

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 30 June 2023

	Current Year As At 30-Jun-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	57,404	55,204
Investment Properties	34,449	26,601
Inventories	110,496	97,982
Right-of-use assets	17,280	17,283
Other Investments	3	3
Goodwill on Consolidation	19,394	380
TOTAL NON-CURRENT ASSETS	239,026	197,453
<u>CURRENT ASSETS</u>		
Inventories	57,353	66,490
Trade Receivables	75,838	7,241
Other Receivables, Deposits and Prepayments	31,128	3,565
Contract Asset	6,982	1,338
Contract Costs	1,625	3,639
Tax Recoverable	14	-
Cash, Bank Balances and Deposits	8,119	6,941
TOTAL CURRENT ASSETS	181,059	89,214
TOTAL ASSETS	420,085	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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Condensed Consolidated Statements of Financial Position as at 30 June 2023

	Current Year As At 30-Jun-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	156,331	107,981
Capital Reserves	50,233	50,233
RCN - Equity Component	153	275
Retained Profits	33,360	13,560
	240,077	172,049
Non-controlling Interests	3,223	144
TOTAL EQUITY	243,300	172,193
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	15,363	5,582
Lease Liabilities	379	191
Long Term Payables	748	6,916
Deferred Tax Liabilities	98	87
TOTAL NON-CURRENT LIABILITIES	16,588	12,776
<u>CURRENT LIABILITIES</u>		
Trade Payables	34,447	15,501
Other Payables, Deposits and Accruals	34,793	12,407
Contract Liabilities	49,018	31,791
Borrowings	3,723	35,500
Lease Liabilities	123	108
Amount Owing To Directors	26,552	1,113
RCN - Liability Component	4,799	4,147
Current Tax Liabilities	6,742	1,131
TOTAL CURRENT LIABILITIES	160,197	101,698
TOTAL LIABILITIES	176,785	114,474
TOTAL EQUITY AND LIABILITIES	420,085	286,667
Net Asset Per Share (RM)	0.1328	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 twelve (12)-months financial year ended 30 June 2023

(The figures have not been audited)

30 June 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
Conversion of Warrants	20,850	-	-	-	20,850	-	20,850
Acquisition of subsidiaries	-	-	-	-	-	604	604
Total comprehensive profit for the year	-	-	-	19,800	19,800	2,475	22,275
At 30 June 2023	156,331	50,233	153	33,360	240,077	3,223	243,300

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 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	-	-	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	-	-	-	(12,899)	(12,899)	(149)	(13,048)
At 30 June 2022	107,981	50,233	275	13,560	172,049	144	172,193

(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 Twelve (12)-months Financial Year Ended 30 June 2023**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Jun-23 RM'000	Preceding Year Corresponding Quarter 30-Jun-22 RM'000	Current Year To Date 30-Jun-23 RM'000	Preceding Year Corresponding Year 30-Jun-22 RM'000
Revenue	22,520	9,478	94,742	14,325
Cost of sales	(8,055)	(8,716)	(67,708)	(12,007)
Gross profit	14,465	762	27,034	2,318
Other income	11,232	1,327	15,646	1,523
Administrative expenses	(10,803)	(4,945)	(25,786)	(14,150)
Operating profit/(loss)	14,894	(2,856)	16,894	(10,309)
Finance income	(6,927)	12	6,864	28
Finance costs	116	(644)	(475)	(2,701)
Share of loss of an associate, net of tax	(230)	-	-	-
Profit/(Loss) before taxation	7,853	(3,488)	23,283	(12,982)
Taxation	(1,097)	(73)	(1,008)	(66)
Profit/(Loss) for the financial year	6,756	(3,561)	22,275	(13,048)
Profit/(Loss) attributable to :-				
Owners of the Company	4,356	(3,517)	19,800	(12,899)
Non-controlling interests	2,400	(44)	2,475	(149)
	6,756	(3,561)	22,275	(13,048)
(a) Basic (sen)	0.24	(0.21)	1.10	(0.77)
(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.)

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Statements of Other Comprehensive Income**For the Twelve (12)-months Financial Year Ended 30 June 2023**

(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-23 RM'000	30-Jun-22 RM'000	30-Jun-23 RM'000	30-Jun-22 RM'000
Profit/(Loss) for the financial year	6,756	(3,561)	22,275	(13,048)
Other comprehensive profit/(loss):				
Foreign currency reserve	-	-	-	-
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	4,356	(3,517)	19,800	(12,899)
Non-controlling interests	2,400	(44)	2,475	(149)
	<u>6,756</u>	<u>(3,561)</u>	<u>22,275</u>	<u>(13,048)</u>

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

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter		Current Year To Date	
	30/6/2023 RM'000		30/6/2023 RM'000	
Gain on disposal of property, plant and equipment	613		613	
Interest income	(6,927)		6,864	
Other income	9,999		12,396	
Reversal of impairment loss on receivables no longer required	620		2,637	
Bad debts written off	5		-	
Depreciation and amortisation	(603)		(2,241)	
Impairment loss on receivables	(2,841)		(2,841)	
Impairment loss on properties	(61)		(61)	
Impairment loss on goodwill	-		(380)	
Interest expenses	116		(475)	
Inventories written off	(1)		(18)	

(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 Twelves (12)-months Financial Year Ended 30 June 2023**

(The figures have not been audited)

	12 Months Ended 30-Jun-23 RM'000	12 Months Ended 30-Jun-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	23,283	(12,982)
Adjustment for :		
Non-operating items	(13,103)	5,340
Operating profit/(loss) before working capital changes	<u>10,180</u>	<u>(7,642)</u>
Changes in Working Capital		
Net change in current assets	(71,144)	(12,635)
Net change in current liabilities	36,300	6,333
	<u>(24,664)</u>	<u>(13,944)</u>
Interest received	42	28
Interest paid	(424)	(2,624)
Tax paid	(345)	(17)
Net Operating Cash Flows	<u>(25,391)</u>	<u>(16,557)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries for cash, net of cash acquired	(19,868)	-
Addition in property, plant and equipment	(1,259)	(43)
Proceeds from disposal of PPE	1,255	-
Changes in pledged fixed deposits	(26)	(21)
Net Investing Cash Flows	<u>(19,898)</u>	<u>(64)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Conversion of warrants	20,850	5,760
Directors' accounts	25,439	(285)
Net of repayments of borrowings	(27,000)	(783)
Proceeds from issuance of RCN	27,996	13,000
Net Financing Cash Flows	<u>47,285</u>	<u>17,692</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	1,996	1,071
CASH & CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,810	3,739
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	<u>6,806</u>	<u>4,810</u>
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	8,119	6,941
Bank overdraft	(148)	(992)
	<u>7,971</u>	<u>5,949</u>
Less : Deposits pledged with licensed banks	(1,165)	(1,139)
	<u>6,806</u>	<u>4,810</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 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**Notes to the Interim Financial Statements
For the Fourth Quarter ended 30 June 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 30 June 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 213,500 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 5 April 2023.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.

A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (viii) 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.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) The issuance of 1,080,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 26 May 2023.
- (xiv) The issuance of 10,076,600 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 31 May 2023.
- (xv) The issuance of 6,790,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 7 June 2023.
- (xvi) The issuance of 2,104,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 13 June 2023.
- (xvii) The issuance of 9,615,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 16 June 2023.
- (xviii) The issuance of 6,630,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 23 June 2023.
- (xix) The issuance of 1,039,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 27 June 2023.
- (xx) The issuance of 6,627,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 5 July 2023.
- (xxi) The issuance of 930,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 10 July 2023.
- (xxii) The issuance of 450,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 13 July 2023.
- (xxiii) The issuance of 325,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 18 July 2023.

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A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (xxiv) The issuance of 925,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 28 July 2023.
- (xxv) The issuance of 930,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 3 August 2023.
- (xxvi) The issuance of 10,134,279 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.3947 per share on 7 August 2023.
- (xxvii) The issuance of 6,708,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 8 August 2023.
- (xxviii) The issuance of 1,210,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 9 August 2023.
- (xxix) The issuance of 5,070,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 14 August 2023.
- (xxx) The issuance of 1,770,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 21 August 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.

12 months ended 30-Jun-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	27,833	12,575	54,298	36	-	94,742
Inter-segment sales	897	-	456	-	(1,353)	-
Total revenue	<u>28,730</u>	<u>12,575</u>	<u>54,754</u>	<u>36</u>	<u>(1,353)</u>	<u>94,742</u>
Results						
Profit/(loss) from operations	14,826	9,126	(901)	(3,162)	(2,995)	16,894
Finance income						6,864
Finance costs						(475)
Profit before taxation						<u>23,283</u>
Taxation						<u>(1,008)</u>
Profit after taxation						<u>22,275</u>
Other comprehensive income						-
Total comprehensive income						<u>22,275</u>
Other Information						
Depreciation and amortisation	1,070	1,804	1	15	(649)	2,241
Consolidated Statements of Financial Position						
Assets						
Segment assets	<u>325,396</u>	<u>124,884</u>	<u>37,080</u>	<u>353,121</u>	<u>(420,396)</u>	<u>420,085</u>
Liabilities						
Segment liabilities	<u>(140,790)</u>	<u>(69,953)</u>	<u>(26,633)</u>	<u>(52,338)</u>	<u>119,769</u>	<u>(169,945)</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 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 announce that the approval by Bursa Securities for the Private Placement has lapsed on 30 April 2023.

- (iv) On 18 May 2023, with reference to the announcement dated 30 March 2023 on the acceptance China Communications Construction (ECRL) Sdn. Bhd. (“CCCESB”)’s Letter of Award (“LOA”) by Tanco Builders Sdn. Bhd. (“TBSB”), CCCESB and TBSB had executed the Subcontract Agreement (“SA”) for TBSB to undertake the Works per the East Coast Rail Link Project (“ECRL Project”) on the terms prescribed therein, with the contract sum of RM43,372,542.93 (“Subcontract Sum”).

Further details on the LOA are set out in the Group’s announcement dated 18 May 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 26 July 2023, with reference and further to the announcement dated 14 April 2023 on the acceptance of Win Global Builder Sdn. Bhd. (“WGBSB”)’s appointment by Tanco Properties Sdn. Bhd. (“TPSB”), 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 on 26 July 2023, accepted the Letter of Award dated 26 July 2023 (“LOA”) from Arkitek CKL, acting on behalf of WGBSB to undertake the main building works and infrastructure works (“the Contract Works”) for the Project.

Further details on the LOA are set out in the Group’s announcement dated 26 July 2023.

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 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>5,491</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 2023, the Group had recorded a profit before taxation (“PBT”) of RM23.3 million as compared to a loss before taxation (“LBT”) RM13.0 million in the preceding year corresponding quarter ended 30 June 2022. The increase in PBT was mainly attributable to higher revenue generated from property development/management, and resorts and club operation in the current year.

B2. MATERIAL CHANGE IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE IMMEDIATE PRECEDING QUARTER ENDED 31 MARCH 2023

	Current Year Quarter 30/06/2023 RM’000	Immediate Preceding Quarter 31/03/2023 RM’000
Revenue	22,520	21,192
Profit after tax	6,756	5,048

The Group recorded a revenue of RM22.5 million in the current quarter ended 30 June 2023 as compared to RM21.2 million in the preceding quarter 31 March 2023. The increase in revenue during the current quarter under review is mainly due to higher revenue generated from construction, and resort and club operation.

The Group recorded a profit after taxation (“PAT”) of RM6.8 million in current quarter as compared to RM5.0 million in preceding quarter ended 31 March 2023 mainly resulting from a higher revenue generated from resort and club operation in the current quarter.

B3. PROSPECTS

The Malaysian economy is expected to remain resilient in 2023, clearly well on the road to recovery from the turbulent times of the Corona virus pandemic. 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, the domestic economy and to further support the various business sectors.

Within this encouraging environment, the Group is confident that its various business sectors will continue to grow and contribute positively to the Group, with the ongoing projects of our Property Sector completing and becoming operational soon and with a few more collaborative projects in discussion, with the ongoing works and more opportunities for contracts for our Construction Sector, and with clinical trials commencing soon to evaluate the efficacy of our Pharmaceutical Sector's Noden™ product against Dengue.

All in all, the outlook for the year ahead is encouraging. Barring any unforeseen circumstances, the Group will be primed to further strengthen and also expand our core businesses.

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B4. PROFIT FORECAST

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

B5. TAXATION

	Current Year Quarter 30/06/2023 RM'000	Current Year To Date 30/06/2023 RM'000
Income Tax		
- Current year	1,071	1,071
- Under /(Over) provision in prior year	26	(63)
Deferred Tax		
- Current year	-	-
- Prior year	-	-
	<u>1,097</u>	<u>1,008</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 22 August 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 22 August 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 RM71 million were converted into a total of 774,870,120 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 30 June 2023 are as follow: -

	As at 30/06/2023 RM'000
Short Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	75
- Term loan	298
Non-Secured: -	
- Bank overdraft	148
- Hire purchase and lease liabilities	48
- Term loan	3,277
	<u>3,846</u>
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	115
- Term loan	5,193
Non-Secured: -	
- Hire purchase and lease liabilities	264
- Term loan	10,170
	<u>15,742</u>
Total	<u>19,588</u>

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

B10. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

As at 22 August 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 22 August 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 May 2023 granted an order to transfer the matter to the Kuala Lumpur Sessions Court. The case is now fixed for case management on 11 April 2024, and trial on 6, 7 and 8 August 2024.

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>30/06/2023</u>	<u>30/06/2022</u>	<u>30/06/2023</u>	<u>30/06/2022</u>
Net profit/(loss) attributable to owners of the Company	(RM'000)	4,356	(3,517)	19,800	(12,899)
Weighted average number of ordinary shares	('000)	1,807,493	1,678,963	1,807,493	1,678,963
Basic profit/(loss) per share	(Sen)	0.24	(0.21)	1.10	(0.77)

As at 30 June 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: 29 August 2023