from C2CH34+499.980 to C2CH40+256.140, Section 9 ("the Works") per the Engineering, Procurement, Construction and Commissioning of the East Coast Rail Link Project ("ECRL Project").

Further details on the LOA are set out in the Group's announcement dated 30 March 2023.

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 5 April 2023, with reference and further to the announcement dated 15 March 2023 on the Supplemental Term Sheet per the Proposed RPS Subscription, the Board of Directors of the Company wishes to announce that the Company has received notification from PERKESO that since both PERKESO and the Company being unable to finalize and execute the Transaction Documents on or before the Cut-Off Date of 31 March 2023 and as prescribed in the terms of the Supplemental Term Sheet, the Term Sheet has accordingly automatically terminated as of 1 April 2023 and shall be null and void, and that neither Party shall have any claims against the other.
- (ii) On 14 April 2023, The Board of Directors of the Company wishes to announce that Tanco Properties Sdn. Bhd. ("TPSB"), a wholly-owned subsidiary of World Vacation Ownership Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had accepted the Letter of Appointment dated 14 April 2023 ("LOA") from Win Global Builder Sdn. Bhd. ("WGBSB") to be the Project Management Consultant for the property development project being developed by WGBSB ("the Project").

Further details on the LOA are set out in the Group's announcement dated 14 April 2023.

- (iii) With reference and further to the announcement dated 21 October 2022 and 2 November 2022 in relation to the Private Placement. In accordance with Paragraph 6.62(1) of the Listing Requirements, a listed issuer must complete the implementation of a proposal relating to an issuance of securities within 6 months from the date the listing application is approved by Bursa Securities.

On 2 May 2023, on behalf of the Board, Kenanga IB wishes to announce that the approval by Bursa Securities for the Private Placement has lapsed on 30 April 2023.

- (iv) On 18 May 2023, with reference and further to the announcement dated 30 March 2023 on the acceptance CCCESB's LOA by TBSB, CCCESB and TBSB had executed the Subcontract Agreement ("SA") for TBSB to undertake the Works per the ECRL Project on the terms prescribed therein, with the contract sum of RM43,372,542.93 ("Subcontract Sum").

Further details on the SA are set out in the Group's announcement dated 18 May 2023.

There were no material events subsequent to the end of the interim period under review that have not been reflected.

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A13. CHANGE IN THE COMPOSITION OF THE GROUP

Pursuant to note A11 of this report, GPSB is an indirect 50.1% owned subsidiary of the Company and the associated company of GPSB is also an associated company 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 31 March 2023, 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>6,574</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 9 months financial period ended 31 March 2023, the Group had recorded a profit before taxation (“PBT”) of RM15.4 million as compared to a loss before taxation (“LBT”) RM9.5 million in the preceding year corresponding quarter ended 31 March 2022. The increase in PBT was mainly attributable to higher revenue generated from property development/management and construction segment in the current period.

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

	Current Period Quarter 31/03/2023 RM’000	Immediate Preceding Quarter 31/12/2022 RM’000
Revenue	21,192	29,716
Profit after tax	<u>5,048</u>	<u>11,753</u>

The Group recorded a revenue of RM21.2 million in the current quarter ended 31 March 2023 as compared to RM29.7 million in the preceding quarter 31 December 2022. The decrease in revenue during the current quarter under review is mainly due to lower revenue generated from property development/management in the current period.

The Group recorded a profit after taxation (“PAT”) of RM5.0 million in current quarter as compared to RM11.8 million in preceding quarter ended 31 December 2022 mainly resulting from a lower revenue generated from property development/management in the current period.

B3. PROSPECTS

The Malaysian economy is expected to remain resilient in 2023, with moderate inflation, whilst growth will be mainly supported by further expansion in domestic demand. The Group is optimistic and confident that post GE 15, the new Government will continue to initiate and implement positive economic growth policies to continue catalysing and enhancing local trade and the domestic economy and to further support the various local business sectors, wherein the Group will be primed to further strengthen and also expand our core businesses and execute our growth plans. Despite our nation’s resilient economic outlook, the Group will remain vigilant and cautiously optimistic in managing the risks related to macroeconomic headwinds which may be caused by persistent inflation, tightening of monetary policies, geopolitical tensions, volatile commodity prices and/ or supply-related disruptions which 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.

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B5. TAXATION

	Current Period Quarter 31/03/2023 RM'000	Current Year To Date 31/03/2023 RM'000
Income Tax		
- Current year	89	89
- Prior year	-	-
Deferred Tax		
- Current year	-	-
- Prior year	-	-
	<u>89</u>	<u>89</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

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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 May 2023, being the latest practicable date (“LPD”), which is not earlier than 7 days from the date of issue of this quarterly report.

(i) RCN program

As at 23 May 2023, 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, forty (40) Sub-Tranches under Tranche 3 of the RCNs amounting to RM20.0 million and twelve (12) Sub-Tranches under Tranche 4 of the RCNs amounting to RM12.0 million.

Following the aforesaid issuance, RCNs of RM67 million were converted into a total of 764,735,843 new ordinary shares of the Company.

As at the date of this report, the status of the utilisation of the gross proceeds of RM72 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	55,433	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	5,592	Within thirty-six (36) months
Total	100,000	72,000	

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.

B8. CORPORATE PROPOSALS (Cont'd)**(ii) Private placement**

On 21 October 2022, the Company announced to undertake a private placement of up to 176,660,700 new ordinary shares ("Shares") representing up to approximately 10% of the existing total number of issued Shares, to independent third party investor(s) to be identified and at an issue price to be determined and announced at a later date.

On 2 November 2022, Bursa Securities had, vide its letter dated 1 November 2022, approved the listing of and quotation for up to 176,660,700 new Shares to be issued pursuant to the Proposed Private Placement, subject to conditions.

On 2 May 2023, on behalf of the Board, Kenanga IB wishes to announce that the approval by Bursa Securities for the Private Placement has lapsed on 30 April 2023.

As at LPD, the Company has not issued any Shares pursuant to the Private Placement.

B9. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowings as at 31 March 2023 are as follow: -

	As at 31/03/2023 RM'000
Short Term Borrowings	
Secured: -	
- Bank overdraft	1,140
- Hire purchase and lease liabilities	139
- Term loan	3,528
	<u>4,807</u>
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	394
- Term loan	14,898
	<u>15,292</u>
Total	<u>20,099</u>

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

B10. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

As at 23 May 2023 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.

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

B11. MATERIAL LITIGATION

As at 23 May 2023, 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 High Court had on 19.5.2023 granted an order to transfer the matter to the Kuala Lumpur Sessions Court. The next date will be set by the Sessions Court upon the transfer being completed.

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.

B12. DIVIDEND

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

B13. PROFIT/(LOSS) PER SHARE

<u>Basic</u>		Current Year	Preceding Year	Current	Preceding Year
		Quarter	Corresponding	Year To Date	To Date
		<u>31/03/2023</u>	<u>31/03/2022</u>	<u>31/03/2023</u>	<u>31/03/2022</u>
Net profit/(loss) attributable to owners of the Company	(RM'000)	4,943	(4,072)	15,444	(9,382)
Weighted average number of ordinary shares	('000)	1,800,736	1,678,902	1,800,736	1,678,902
Basic profit/(loss) per share	(Sen)	0.27	(0.24)	0.86	(0.56)

As at 31 March 2023, 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 May 2023