

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 30 September 2023

	Current Period As At 30-Sep-23 (Unaudited) RM'000	Preceding Year As At 30-Jun-23 (Audited) RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	74,830	74,688
Investment Properties	35,242	35,462
Inventories	112,363	110,441
Other Investments	3	3
Goodwill on Consolidation	18,870	18,870
TOTAL NON-CURRENT ASSETS	241,308	239,464
<u>CURRENT ASSETS</u>		
Inventories	57,424	57,345
Trade Receivables	74,987	75,096
Other Receivables, Deposits and Prepayments	20,549	31,165
Contract Asset	4,581	6,116
Contract Costs	1,881	1,625
Tax Recoverable	24	30
Cash, Bank Balances and Deposits	8,937	8,119
TOTAL CURRENT ASSETS	168,383	179,496
TOTAL ASSETS	409,691	418,960

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Tanco Holdings Berhad

Registration No. 195801000190 (3326-K)

Condensed Consolidated Statements of Financial Position as at 30 September 2023

	Current Period As At 30-Sep-23 (Unaudited) RM'000	Preceding Year As At 30-Jun-23 (Audited) RM'000
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</u>		
Share Capital	176,236	156,331
Capital Reserves	50,233	50,233
RCN - Equity Component	-	153
Retained Profits	32,305	32,093
	258,774	238,810
Non-controlling Interests	4,258	3,659
TOTAL EQUITY	263,032	242,469
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	8,040	15,363
Lease Liabilities	592	379
Long Term Payables	748	748
Deferred Tax Liabilities	140	188
TOTAL NON-CURRENT LIABILITIES	9,520	16,678
<u>CURRENT LIABILITIES</u>		
Trade Payables	32,947	47,493
Other Payables, Deposits and Accruals	30,520	27,880
Contract Liabilities	42,018	42,562
Borrowings	2,202	3,723
Lease Liabilities	144	123
Amount Owing To Directors	22,264	26,549
RCN - Liability Component	-	4,799
Current Tax Liabilities	7,044	6,684
TOTAL CURRENT LIABILITIES	137,139	159,813
TOTAL LIABILITIES	146,659	176,491
TOTAL EQUITY AND LIABILITIES	409,691	418,960
Net Asset Per Share (RM)	0.1307	0.1321

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Condensed Consolidated Statements of Changes in Equity for the three (3)-months financial period ended 30 September 2023

(The figures have not been audited)

30 September 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 2023	156,331	50,233	153	32,093	238,810	3,659	242,469
Conversion of Redeemable Convertible Notes	5,000	-	(153)	-	4,847	-	4,847
Conversion of Warrants	14,905	-	-	-	14,905	-	14,905
Total comprehensive profit for the period	-	-	-	212	212	599	811
At 30 September 2023	176,236	50,233	-	32,305	258,774	4,258	263,032

30 September 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 2022	107,981	50,233	275	13,560	172,049	144	172,193
Issuance of Redeemable Convertible Notes	-	-	156	-	156	-	156
Conversion of Redeemable Convertible Notes	4,500	-	(275)	-	4,225	-	4,225
Total comprehensive loss for the yperiod	-	-	-	(1,268)	(1,268)	(14)	(1,282)
At 30 September 2022	112,481	50,233	156	12,292	175,162	130	175,292

(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 2023 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 Three (3)-months Financial Period Ended 30 September 2023**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Sep-23 RM'000	Preceding Year Corresponding Quarter 30-Sep-22 RM'000	Current Period To Date 30-Sep-23 RM'000	Preceding Year Corresponding Period 30-Sep-22 RM'000
Revenue	26,302	21,314	26,302	21,314
Cost of sales	(19,450)	(18,072)	(19,450)	(18,072)
Gross profit	6,852	3,242	6,852	3,242
Other income	1,446	177	1,446	177
Administrative expenses	(6,689)	(4,860)	(6,689)	(4,860)
Operating profit/(loss)	1,609	(1,441)	1,609	(1,441)
Finance income	15	1,554	15	1,554
Finance costs	(128)	(1,395)	(128)	(1,395)
Profit/(Loss) before taxation	1,496	(1,282)	1,496	(1,282)
Taxation	(685)	-	(685)	-
Profit/(Loss) for the financial period	811	(1,282)	811	(1,282)
Profit/(Loss) attributable to :-				
Owners of the Company	212	(1,268)	212	(1,268)
Non-controlling interests	599	(14)	599	(14)
	811	(1,282)	811	(1,282)
(a) Basic (sen)	0.01	(0.07)	0.01	(0.07)
(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 2023 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 Three (3)-months Financial Period Ended 30 September 2023**

(The figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE YEAR	
	Current Period Quarter 30-Sep-23 RM'000	Preceding Year Corresponding Quarter 30-Sep-22 RM'000	Current Period To Date 30-Sep-23 RM'000	Preceding Year Corresponding Period 30-Sep-22 RM'000
Profit/(Loss) for the financial period	811	(1,282)	811	(1,282)
Other comprehensive profit/(loss):				
Foreign currency reserve	-	-	-	-
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	212	(1,268)	212	(1,268)
Non-controlling interests	599	(14)	599	(14)
	<u>811</u>	<u>(1,282)</u>	<u>811</u>	<u>(1,282)</u>

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

	INDIVIDUAL PERIOD	CUMULATIVE YEAR
	Current Period Quarter 30/09/2023 RM'000	Current Period To Date 30/09/2023 RM'000
Interest income	15	15
Other income	1,265	1,265
Reversal of impairment loss on receivables no longer required	181	181
Depreciation and amortisation	(598)	(598)
Interest expenses	(128)	(128)

(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 2023 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 Three (3)-months Financial Period Ended 30 September 2023**

(The figures have not been audited)

	3 Months Ended 30-Sep-23 RM'000	3 Months Ended 30-Sep-22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,496	(1,282)
Adjustment for :		
Non-operating items	893	379
Operating profit/(loss) before working capital changes	<u>2,389</u>	<u>(903)</u>
Changes in Working Capital		
Net change in current assets	9,828	(8,850)
Net change in current liabilities	(12,451)	3,673
	<u>(234)</u>	<u>(6,080)</u>
Interest received	15	6
Interest paid	(93)	(1,402)
Tax paid	(329)	(4)
Net Operating Cash Flows	<u>(641)</u>	<u>(7,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(438)	(22)
Addition in investment properties	(81)	-
Changes in pledged fixed deposits	51	(5)
Net Investing Cash Flows	<u>(468)</u>	<u>(27)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Conversion of warrants	14,905	-
Directors' accounts	(4,285)	2,427
Net of repayments of borrowings	(8,494)	(127)
Proceeds from issuance of RCN	-	3,010
Net Financing Cash Flows	<u>2,126</u>	<u>5,310</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	1,017	(2,197)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	6,755	4,810
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	<u>7,772</u>	<u>2,613</u>
Cash and cash equivalents comprise of the following:		
Cash, bank balances and deposits	8,937	4,298
Bank overdraft	-	(541)
	<u>8,937</u>	<u>3,757</u>
Less : Deposits pledged with licensed banks	(1,165)	(1,144)
	<u>7,772</u>	<u>2,613</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 2023 and the accompanying explanatory notes attached to the interim financial statements.)

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

Notes to the Interim Financial Statements For the First Quarter ended 30 September 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 2023.

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 2023.

The financial statements of the Group for the quarter ended 30 September 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 2023, except as disclosed below:

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)

Effective for financial year beginning on or after 1 January 2024

- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Non-current Liabilities with Covenants
- Amendments to MFRS 107 Supplier Finance Arrangements

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 2023 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 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) 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.

A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (x) 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.
- (xi) 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.
- (xii) The issuance of 690,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 24 August 2023.
- (xiii) The issuance of 4,952,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 28 August 2023.
- (xiv) The issuance of 2,030,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 1 September 2023.
- (xv) The issuance of 1,178,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 5 September 2023.
- (xvi) The issuance of 5,419,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 7 September 2023.
- (xvii) The issuance of 2,403,846 new ordinary shares resulting from the conversion of the principal amount of RCN at a conversion price of RM0.4160 per share on 8 September 2023.
- (xviii) The issuance of 5,767,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 13 September 2023.
- (xix) The issuance of 3,100,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 19 September 2023.
- (xx) The issuance of 412,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 2 October 2023.
- (xxi) The issuance of 4,330,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 4 October 2023.
- (xxii) The issuance of 5,097,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 10 October 2023.
- (xxiii) The issuance of 220,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 16 October 2023.
- (xxiv) The issuance of 5,100,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 19 October 2023.

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

A7. DEBT AND EQUITY SECURITIES (Cont'd)

- (xxv) The issuance of 97,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 30 October 2023.
- (xxvi) The issuance of 6,100,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 2 November 2023.
- (xxvii) The issuance of 5,000,000 new ordinary shares resulting from the exercise of warrants at an exercise price of RM0.31 per share on 16 November 2023.

A8. DIVIDEND PAID

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

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.

3 months ended	Property development/ Management	Resorts and Club Operation/ Management	Construction	Investment holding	Business consulting services	Elimination	Consolidated
30-Sep-23	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	3,711	423	16,439	2	5,727	-	26,302
Inter-segment sales	224	-	-	-	-	(224)	-
Total revenue	3,935	423	16,439	2	5,727	(224)	26,302
Results							
Profit/(loss) from operations	58	(417)	443	(1,000)	2,450	75	1,609
Finance income							15
Finance costs							(128)
Profit before taxation							1,496
Taxation							(685)
Profit after taxation							811
Other comprehensive income							-
Total comprehensive income							811
Other Information							
Depreciation and amortisation	265	432	1	4	58	(162)	598
Consolidated Statements of Financial Position							
Assets							
Segment assets	310,016	93,025	32,076	364,446	36,733	(426,629)	409,667
Liabilities							
Segment liabilities	(125,092)	(39,128)	(22,416)	(47,205)	(21,685)	116,052	(139,474)

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 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”) as the Project Management Consultant for the property development project being developed by WGBSB (“the Project”), 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.

- (ii) With reference and further to the announcements made on 2 December 2021 and 17 June 2022, the Board of Directors of the Company wishes to announce that Herbitec (M) Sdn. Bhd. (“Herbitec”), an indirect subsidiary of the Company, had late 22 August 2023 received a letter from Universiti Malaya (“UM”) updating on the Statement of Work being undertaken regarding the clinical trial of the Noden product aimed at combating dengue fever titled: “NODEN FOR AMELIORATION OF SYMPTOMS OF DENGUE” and its timelines, whereby the ethics application for this trial had successfully secured approval from the Institutional Review Board of UM on 17 May 2023, and that the site clinics participating in the study have been thoroughly briefed and duly trained for the upcoming recruitment phase. UM’s clinical trial team is also fully prepared to commence the recruitment phase as soon as it receives the new batch of the study product.

Further details on the updated agreement are set out in the Group’s announcement dated 23 August 2023.

- (iii) Reference is made to the Group’s announcements dated 2 March 2016, 29 March 2016, 10 May 2016, 28 June 2016 and 22 August 2019 in relation to the Redeemable Convertible Notes Issue.

On 29 August 2023, the Board of Directors of the Company wishes to announce that the Redeemable Convertible Notes Issuance Programme (“RCN Programme”) is expiring on 29 September 2023. Further thereto, the Company cannot issue further Notes under the RCN Programme.

- (iv) On 21 September 2023, the Board of Directors of the Company wishes to announce that Palm Springs Development Sdn. Bhd. (“PSD” or “the Developer”), a wholly-owned subsidiary of World Vacation Ownership Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had on 21 September 2023, entered into a Joint Venture Agreement (“the JVA”) with Accession Development Sdn. Bhd. (formerly known as Webs Terminal Sdn. Bhd.) (“ADSB” or “the Landowner”) for the development potential of all that piece of 99 years leasehold land held under H.S.(D) 190474, PT 1384, Pekan Puchong Perdana, District of Petaling, State of Selangor measuring approximately 22905.5 square meters in area (“the Land”) and to develop a residential development project on the Land (“the Project”).

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

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

- (iv) Further details on the Proposed Joint Venture, and the Query Letter dated 25 September 2023 from Bursa Malaysia Securities Berhad in relation to the Proposed Joint Venture are set out in the Group's announcement dated 21 September 2023 and 26 September 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 10 October 2023, the Board of Directors of the Company wishes to announce that the Company and its subsidiaries ("Tanco Group") intend to seek shareholders' approval for Tanco Group to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions") which are necessary for Tanco Group's day-to-day operations with Halaman Mantap Sdn. Bhd., a company related to the Company's directors and major shareholders ("Proposed New Shareholders' Mandate") at the forthcoming 64th annual general meeting ("AGM").

Further details on the Proposed New Shareholders' Mandate are set out in the Group's announcement dated 10 October 2023.

- (ii) On 16 October 2023, the Board of Directors of the Company wishes to announce that the Company has incorporated a new 79% direct owned subsidiary, namely Midports Holdings Sdn. Bhd. on 16 October 2023 with an issued share capital of RM10,000.00 divided into 10,000 ordinary shares ("the Incorporation").

The Incorporation is not expected to have any material impact on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company for the financial year ending 30 June 2024.

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 September 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>5,400</u>

A15. CAPITAL COMMITMENT

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

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

For the 3 months financial period ended 30 September 2023, the Group had recorded a profit before taxation (“PBT”) of RM1.5 million as compared to a loss before taxation (“LBT”) RM1.3 million in the preceding year corresponding quarter ended 30 September 2022. The increase in PBT was mainly attributable to higher revenue generated from constructions and business consulting services in the current period.

B2. MATERIAL CHANGE IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE IMMEDIATE PRECEDING QUARTER ENDED 30 JUNE 2023

	Current Period Quarter 30/09/2023 RM'000	Immediate Preceding Quarter 30/06/2023 RM'000
Revenue	<u>26,302</u>	<u>21,628</u>
Profit after tax	<u>811</u>	<u>5,403</u>

The Group recorded a revenue of RM26.3 million in the current quarter ended 30 September 2023 as compared to RM21.6 million in the preceding quarter 30 June 2023. The increase in revenue during the current quarter under review is mainly due to higher revenue generated from property development and management, and constructions in current quarter.

The Group recorded a lower profit after taxation (“PAT”) of RM0.8 million in current quarter as compared to RM5.4 million in preceding quarter ended 30 June 2023. The decrease in PAT is mainly resulting from a lower contribution from constructions and business consulting services 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.

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

B4. PROFIT FORECAST

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

B5. TAXATION

	Current Period Quarter 30/09/2023 RM'000	Current Period To Date 30/09/2023 RM'000
Income Tax		
- Current year	-	-
- Under provision in prior year	57	57
Deferred Tax		
- Current year	-	-
- Prior year	-	-
	<u>57</u>	<u>57</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

[The rest of this page has been intentionally left blank]

B8. CORPORATE PROPOSALS

Save for the following, there are no other corporate proposals announced by the Company as at 21 November 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

The RCN Programme has expired on 29 September 2023. Further thereto, the Company cannot issue further Notes under the RCN Programme.

As at 29 September 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 RM72 million were converted into a total of 777,273,966 new ordinary shares of the Company.

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.

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

B9. GROUP BORROWINGS AND DEBT SECURITIES

Total Group's borrowings as at 30 September 2023 are as follow: -

	As at 30/09/2023 RM'000
Short Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	144
- Term loan	2,202
	<u>2,346</u>
Long Term Borrowings	
Secured: -	
- Hire purchase and lease liabilities	592
- Term loan	8,040
	<u>8,632</u>
Total	<u>10,978</u>

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

B10. OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

As at 21 November 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.

B11. MATERIAL LITIGATION

As at 21 November 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.

TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)

B13. PROFIT/(LOSS) PER SHARE

<u>Basic</u>		Current Period Quarter <u>30/09/2023</u>	Preceding Year Corresponding Quarter <u>30/09/2022</u>	Current Period To Date <u>30/09/2023</u>	Preceding Year To Date <u>30/09/2022</u>
Net profit/(loss) attributable to owners of the Company	(RM'000)	811	(1,268)	811	(1,268)
Weighted average number of ordinary shares	('000)	1,980,600	1,763,691	1,980,600	1,763,691
Basic profit/(loss) per share	(Sen)	0.01	(0.07)	0.01	(0.07)

As at 30 September 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: 28 November 2023