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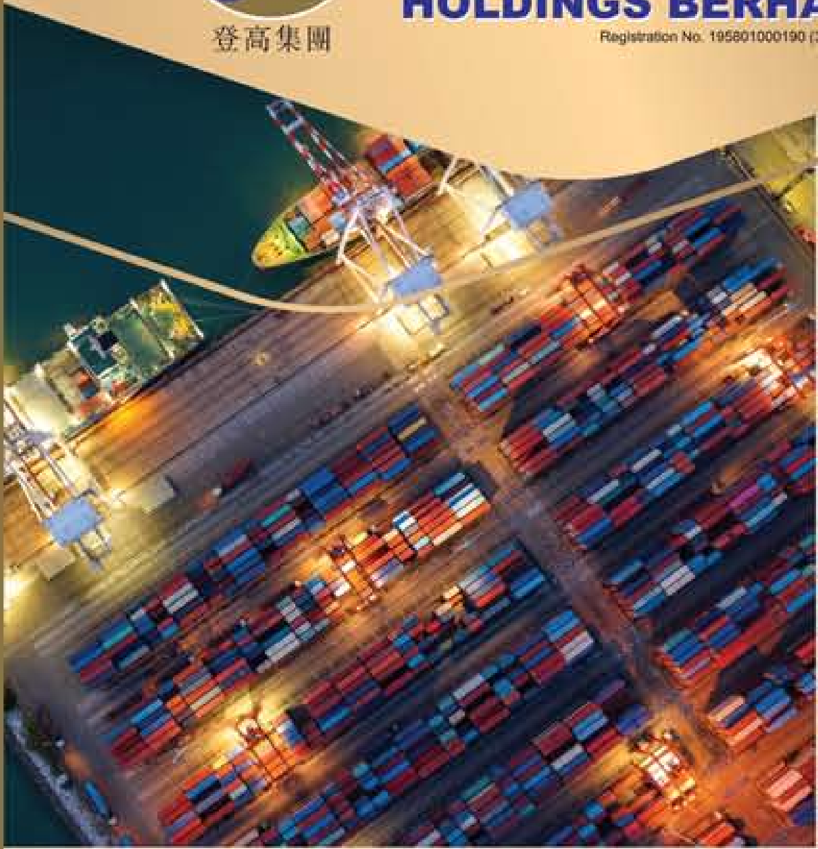
TANCO HOLDINGS BERHAD

Registration No. 195801000190 (3326-K)



ANNUAL REPORT 2024

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SCAN ME

ONLINE
DOWNLOADABLE DOCUMENTS

Please scan the QR Code for the below documents of the Company.

1. Annual Report 2024
2. Corporate Governance Report 2024
3. Requisition Form

Our VISION

To be a leading and trusted investment holding company.

Our MISSION

To drive growth in key businesses by identifying, growing, sustaining and enhancing valued strategic partnerships on a win-win basis, but always keeping true to our core values.

Our CORE VALUE

TRUST

Upholding integrity, transparency and open communication to build trust with all stakeholders.

ALIGNMENT OF INTEREST

Cultivating meaningful and win-win relationships with our clients, partners, and communities to create interest alignment and ownership.

NIMBLENESS

Embracing change, continuously evolving and reimagining our future to stay at the forefront of the industry.

CULTURE

Collaborative and inclusive driven by humility and mutual respect that is reflected in the stability of our management team and partners.

OPTIMISM

Maintain a positive and optimistic attitude, even in the face of challenges, fostering a can-do spirit and encouraging resilience and creativity within our organization.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' DR. MOHD. AMINUDDIN BIN MOHD. ROUSE
Non-Independent Non-Executive Chairman

DATO' SRI ANDREW TAN JUN SUAN
Group Managing Director

DATUK RASHIDI BIN HASBULLAH
Independent Non-Executive Director

DATO' MARTINI BINTI OSMAN
Independent Non-Executive Director

KOAY GHEE TEONG
Executive Director

CHRISTOPHER TAN KHOON SUAN
Executive Director

CHEW SHEN HOAY
Executive Director
and Group Chief Financial Officer

WONG JEE SENG
Independent Non-Executive Director

SYAFINAZ MERICAN BINTI ISAHAK MERICAN
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE	Wong Jee Seng (Chairman) Datuk Rashidi bin Hasbullah Dato' Martini binti Osman
NOMINATION COMMITTEE	Datuk Rashidi bin Hasbullah (Chairman) Dato' Martini binti Osman Syafinaz Merican binti Isahak Merican
REMUNERATION COMMITTEE	Dato' Martini binti Osman (Chairperson) Datuk Rashidi bin Hasbullah Syafinaz Merican binti Isahak Merican

COMPANY SECRETARY

Choi Siew Fun
SSM PC No. 201908001479
MAICSA 0877848

PRINCIPAL PLACE OF BUSINESS / REGISTERED OFFICE

No. 1, Jalan Bandar 1,
Pusat Bandar Puchong,
47160 Puchong, Selangor Darul Ehsan, Malaysia.
Tel: +6(03) 8070 8288 Fax: +6(03) 8070 8299
Website: www.tancoholdings.com
E-mail: corporate@tancoholdings.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647(378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel: +6(03) 7890 4700 Fax: +6(03) 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

AUDITORS

Baker Tilly Monteiro Heng PLT
Chartered Accountants

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad, Malaysia
Stock Name: Tanco
Stock Code : 2429

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Management and Board of Directors, we are pleased to present the Management Discussion and Analysis of Tanco Holdings Berhad ("Tanco" or "the Company") and its subsidiaries (collectively known as the "Group") for the financial year ended 30 June 2024 ("FY2024").

In this report, we outline Tanco's strategic approach to navigating the operating environment, while addressing associated risks and opportunities. The analysis further highlights the Group's key achievements and performance over the past year. Additionally, we share our insights into the outlook for the upcoming period and emphasize the priorities we have set to drive sustained value creation for all stakeholders.

BACKGROUND

Since its inception in 1995, Tanco has distinguished itself within the property development landscape. The Group is currently on a transformative journey, evolving from a premier resort developer known for its signature beachside developments and ventures in the tourism and leisure sectors, into a more sustainable and integrated real estate solutions provider. Tanco's goal is to offer a full spectrum of services, including property development, infrastructure, construction, materials supply, and sales and marketing partnerships with landowners. This transformation is aimed at maximizing project margins and shareholders' return, while maintaining an asset-light approach.

To further solidify its revenue streams and service offerings, Tanco has strategically diversified into key sectors, notably infrastructure and construction that are both synergistic to its property development business. By taking on major urban development projects and enhancing its construction capabilities, Tanco positioned itself as a competing player within the infrastructure and construction sectors that also include the supply of buildings and construction material. Additionally, Tanco also offers sales and marketing services of real estate via its affiliate, in order to strengthen and efficiently manage the value chain to provide a more complete solution to our partners and customers.

Tanco's newest strategic initiatives include the development of a Smart AI Container Port in Negeri Sembilan via Midports Holdings Sdn. Bhd. ("Midports"), aimed at enhancing local and international trade, and in the pharmaceutical sector through Herbitec (M) Sdn. Bhd. ("Herbitec"), focusing on herbal-based health products.

Additionally, the Group is actively exploring strategic collaborations and navigating regulatory frameworks to explore and materialize new opportunities within these emerging sectors. Recent developments in the local industry present promising avenues for growth, with potential to make a positive impact on the broader logistics and healthcare landscapes.

With a forward-thinking ambition, Tanco remains focused on driving growth in both its established core businesses and emerging sectors. This commitment ensures that Tanco remains a dynamic investment opportunity with vast potential across diverse industries that are mainly complementary and synergistic.

OPERATING ENVIRONMENT

<u>Global</u>

The global economy continues to navigate a complex landscape influenced by various internal and external factors. Events such as the US banking crisis and China's ongoing real estate issues underscore the interconnectedness of global markets. Additionally, challenges that hindered growth in 2022 remain relevant, despite the World Health Organization declaring an end to the COVID-19 global emergency in May 2023. These persistent issues, combined with rising geopolitical tensions, including the escalation of the Russia-Ukraine conflict, contribute to a landscape filled with uncertainties.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

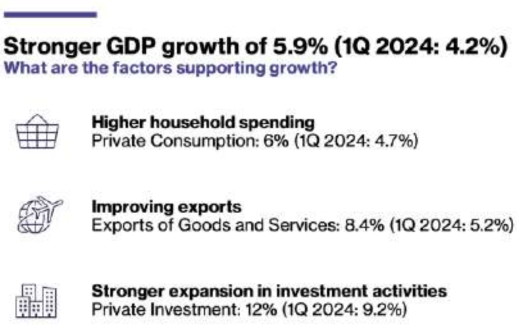
OPERATING ENVIRONMENT (Continued)

Global (Continued)

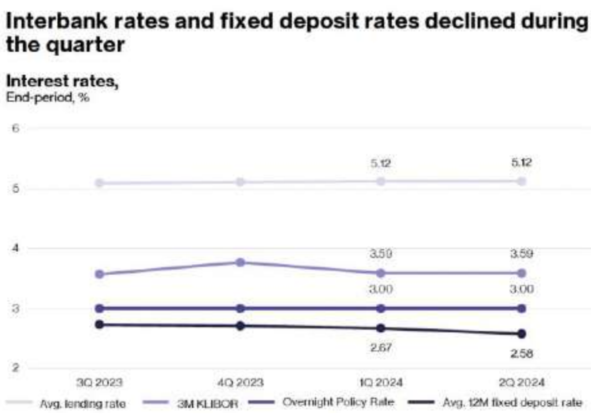
Adding to the complexity are persistent global inflationary pressures, exacerbated by potential energy crises driven by ongoing geopolitical tensions, trade wars, sanctions, and prolonged supply chain disruptions. Central banks around the world face a delicate balancing act, striving to restore price stability while sustaining economic growth. This has resulted in tightened monetary policies and rising interest rates, which have subsequently increased borrowing costs for businesses.

Amid these conditions, global growth is now projected to be 3.2% in 2024 and 3.3% in 2025, according to the latest World Economic Outlook update. Although this forecast represents some stability compared to earlier predictions, it remains modest by historical standards. On the inflation front, global headline inflation is expected to ease from 6.7% in 2023 to 5.9% in 2024, further reducing to 4.4% in 2025. However, core inflation is expected to decrease at a slower pace, with the persistence of inflation in the services sector contributing to upward revisions for 2025.

Domestic



Source: Bank Negara Malaysia (BNM)'s Quarterly Bulletin 2Q 2024



Source: Bank Negara Malaysia (BNM)'s Quarterly Bulletin 2Q 2024

The Malaysian economy continued to show resilience during the second quarter of 2024 ("2Q 2024") with a stronger GDP growth rate of 5.9%, up from 4.2% in the first quarter. This robust performance solidifies confidence in Malaysia's ability to achieve its targeted Gross Domestic Product ("GDP") growth for the year, which remains within the government's forecast range of 4.0% to 5.0%. Bank Negara Malaysia ("BNM") continues to project this range, supported by resilient domestic demand, improved job market conditions, and enhanced investment activities.

Malaysia's economic strength in 2024 can be attributed to broad-based growth across multiple sectors. The services and manufacturing sectors were key drivers, with growth rates of 5.9% and 4.7% respectively in 2Q 2024. Private consumption also surged by 6%, reflecting increased consumer confidence and favorable labor market dynamics. The unemployment rate remained stable at 3.3%, reflecting continued positive trends in the labor market. On the inflation front, government measures to manage price controls and extend consumer subsidies have effectively kept inflation in check. The inflation rate stood at 1.9% in 2Q 2024, a slight increase from 1.7% in the previous quarter, but still well below levels seen in other regional economies. Malaysia's inflation control remains more effective than in many advanced and regional economies, such as the UK, the Philippines, Singapore, and Indonesia.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OPERATING ENVIRONMENT (Continued)

Domestic (Continued)

Despite these positives, the Malaysian economy is not without challenges. Global uncertainties, diminishing external demand, ongoing geopolitical tensions, and tighter financial conditions are expected to put pressure on growth. Interest rates have stabilized after a series of hikes over the past year, with the Overnight Policy Rate ("OPR") holding steady at 3.0%, which has eased borrowing costs slightly but still affects consumer and business financing.

The property sector, however, continues to show promising growth. Malaysia's property market recorded over 399,000 transactions worth close to RM200 billion in 2023, reflecting a 2.5% increase in transaction volume and a 9.9% growth in value compared to 2022. The positive momentum in property transactions was supported by increases across all subsectors: residential (7.1%), commercial (17.5%), industrial (13.1%), agricultural (4.6%), and development land and others (13.8%). New residential launches rose by 4.4% to 56,526 units, compared to 54,118 units in 2022, with an improved sales performance of 40.4%, up from 36.0% the previous year.

Moreover, unsold or overhang residential properties decreased to 26,000 units worth RM17.7 billion in 2023, down from 28,000 units valued at RM18.41 billion in 2022. The Malaysia House Price Index (MHPI) stood at 216.5 points (RM467,144 per unit) in 2023, with moderate annual growth of 3.2%. Johor led the growth among major states with a 6.2% increase, followed by Penang (3.8%), Selangor (2.9%), and Kuala Lumpur (1.8%). The national real estate sector is expected to maintain its recovery momentum in 2024, driven by continuous government support through initiatives in the MADANI Budget 2024. These measures are aligned with the positive economic outlook, further fueling confidence in the property market despite the global economic challenges. Aside from that, the government initiatives under the MADANI Budget 2024, revamped rules of the MM2H program and other housing programs continue to support and ensure that property development remains a key driver of Malaysia's economic expansion.

Meanwhile, the construction industry in Malaysia has also played a significant role in driving growth during the 2Q 2024 with a 17.3% year-on-year ("yoy") growth, driven by robust public and private sector investments in infrastructure projects across transportation, housing, and industrial developments. The sector's resilience is further demonstrated by a 20.2% rise in work done value, reaching RM38.9 billion, led by the civil engineering and residential buildings sub-sectors, which posted impressive double-digit growth rates. With substantial government support, including a RM180 billion budget allocation for development works, and ongoing mega infrastructure projects like the East Coast Rail Link and Mass Rapid Transit 3, the construction sector is poised for continued expansion.

Tanco: Strategic Diversification Gives Rise to Opportunities and Resilience Amid Economic Uncertainties

Despite a challenging macroeconomic backdrop, Malaysia's domestic economy has remained resilient. The nation's GDP growth rate of 5.9% in 2Q 2024 reflects strong fundamentals, supported by robust domestic demand and favorable labor market conditions.

Tanco's strategic initiatives in recent years reflect the Group's strategy in being agile and building a resilient business model by diversifying its revenue streams. Traditionally recognized as a premier resort developer, Tanco has ventured beyond its core sectors to tap into new complementary and synergistic opportunities. With infrastructure, construction, logistics, including an affiliate real estate sales agency, the goal is to establish an eco-system towards becoming an integrated real estate solutions provider, as well as investing in the high-growth sector of healthcare and sustainable growth sector of port services.

In property development, Tanco's joint venture to develop a minimum GDV of RM500 million residential project in Puchong is another testament to its growth strategy. The partnership with Accession Development Sdn. Bhd. ("ADSB") will see the creation of a planned 1,244-unit high-rise residential development, strategically located in a high-demand area.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Tanco: Strategic Diversification Gives Rise to Opportunities and Resilience Amid Economic Uncertainties (Continued)

By collaborating on this large-scale project, Tanco is leveraging its construction, and sales and marketing expertise to enhance its presence in the property market while ensuring stable revenue streams in the medium to long term, whilst ensuring that debt is minimized in an environment of inflationary pressures and interest rate uncertainties.

In construction, Tanco was awarded a RM82.76 million contract for the Rumah Selangorku project. Through its wholly-owned subsidiary, Tanco Builders Sdn. Bhd. ("TBSB"), the Group is spearheading the development of a 400-unit affordable housing project that includes essential amenities. This project not only aligns with the nation's affordable housing objectives but also strengthens Tanco's foothold in urban development, with positive earnings potential over the next 32 months upon project commencement.

Strategic Moves into Infrastructure and Logistics

Recognizing the broader government initiatives such as the Carey Island mega port and Port Klang's expansion aimed at solidifying Malaysia's position as a strategic maritime hub in Southeast Asia and the transformative potential of advanced technologies in logistics, Tanco is now venturing into port development through its proposed Smart AI Container Port in Port Dickson.

This strategic infrastructure project, led by its subsidiary Midports, is set to reshape port management with artificial intelligence-driven operations, enhancing efficiencies along with regional and international trade connectivity. The joint venture with the Negeri Sembilan government corporate arm highlights Tanco's strategic intent to be part of smart infrastructure development. Once operational, this port is poised to be a prominent logistics hub in the state of Negeri Sembilan, which will contribute significantly to the Group's long-term sustainable growth and further support Malaysia's industrial expansion and complement other Malaysian ports as part of both the State's and National agendas to further strengthen Malaysia's aspirations to be a premier shipping hub in ASEAN.

Signing of Memorandum of Understanding with CCCC Dredging Group

On this note, Tanco has signed a Memorandum of Understanding with CCCC Dredging Group Co., Ltd. ("CCCC Dredging Group") for the design and implementation of the Smart AI Container Port. This is envisaged to provide Tanco with a solid platform to form another strategic partnership with a leading Chinese engineering company to leverage on its global expertise and advanced technology, towards enabling the project to be realized and giving Tanco a competitive advantage in the market.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Diversification into Healthcare and Pharmaceuticals

Tanco's entry into the healthcare sector through its subsidiary Herbitec has opened new growth avenues. The company's collaboration with Universiti Malaya for a clinical trial on herbal-based dengue treatment, Noden, showcases Tanco's readiness to explore niche markets with high growth potential.

Conclusion: A Future-Forward Strategy

Tanco's diversification into sectors such as infrastructure, logistics, and healthcare reflects a deliberate strategy to build an agile and future-proof business model. By embracing innovation, forging strategic partnerships, and entering new markets, the Group has positioned itself to be adaptive in an ever-evolving economic landscape. As Malaysia continues to chart a path toward economic stability and growth, Tanco's strategic initiatives place it in a strong position to deliver long-term value to its shareholders while contributing meaningfully to the nation's development. Through its forward-thinking approach and diversified portfolio, Tanco remains a dynamic and resilient player, ready to seize emerging opportunities and navigate future challenges.

BUSINESS HIGHLIGHTS

PROPERTY DEVELOPMENT

Mixed Commercial Development in Dickson Bay, Port Dickson, Negeri Sembilan

Artist impression of Dickson Bay

Spanning an impressive 480 acres of prime seafront land in Port Dickson, Negeri Sembilan, Dickson Bay is the Group's crown jewel. Located along Jalan Pantai in Mukim Pasir Panjang, marine studies have revealed that the property has the ideal conditions for port services. Recognizing the evolving demands of the region, Tanco has made a significant move to strategically repurpose portions of the land. Further to that, Tanco has partnered with the Negeri Sembilan state government to develop Malaysia's first Smart AI container port at Dickson Bay, Port Dickson with the details of the port development still being identified and refined. This significant project will include the extension of 33.66 hectares (83.19 acres) into the submerged seabed off Dickson Bay.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROPERTY DEVELOPMENT (Continued)

Mixed Commercial Development in Dickson Bay, Port Dickson, Negeri Sembilan (Continued)

Building photo of Quest Hotel Midports at Port Dickson

Aside from that, the timely completion of Splash Park Tower 2 Service Suites within the development enables the Group to not only cater to leisure tourists visiting Port Dickson but also business travelers involved in port-related activities.

This ensures the project remains a dynamic and multifaceted development, offering a balance between recreational appeal and strategic business infrastructure.

The tower will be operated by Archipelago International, the largest privately owned hotel management company in Southeast Asia under its Quest brand standards, being the first Quest hotel in Malaysia.

Gplex Properties Sdn. Bhd.

Since Gplex Properties Sdn. Bhd. (“Gplex Properties”) joined Tanco in the financial year ending 30 June 2023 (“FY2023”), they have proven to be a strategic catalyst for the Group’s financial performance in FY2024. The acquisition has significantly bolstered the Group's earnings, with Gplex Properties continuing its strong performance by surpassing last year’s results and delivering on its profit guarantee. This positive impact on the bottom line highlights the value of synergistic acquisitions as Gplex Properties has strengthened Tanco’s business consulting portfolio, while also ensuring a steady stream of revenue. Gplex Properties’ robust performance underscores the foresight of the Group’s investment strategy and reinforces its confidence in achieving a sustainable growth in the coming years.

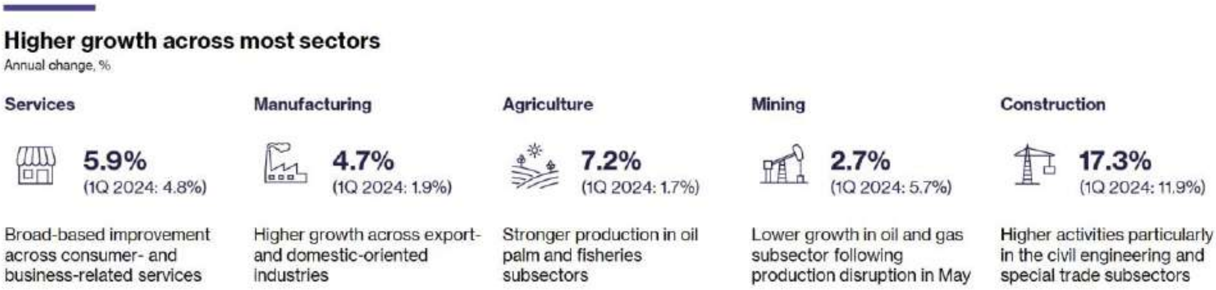
Joint Venture

Tanco's joint venture with Accession Development Sdn. Bhd. marks a significant step in its growth strategy. This collaboration will bring to life a 1,244-unit residential project in Puchong, with a minimum GDV of RM500 million. Located in a high-demand area, this project allows Tanco to capitalize on its construction and sales and marketing expertise, ensuring stable revenue streams in the medium to long term.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

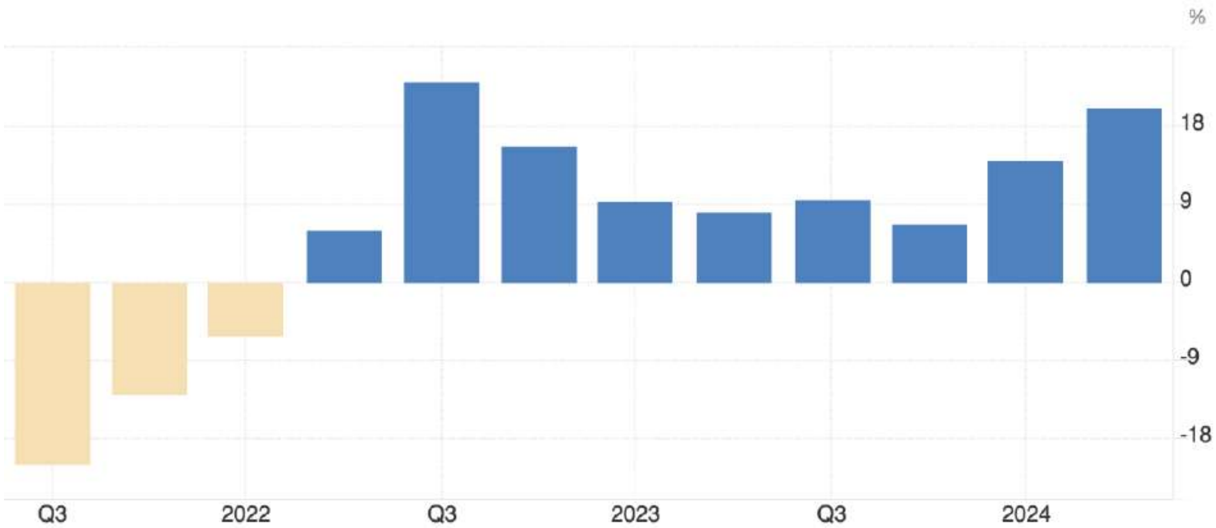
CONSTRUCTION

The construction industry in Malaysia is experiencing a robust recovery, evidenced by an impressive growth acceleration of 17.3% in the second quarter of 2024. This resurgence is driven by significant public and private sector investments in a broad range of infrastructure projects, including transportation, housing, and industrial developments.



Source: Department of Statistics Malaysia

The value of construction work completed in the same quarter saw a substantial increase, with a 20.2% rise in work done value during the second quarter of 2024, reaching RM38.9 billion. This figure underscores the sector's capacity to deliver on large-scale projects, with civil engineering and residential buildings sub-sectors leading the charge—posting double-digit growth rates of 25.2% and 19.7%, respectively.



Source: Department of Statistics Malaysia (DOSM), TradingEconomics

Affordable Housing

Amidst this encouraging environment and mindful of the government's emphasis on affordable housing, Tanco is launching a RM82.76 million Rumah Selangorku development project in Puchong Perdana. The project's sales are underway and have reached the critical threshold required to comfortably commence construction. Under Tanco Builders Sdn. Bhd., construction activities are expected to commence within the first half of the financial year ending 30 June 2025 ("FY2025").

The project comprises of 400 units with a build-up of 1,000 square feet, along with supporting facilities such as swimming pool, kindergarten, playground, community hall and convenience store. This initiative aligns with Malaysia's development agenda under the National Construction Policy (NCP) 2030, by providing housing solutions that meets the needs of the growing urban population at an affordable price.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

CONSTRUCTION (Continued)

Affordable Housing (Continued)

Rumah Selangorku Puchong Project Visual

Infrastructure Development

The Malaysian government is also committed to infrastructure development, which would benefit the construction sector. This is reflected in the substantial budget allocations for 2024. With a total of RM180 billion earmarked for development works, split equally between government and private sector contributions, the construction industry is well-positioned for sustained growth. Importantly, 40% of the government’s RM90 billion allocation is expected to be disbursed in the second half of 2024, ensuring a steady flow of projects and job opportunities.

Among the significant projects outlined are the Pan Borneo Sabah Phase 1B, flood mitigation initiatives, Penang Light Rail Transit (LRT), Sabah-Sarawak Link Road, and the reinstatement of the Mass Rapid Transit 3 (MRT3) in the Klang Valley. These projects form part of an RM90 billion development expenditure, representing a 7.9% increase from the previous year, reflecting the government's ongoing commitment to infrastructure development. Additionally, the sector is poised to benefit from the establishment of Special Economic Zones and Special Financial Zones in Johor, which are expected to open up further construction opportunities. The government's focus on these projects aligns with the broader economic goals outlined in the Madani Economic Framework, which, together with the 2024 Budget, places the construction industry at the heart of Malaysia’s economic transformation.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

CONSTRUCTION (Continued)

Infrastructure Development (Continued)

Tanco shown its construction capabilities in the ECRL project

Given the robust demand for large-scale infrastructure projects, Tanco has demonstrated its capabilities by being actively involved in major initiatives such as the East Coast Rail Link ("ECRL"). In recognition of its exceptional performance in 2023, Tanco was awarded a Certificate of Excellence from China Communications Construction (ECRL) Sdn. Bhd. ("CCC ECRL"), reflecting its capability to manage large-scale infrastructure projects and building its reputation as a reliable and highly efficient contractor.

The Group aims to continue striving to deliver high standards of quality and efficiency to both its clients and stakeholders.

PHARMACEUTICAL

Herbitec products such as NODEN and LIVARTON

Since the Covid-19 pandemic, people globally have become more aware about diseases and the importance of taking care of their own health. Tanco has also branched out to explore how we are able to make an impact and contribute in the healthcare and wellness industry. Through its subsidiary Herbitec, collaborative efforts have been done with Universiti Malaya's Tropical Infectious Diseases Research and Education Centre (TIDREC) to research the benefits that can be derived from herbal extracts.

Herbitec has made some headway with its product Noden™, which has shown encouraging results against all four serotypes of dengue virus in an in vitro setting. Following this discovery, the Group applied to the Ethics Board of Malaysia's Ministry of Health ("MoH") for permission to proceed with human clinical trials designed to assess the effectiveness of Noden™ in reducing the symptoms of dengue.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PHARMACEUTICAL (Continued)

Noden™ has been commercially available for many years and registered as a traditional product suitable for the treatment for fever and cold. A successful outcome in these trials could pave the way to addressing a critical public health issue by reducing the burdens and costs on hospitals as patient recovery times are shortened and their symptoms reduced to manageable levels. As dengue cases has shown a worrying increase of 65.6% during the first five weeks of 2024 compared to 2023, should Noden™ be able to significantly contribute in the battle against dengue, Herbitec could unlock new avenues which may contribute to the Group’s future growth significantly.

DIVERSIFICATION TO NEW BUSINESSES – SUSTAINABLE GROWTH

On 1 October 2024, the Group received full and unconditional approval from the Malaysia Marine Department (MMD). The MMD has granted Midports, a 79%-owned subsidiary of Tanco, permission for all marine activities and the development of the new Smart AI Container Port.

Positioned along the critical Strait of Malacca, Malaysia's ports play a pivotal role in global maritime trade, handling approximately 30% of the world’s shipping traffic. The increasing congestion in the region, coupled with shifts in global shipping patterns, highlights the need for Malaysia to increase its supply of port services.

The proposed Smart AI Container Port project will leverage cutting-edge technology to improve efficiency with quicker turnaround times to alleviate the surging regional transshipment traffic and improve Malaysia’s connectivity in the region.

The Port project is anticipated to be an important catalyst for the industrialization of the Negeri Sembilan state, setting the groundwork for factories and manufacturing plants to expand nearby. The synergistic benefits in being in close proximity with an international logistics hub is anticipated to support the expansion of Malaysia’s export and import activities.

Signing on the proposed development of a Smart AI Container Port In Port Dickson

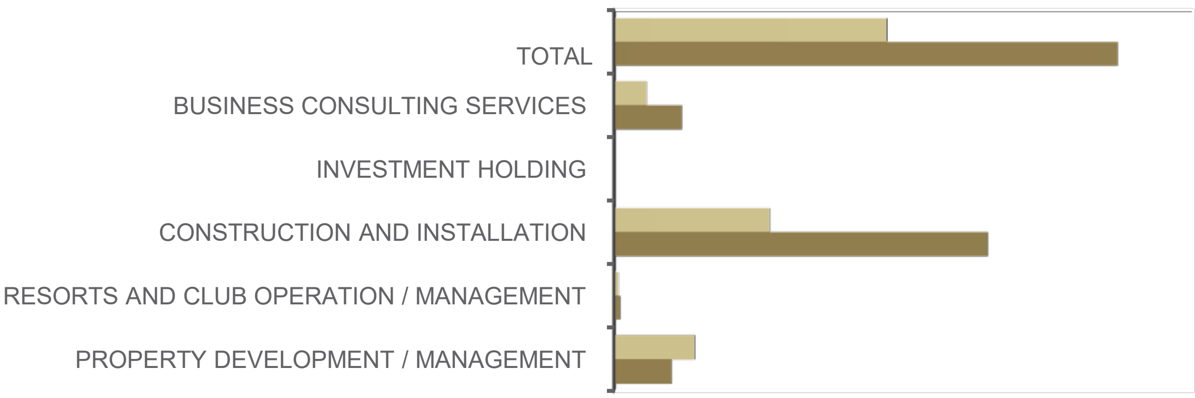
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL PERFORMANCE

The financial highlights of the Group are shown in the table below:

Group ***Profit***	**FY2024 RM'000**	***FY2023 RM'000***
Revenue	173,532	*93,850*
Cost of Sales	(153,497)	*(71,519)*
Gross Profit	**20,035**	***22,331***
Other Income (include finance income)	24,930	*19,725*
Administrative Expenses	(26,199)	*(19,797)*
Finance Costs	(635)	*(475)*
Profit before Taxation	**18,131**	***21,784***
Tax Expense	(2,564)	*(862)*
Profit during the Financial Year	**15,567**	***20,922***

REVENUE FY2024 VS FY2023
(RM'000)



	Property Development / Management	Resorts and Club Operation / Management	Construction and Installation	Investment Holding	Business Consulting Services	Total
FY2023	27,833	1,478	53,406	36	11,097	93,850
FY2024	19,751	2,045	128,424	9	23,303	173,532

FY2023 FY2024

Overall Performance

Tanco delivered a solid financial performance for the FY2024, with the Group achieving a profit before taxation of RM18.13 million, compared to RM21.78 million in the previous year. While profit was slightly lower, this was primarily due to the strategic expansion of various business units to support revenue growth. Nonetheless, the Group's diversified operations, played a key role in mitigating the impact of this decline.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Revenue and Earnings

For FY2024, the Group generated total revenue of RM173.53 million, a substantial increase from RM93.85 million in the prior year. This revenue growth was largely driven by the construction and installation segment, which contributed RM128.42 million to total revenue, reflecting strong demand and successful project execution.

Segment performance breakdown:

- **Property Development/Management:**
  Contributed RM19.75 million, with the completion of Tower 2 Service Suite at Splash Park.

- **Resorts and Club Operation:**
  Generated RM2.05 million, maintaining stable growth within its niche market.

- **Construction and Installation:**
  The standout performer, contributing RM128.42 million, driven by active engagements across multiple projects.

- **Investment Holding and Business Consulting Services:**
  These segments combined for a contribution of RM23.31 million, underscoring the strength of the Group's diversified revenue streams.

Despite the notable increase in revenue, profit was impacted by higher administrative expenses due to the expansion of various business units. However, profit attributable to shareholders remained healthy at RM11.90 million, compared to RM18.53 million in the previous year, demonstrating the Group's resilience and strategic focus on maintaining steady profitability while strategically expanding our current capacity for future growth.

Assets and Liabilities

As of 30 June 2024, Tanco's total assets stood at RM518.50 million, up from RM418.96 million as of 30 June 2023. This increase was largely driven by higher property, plant and equipment, and trade receivables, reflecting ongoing projects and business activities.

Key asset details:

- **Non-current assets:** RM335.33 million, consisting mainly of property, plant and equipment (RM121.01 million), investment properties (RM35.06 million), and inventories (RM110.53 million).
- **Current assets:** RM183.16 million, primarily comprising trade receivables (RM90.13 million) and inventories (RM52.69 million).

On the liabilities front, total liabilities increased to RM207.33 million from RM176.49 million as of 30 June 2023. This was attributed to expansions in lease liabilities and trade and other payables.

The Group's net asset per share improved to RM0.1501, compared to RM0.1321 at FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Liquidity and Cash Flows

In FY2024, Tanco delivered a notable financial performance, nearly doubling its revenue despite recording a negative operating cash flow of RM18.21 million, and a net cash outflow of RM1.88 million from investing activities, attributed to capital expenditure for expanding its business segments. Nevertheless, the Group experienced positive cash inflows from financing activities, totaling RM25.92 million, primarily driven by the conversion of warrants. The negative operating and investing cash flow reflects Tanco's strategic focus aimed at long-term growth, while the positive cash flows from financing activities demonstrate the Group's ability to secure resources to fuel its ongoing growth and future initiatives.

As of 30 June 2024, Tanco's cash and cash equivalents stood at RM12.59 million, up from RM6.76 million at the beginning of the period. The cash inflows show the Group's financial position remains supported by its diversified operations and access to financing.

OUTLOOK AND PROSPECTS

Malaysia's economic outlook for 2024 remains promising, driven by growth in key sectors such as property development, construction, pharmaceuticals, and port activities. The country's resilient economic fundamentals and strategic initiatives position these sectors for robust growth, contributing significantly to Malaysia's GDP.

Property Development

The Malaysian property market is poised to maintain its growth trajectory into 2024, bolstered by favorable government policies and consistent demand across residential, commercial, and industrial segments. Government initiatives under the MADANI Budget 2024, MM2H program, and other housing schemes continue to support the sector's growth, ensuring property development remains a key driver of Malaysia's economic expansion.

Malaysia's property market demonstrated resilience in the first quarter of 2024 with a remarkable 34.3 y-o-y growth, despite inflationary pressures and global economic headwinds, with over 104,297 transactions valued at RM56.53 billion. This significant growth was observed across various property sub-sectors. The residential sub-sector dominated market activities with over 62,000 transactions valued at RM25 billion. With inflationary pressure expected to ease higher in the second half of 2024 due to the rationalization of diesel subsidies, but the impact will remain manageable due to mitigation measure by the government to minimize cost impact to businesses, this should support the further recovery of the property market.

Meanwhile, the industrial property market in Klang Valley experienced a notable uptick in activity during 1Q2024, with 699 transactions valued at RM6.4 billion—a 20.7% increase in transaction volume and a 34% rise in transaction value yoy. This surge is driven by robust demand for high-quality sustainable developments, as Malaysia's manufacturing sector is projected to grow by 3.5% in 2024, supported by the recovery of export-oriented industries and sustained growth in domestic clusters.

In light of the favorable market outlook, Tanco's property development segment is set to remain a key growth engine. The planned residential high-rise joint venture in Puchong exemplifies Tanco's strategic focus on high-demand areas and its commitment to leveraging collaborative opportunities to capitalize on positive local market conditions.

Moreover, the Group has completed the Tower 2 Service Suite in Port Dickson and is currently assessing market dynamics for the potential launch of a new tower. The property growth outlook for Tanco is not just limited to its own property development, as it is also able to leverage on the growth opportunities of other property development projects by other developers, including the emerging prominence of Johor's residential real estate market, via its affiliate real estate sales agency.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OUTLOOK AND PROSPECTS (Continued)

Property Development (Continued)

Looking ahead, the Group remains open to exploring joint ventures with other landowners, particularly in strategic locations and during favorable local market conditions. Additionally, we are increasingly drawn to opportunities in industrial areas, recognizing the strong growth potential within landbank that are owned by the Group or other landowners. This potential pivot towards industrial development is seen as a compelling proposition, positioning Tanco to capitalize on emerging trends and sustain its growth momentum.

Construction Sector

The construction sector reported a growing momentum in the second quarter of 2024 and is expected to continue to grow, driven by significant public and private sector investments in a broad range of infrastructure projects, including transportation, housing, and industrial developments.

Tanco is strategically positioned to capitalize on the government's emphasis on affordable housing and infrastructure development, both of which are central to Malaysia's economic transformation under the National Construction Policy (NCP) 2030 and the Madani Economic Framework. The RM82.76 million Rumah Selangorku project underscores Tanco’s commitment to national housing objectives. The government's focus on affordable housing is part of a broader strategy to ensure inclusive economic growth, and Tanco’s involvement in this sector is not only socially responsible but also economically strategic.

As we look towards the future, the construction sector in Malaysia is expected to continue its positive trajectory, with projected growth rates of 5.2% in 2024 and 5.0% in 2025. The ongoing rollout of mega infrastructure projects, coupled with strong government support, is likely to drive further growth in the sector.

In conclusion, Tanco’s strategic alignment with the government’s priorities, its resilience in managing costs, and its commitment to fulfilling national housing needs, along with participation in national infrastructure project, underscore its strong growth prospects in Malaysia’s construction sector. With a bullish outlook for the industry and a pipeline of promising projects, Tanco’s construction arm is poised to continue delivering value to stakeholders while playing a key role in Malaysia’s infrastructure and economic development.

Pharmaceutical Industry

Malaysia’s pharmaceutical industry is experiencing rapid growth, underpinned by increased investments and government support. Identified as one of the five priority sectors under the New Industrial Master Plan 2030, the industry covers four major sub-sectors: the manufacturing of pharmaceutical products, health supplements, traditional medicines, and veterinary products. The sector is expected to contribute RM10 billion to Malaysia’s GDP by 2024, up from RM6 billion. With over 445 companies engaged in the production and distribution of pharmaceutical products, the industry’s expansion is driven by rising healthcare needs, an aging population, and increased healthcare spending.

The government’s commitment to enhancing the healthcare system is evident in the substantial allocation of RM41.2 billion to the Ministry of Health (MOH) in Budget 2024, marking a 12.6% increase from the previous year. This is the largest increase among all ministries and highlights the government's dedication to bolstering the healthcare sector. Additionally, RM5.5 billion has been allocated for the procurement of medicines, consumables, reagents, and vaccines, further fueling the growth of the pharmaceutical industry.

Moreover, Malaysia is attracting significant foreign investments with the establishment of manufacturing facilities in the country. As the government continues to emphasize healthcare innovation and support high-value pharmaceutical manufacturing, the sector is set for sustained expansion, contributing positively to both exports and domestic healthcare outcomes.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OUTLOOK AND PROSPECTS (Continued)

Pharmaceutical Industry (Continued)

From a regulatory perspective, the implementation of the "Guideline on Natural Products with Modern Claims" by the Malaysian Ministry of Health (MOH) in April 2024 marks a pivotal development. This guideline introduces a third pathway for natural products seeking to make health claims, alongside traditional and therapeutic claims. The recognition of new scientific evidence, under modern claims, on the benefits of botanicals and herbal products is expected to encourage more companies and universities to conduct research, unlocking new commercialization avenues.

For Tanco, these developments present significant opportunities. The Group has established itself in the healthcare and pharmaceutical industry through its subsidiary Herbitec, which focuses on natural herbal-based products. The ongoing clinical trials for the Noden™ product, conducted in collaboration with Universiti Malaya's Tropical Infectious Diseases Research and Education Centre (TIDREC) and Qualitas Health Group, aim to evaluate the product's efficacy in reducing the symptoms caused by all four types of dengue fever. This venture comes at a crucial time, as Malaysia faces a sharp rise in dengue cases, with 18,247 cases recorded in the first five weeks of 2024—a 65.6% increase compared to the same period last year.

Positive trial results could unlock new growth opportunities for Tanco, aligning with the Group's strategy to enter high-potential niche markets while addressing major public health challenges. With dengue being a serious global health concern, Tanco's pharmaceutical division, backed by these promising outcomes, is poised to significantly boost the Group's overall growth.

In conclusion, the pharmaceutical industry in Malaysia, bolstered by increased government spending, positive regulatory developments, and growing healthcare needs, presents significant opportunities for Tanco. By leveraging these trends and aligning its product strategies with regulatory advancements, Tanco is well-positioned to capitalize on the expanding market and drive its growth in the healthcare and pharmaceutical sectors.

Port

Malaysia's strategic location along the Strait of Malacca, one of the world's most crucial maritime passages, makes its port sector a pivotal element in the nation's economic infrastructure. The Strait sees about 30% of global maritime traffic, underlining the significance of Malaysia's ports in global trade routes. This importance is further magnified by the increasing congestion in the region, particularly in ports like Singapore and Port Klang, driven by shifts in global shipping patterns and crises such as the ongoing conflict in the Red Sea.

The Malaysian port sector is poised for substantial growth, supported by the government's focus on expanding and modernizing port facilities to meet rising trade demands. Notably, the proposed RM28 billion Carey Island mega port and the enhancement of Port Klang's capacity are part of broader efforts to bolster Malaysia's position as a strategic maritime hub in Southeast Asia. These developments are crucial for accommodating the growing e-commerce trade, regional trade agreements, domestic manufacturing sector, and the general uptick in global shipping traffic.

Tanco, recognizing the opportunities in the port sector, is strategically positioned to capitalize on this growth. The Group's proposed development of a container port is a forward-thinking move that aligns with the rising demand for efficient port infrastructure. Given the two main types of containers—transshipment and gateway—the Group's strategy to leverage its landbank for port development is both timely and strategic. The planned container port would cater to the increasing maritime traffic and support Malaysia's export and import activities, particularly with the expansion of local manufacturing and the development of industrial parks in Negeri Sembilan, catalyzed by Malaysia Vision Valley 2.0.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OUTLOOK AND PROSPECTS (Continued)

Port (Continued)

The Smart AI Container Port in Port Dickson, a key infrastructure initiative under Tanco's subsidiary, Midports, represents a significant sustainable growth engine for the Group. This project is set to revolutionize regional logistics and trade connectivity, supported by advanced technologies and strategic partnerships. The port is expected to play a critical role in enhancing Malaysia's trade infrastructure, positioning Tanco as a key player in the country's logistics landscape. The partnership with CCCC Dredging Group and Tanco's ongoing involvement in high-impact construction projects further strengthen the Group's capabilities, ensuring it remains at the forefront of smart infrastructure development.

Furthermore, the rising demand for industrial and commercial properties provides additional opportunities for Tanco. Repurposing some of its land for industrial and logistic use aligns with the current market trends and the government's emphasis on infrastructure development.

In conclusion, Tanco's strategic initiatives in port development and construction, supported by favorable macroeconomic conditions and government policies, position the Group for sustained growth. As Malaysia continues to invest in its port infrastructure to meet global trade demands, Tanco is well-placed to benefit from these developments, ensuring long-term value creation for its stakeholders.

KEY RISKS AND MITIGATION FACTORS

In the context of Tanco's diverse business operations, the Group faces several key risks that could impact its performance. The Management continuously identifies and assesses these risks, putting in place strategies to mitigate potential adverse effects while ensuring sustainable growth.

1) Market and Economic Risk

The Group is exposed to market fluctuations, including changes in property demand, construction costs, and broader economic conditions. Unforeseen downturns, inflationary pressures, and interest rate changes can directly affect profitability and project feasibility.

Mitigation Strategies:

- Diversification of revenue streams across property development, construction, logistics, and healthcare to reduce dependence on any single market segment.
- Continuous monitoring of market trends and adapting strategies to respond to changes, including flexible pricing and adjusting project timelines.
- Collaborating with financial institutions to secure favorable financing terms and hedging strategies to manage interest rate exposure.

2) Operational Risk

Operational challenges include project delays, cost overruns, and the potential for disruption in the supply chain for construction materials and healthcare products.

Mitigation Strategies:

- Robust project management practices, including thorough planning, budgeting, and monitoring mechanisms to ensure projects are completed within schedule and budget.
- Strengthening relationships with reliable suppliers and contractors to secure consistent quality and timely delivery of materials.
- Leveraging technology and automation in operations, especially in the development of the Smart AI Container Port, to streamline processes and improve efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

KEY RISKS AND MITIGATION FACTORS (Continued)

3) Regulatory and Compliance Risk

The Group's operations, especially in property development and healthcare, are subject to stringent regulations and government approvals. Changes in laws or delays in securing necessary permits could impact project timelines and costs.

Mitigation Strategies:

- Proactive engagement with relevant authorities to ensure full compliance with regulatory requirements and timely acquisition of approvals.
- Establishing dedicated personnel to monitor compliance and regulatory changes and implement necessary adjustments promptly.
- Developing contingency plans to minimize delays caused by regulatory or compliance issues.

4) Project and Financial Risk

Large-scale projects, such as the construction of residential developments and the Smart AI Container Port, carry risks related to project execution, financial management, and return on investment.

Mitigation Strategies:

- Implementing stringent due diligence processes before undertaking major projects, including detailed feasibility studies and risk assessments.
- Partnering with reputable and experienced stakeholders, such as CCCC Dredging Group, to leverage their expertise and resources.
- Thorough risk assessment, planning, budgeting and monitoring mechanisms, and contingency planning to ensure projects are completed within schedule and budget.Diversifying funding sources and maintaining healthy cash flow through effective financial planning and cost management.

5) Environmental and Social Risk

Environmental factors, such as compliance with sustainability regulations and potential community resistance, can affect project implementation, especially in property development and infrastructure.

Mitigation Strategies:

- Adopting sustainable development practices, including adhering to environmental impact assessments (EIA) and implementing green building standards.
- Engaging local communities and stakeholders early in the project development phase to address concerns and gain support, where required by regulations.
- Implementing Corporate Social Responsibility (CSR) initiatives that align with the Group's long-term environmental and social objectives.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

KEY RISKS AND MITIGATION FACTORS (Continued)

6) Technology and Cybersecurity Risk

With increasing reliance on technology, especially in logistics and healthcare, there is a risk of cyber threats, data breaches, and technological obsolescence.

Mitigation Strategies:

- Investing in advanced cybersecurity measures, including encryption, firewalls, and regular system audits to protect sensitive data.
- Continuously upgrading technology infrastructure to stay current with industry advancements and ensure operational efficiency.
- Conducting regular training for employees on data protection protocols and cybersecurity best practices.

By proactively managing these risks, Tanco aims to safeguard its operations while maintaining growth and stability across its business segments. The Group remains committed to strengthening its risk management framework as part of its broader strategy to deliver sustainable value for all stakeholders.

ACKNOWLEDGEMENT

In navigating the unpredictable landscape of FY2024, the Group, driven by collective determination and synergy, not only overcame challenges but also delivered commendable growth in its financial performance. This success was made possible through the strategic guidance of its Board members and the relentless dedication of its management team and employees, who continuously demonstrated agility, innovation, and resilience. The Group extends its deep appreciation to its bankers and business partners for their unwavering support, which has made the Group’s achievements this year even more meaningful.

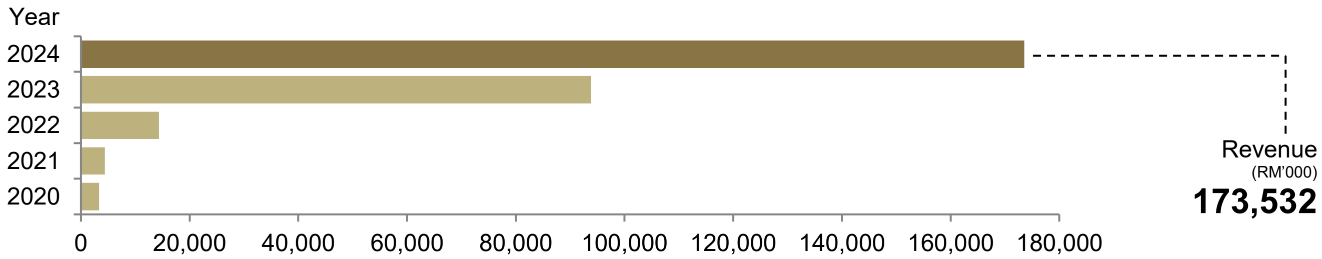
Disclaimer

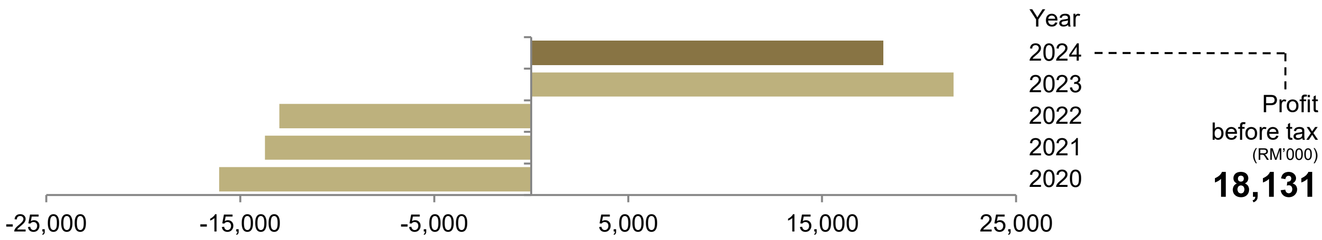
The management’s overview of the Group’s operations and financial performance for the FY2024 is based on management information that may not have been fully audited and has been presented without compromising competitively sensitive details. The above narrative includes opinions and forward-looking statements. Therefore, readers are advised to exercise discretion.

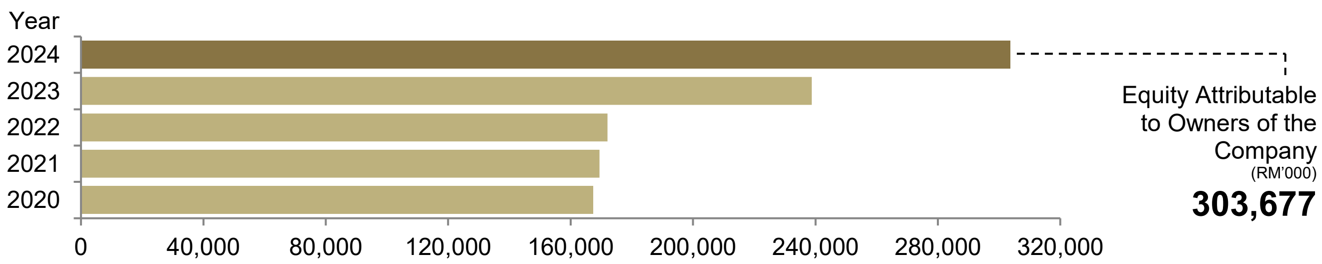
FINANCIAL HIGHLIGHTS

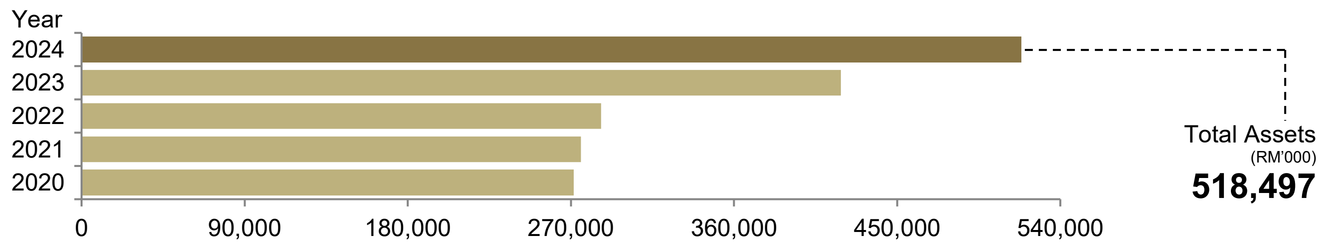
GROUP		FY2024	FY2023	FY2022	FY2021 (Restated)	FY2020 (Restated)
Total assets	RM'000	518,497	418,960	286,667	275,454	271,368
Total liabilities	RM'000	207,326	176,491	114,474	105,708	104,116
Equity attributable to owners of the Company	RM'000	303,677	238,810	172,049	169,453	167,252
Revenue	RM'000	173,532	93,850	14,325	4,423	3,354
Profit/(Loss) before tax	RM'000	18,131	21,784	(12,982)	(13,730)	(16,085)
Profit/(Loss) after tax attributable to owners of the Company	RM'000	11,904	18,533	(12,899)	(13,722)	(17,138)
Profit/(Loss) per share	Sen	0.59	1.03	(0.77)	(1.04)	(2.06)
Return on total assets	%	2.30	4.42	(4.50)	(4.98)	(6.32)
Return on shareholders' equity	%	3.92	7.76	(7.49)	(8.10)	(10.25)
Gearing ratio	Times	0.03	0.08	0.24	0.26	0.27

Note:
1) The financial statements for FY2024 to FY2020 are prepared in accordance with Malaysian Financial Reporting Standards (MFRS).









SUSTAINABILITY STATEMENT

Tanco Holdings Berhad (“Tanco” or “the Group”) humbly present our Annual Sustainability Statement (“Statement”) for the financial year ended 30 June 2024 (“FYE2024”). The Statement highlights the Group’s initiatives in managing sustainability key governance, economic, environmental and social risks.

The Group recognise the significant interplay of socio-economy and environmental considerations in our operation, we aim to ensure enduring value for all our stakeholders.

SCOPE AND BOUNDARY

Our Statement encapsulates the period from 1 July 2023 to 30 June 2024, emphasising the Group's three sustainability pillars which are economic, environmental and social, commitments and performance of sustainability-related matters.

This Statement covers the Group’s sustainability commitment, initiatives and performance of its business operations in Malaysia involved in property development, construction, pharmaceutical and money lending.

The business consultancy segment has been exempted from this Statement, as its associate's environmental and social impacts are considered negligible for FYE2024.

GUIDELINE AND STANDARDS

Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) was referenced in the preparation of our Sustainability Statement FYE2024.

REPORT QUALITY AND ASSURANCE

This Statement has not been subjected to an assurance process. The data reported in this Statement has been internally sourced and verified by the respective business units or information owners. The Group shall continue to strengthen its data collection and analysis procedures to enhance the quality and accuracy of its data.

SUSTAINABILITY AT TANCO

We have developed a Sustainability Framework that serve as the foundation for our current and future sustainability initiatives, encompassing environmental, economic, and social aspect.

Guided by our sustainability theme “ Towards Sustainability Future Living and Leisure” as outlined in our Sustainability Framework, Tanco Group is committed to consistently reinforcing innovative approach to ensure our business are sustainable and in achieving our Group’s vision *“To be a leading and trusted investment holding company”.*

SUSTAINABILITY STATEMENT (Continued)

SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance structure serves as a driver to steer the Group towards our Environment, Social and Governance ("ESG") aspirations. The Board of Directors ("The Board") with the support of our Audit & Risk Management Committee and Sustainability Working Group headed by the Chief Sustainability Officer, oversees the diligent implementation and ongoing assessment of our sustainability initiatives, ensuring they are aligned with our sustainability pillars.

STAKEHOLDER ENGAGEMENT

Tanco has a broad range of stakeholder groups that can influence the Group's decision or be impacted by the Group's activities. The key stakeholder groups include Employees, Customers, Vendors (Suppliers, Consultants and Contractors), Government and Regulators, Financiers, Shareholders, Media and Local Communities. The Group prioritises continuous, bi-directional stakeholder engagement to ensure its sustainability approach inclusively reflects both financial and non-financial value creation perspectives.

Regular and meaningful engagement with our stakeholders is crucial to aligning our sustainability path with dynamic expectations and needs.

Stakeholder Groups	Modes of Engagement	Frequency	Stakeholder's concerns
Employees	• Performance review • Department and Management meeting • One to one engagement	• Annually • Monthly • As needed	• Fair employment practice and diversity • Training and career progression • Employee benefits and welfare • Safety and healthy working environments
Customers	• Company Website • Corporate and Media Announcement • Social Media • Product Launches • Customer Survey	• As needed • As needed • As needed • As needed • As needed	• Quality products and services • Personal data protection
Suppliers, Consultants and Contractors	• Project updates and meetings • Supplier/contractor evaluation	• Monthly • As needed	• Continuous and future business opportunities

SUSTAINABILITY STATEMENT (Continued)

STAKEHOLDER ENGAGEMENT (Continued)

Stakeholder Groups	Modes of Engagement	Frequency	Stakeholder's concerns
Government and Regulators	• Site inspection and visit • Compliance and regulatory requirements reporting	• As needed • As needed	• Adherence to applicable regulations • Upholding corporate governance and best business practices
Lenders/ Financiers	• Company website • Corporate and media announcement • Loan covenant and compliance reporting • Ad-hoc company or festive event	• As needed • As needed • As needed • As needed	• Tanco's commitment towards ESG practices • Financial performance • Corporate governance, risk management and internal controls
Shareholders/ Investors	• Annual Report • Annual General Meeting • Quarterly Report • Corporate and media announcement • Social Media/Company Website • Extraordinary General Meeting	• Annually • Annually • Quarterly • As needed • As needed • As needed	• Tanco's commitment towards ESG practices • Corporate governance, risk management and internal controls
Media/ Influencers	• Annual Report • Annual General Meeting • Quarterly Report • Corporate and media announcement • Interview and enquiry • Social Media/Company Website • Extraordinary General Meeting	• Annually • Annually • Quarterly • As needed • As needed • As needed • As needed	• Business performance • Tanco's commitment towards ESG practices
Local Communities	• Company website • Corporate and media announcement • Project launches • Corporate social responsibility event	• As needed • As needed • As needed • As needed	• Livelihood • Personal well-being

MATERIAL SUSTAINABILITY MATTERS

We recognise the importance of sustainability in long-term value creation. To prioritise sustainability issues crucial to our business and relevance to our stakeholder's interest, in FYE2024, we have conducted an internal materiality assessment involving key process owners and personnel to present the view of the Group's key stakeholders. We have adopted a structured assessment approach comprising four stages as illustrated below.

Identification	Prioritisation	Managing Material Matters	Validation
▪ Identify inventory of material topics/matters.	▪ Select sustainability issue that are material to the Group and conduct annual materiality assessment to ensure ongoing relevance.	▪ Define matrices for each sustainability material matters and set targets. ▪ Identify action plans to achieve the targets set.	▪ The preliminary results generated to be reviewed by the **Sustainability Working Group** to align with the Group's overall strategy.

SUSTAINABILITY STATEMENT (Continued)

MATERIAL SUSTAINABILITY MATTERS (Continued)

Our process includes a matrix-based assessment that considers impact severity and likelihood. This approach helps us in identifying key material topics and prioritising the Group's efforts in addressing the most important sustainability strategies.

The material matters and matrix are shown below.

- Sound Business Ethics
- Talent and Diversity
- Health & Safety
- Community Engagement

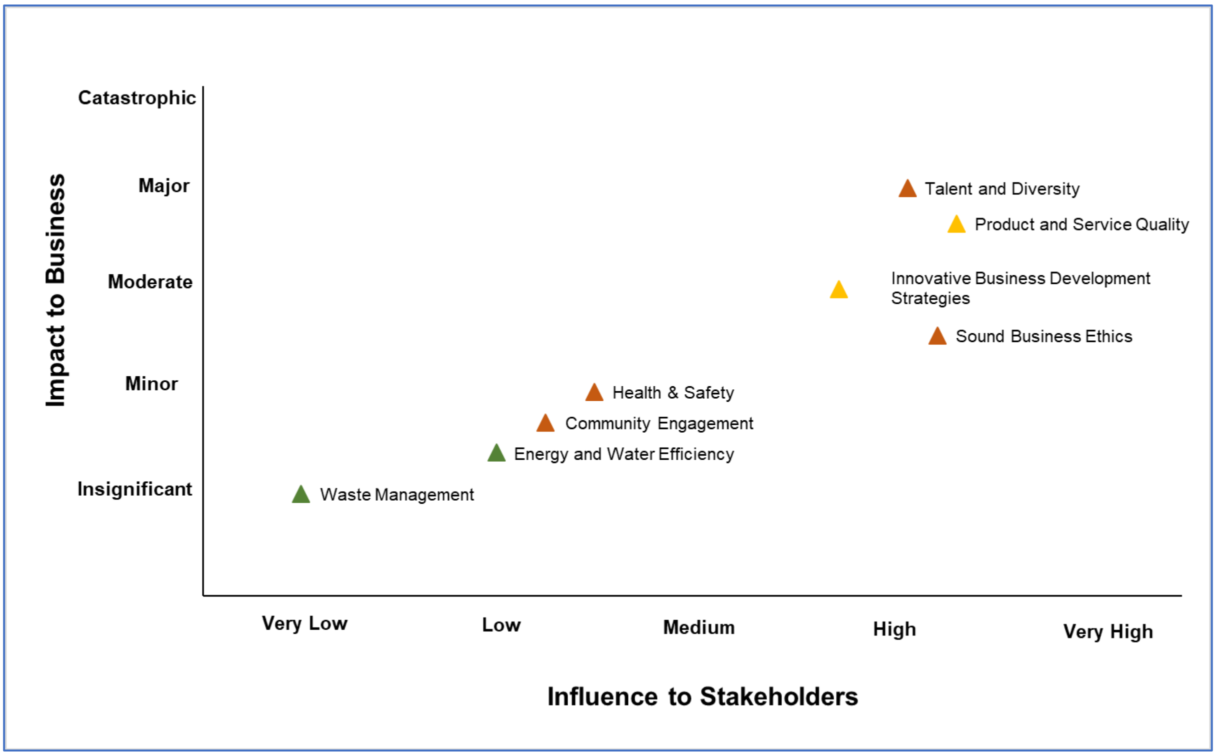
SOCIAL

- Product & Service Quality
- Innovative Business Development Strategies

ECONOMY

- Waste Management
- Energy and Water Efficiency

ENVIRONMENT



SUSTAINABILITY STATEMENT (Continued)

SUSTAINABILITY STRATEGIES AND PERFORMANCE

Sound Business Ethics

Tanco prioritise ethical business practices and consistently upholds a foundation of governance and integrity. We firmly believe maintaining strong business ethics and governance practices may enhance our credibility and brand value.

Tanco has established various policies to set out the Group's stance and commitment to best practices, helping us to cultivate a culture of integrity within the organisation. These policies are made available on our corporate website.

CODE OF CONDUCT AND BUSINESS ETHICS

Instil and promote appropriate standards of conduct and ethical practices within the organisation including Directors, Management and Employees.

ANTI-CORRUPTION AND BRIBERY POLICY

The policy outlines the Group's zero-tolerance approach to corruption and bribery, mandating effective systems to ensure professionalism, fairness, and integrity in all business dealings.

WHISTLEBLOWING

Provides a channel for all employees and members of the public to report any improper conduct related to our business, without fear of being subjected to detrimental conduct including reprisal and retaliation.

Employees are expected to conduct themselves professionally and compliance with our ethical practices. To ensure continuous compliance, Employees are briefed on our Code of Conduct & Business Ethics and Anti-Corruption and Bribery Policy during their orientation program or periodically as needed.

Zero case reported or whistleblow during FYE2024.

As at FYE2024, **all employees have** attended the Group's anti-corruption policies and procedures training.

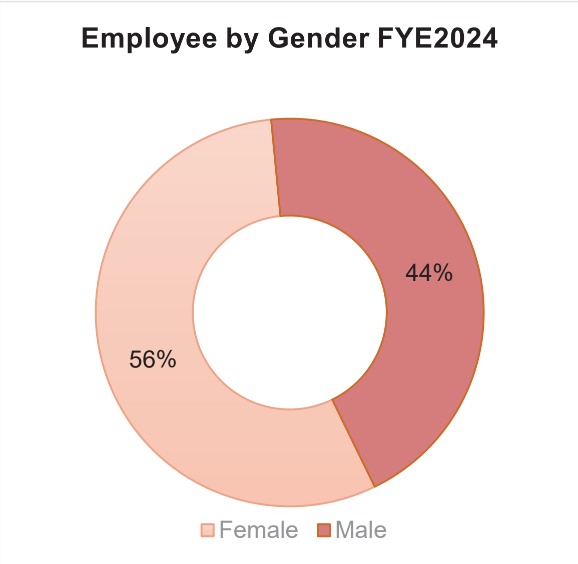
SUSTAINABILITY STATEMENT (Continued)

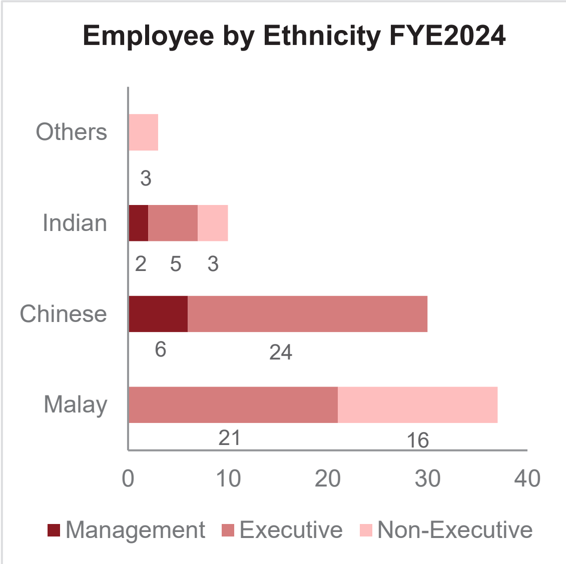
SUSTAINABILITY STRATEGIES AND PERFORMANCE (Continued)

Talent and Diversity

We deeply value our employees, fostering a culture that celebrates dedication and innovation while ensuring an environment of holistic growth and equal opportunities. The Group has developed a Gender Diversity Policy to improve employment and career development opportunities for women.

As of 30 June 2024, we have a total of 80 employees. We have a balanced workforce, with a healthy mix of genders. Our workforce also reflects Malaysia's cultural diversity, comprising various races.





The Group closely monitored the attrition rates of our employees to ensure that we retain our talent without compromising the quality of skills and experience. We aim to retain our existing employees and new talent by offering competitive packages and benefits along with a conducive working environment. Tanco Group benefits cover the employee's health and welfare such as hospitalisation insurance, personal accidents insurance and dental care.

In the financial year, on average our employees across the Group have attended 8.5 hours of training.

During the financial year, we have offered a wide range of training programmes to our employees for their professional development. Additionally, we offer financial assistance to employees interested in furthering their knowledge, as we encourage our employees to pursue courses relevant to their job functions to stay competitive and continually increase their knowledge.

During FYE2024, a total of **36 employees** have attended trainings for **306 hours**

SUSTAINABILITY STATEMENT (Continued)

SUSTAINABILITY STRATEGIES AND PERFORMANCE (Continued)

Health & Safety

Tanco prioritises the health and safety of employees' and contractors who work on the project sites. We aim to provide a secure work environment where our employees and contractors can perform their duties without risking their health or safety.

Our contractors are responsible for ensuring the Health, Safety and Environmental matters at the project site with compliance with Tanco's Health and Safety Policy and relevant rules and regulations. As such, we have put in place several actions and initiatives.

Health & Safety Actions and Initiatives

- Requiring qualified Safety Officer to be appointed by contractors
- Contractors are being assessed on their health and safety practices before being appointed
- Review the safety and health assessment also known as Hazard Identification, Risk Assessment and Risk Control ("HIRARC") submitted by contractors
- Periodic review would be conducted to ensure appointed contractors adhere to their regulations and standards
- Safety briefings and toolbox meetings are conducted at construction sites
- Health and Safety Committee are developed and meetings are held to discuss the HSE matters

In FYE2024, we recorded zero work-related injury incidents in our operational area. We aim to continue maintaining this record with the preventive and mitigation measures in place.

Zero injury incidents recorded in FYE2024

Community Engagement

Community Engagement is one fundamental pillars of Tanco. The Group is supportive of the development and progress of the community and society. We have begun to explore offering financial assistance to high school students.

The Group has the intention to support the community by offering students from underprivileged backgrounds the chance to develop their practical skills, thus equipping them with the knowledge necessary for sustainable employment, particularly in blue-collar roles that are crucial to our business operations. This initiative is targeted at students from underprivileged backgrounds who may be less academically inclined but have talent in other areas.

For example, some of our upcoming projects in Port Dickson include the development of hotel and Smart AI-enabled seaport. These projects are anticipated to create numerous job opportunities for the surrounding community and will require skilled labour such as engineering, maintenance, boat handling and hospitality. By offering sponsorship for courses specialising in these skillsets, we hope to give these students the opportunity to further train and excavate their talent.as well as lay a pathway to build successful careers.

As a Group, we believe that our commitment to Corporate Social Responsibility ("CSR") not only enhances our business value but contributes to the sustainable development of the local community. We aim to create an ecosystem that continuously nurtures and supplies talent, ensuring long-term growth for both our business and the communities we serve. This holistic approach strengthens our position as a responsible corporate citizen while driving positive social impact; by fostering a stronger, more inclusive society.

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE

Product responsibility is essential to our business sustainability. We are dedicated to deliver products and services which are high-quality, safe, and reliable.

PROPERTY DEVELOPMENT

SPLASH PARK @ PORT DICKSON

Features sustainable designs, including the use of natural ventilations, efficient use of space, green landscaping and quality building materials. The project also uses energy-efficient lighting system to minimise energy consumption.

Tanco Group is venturing to incorporate green-certified elements in our future projects to minimise the overall negative impact on our surroundings. A key example is the upcoming The Genium project in Puchong.

The Genium, located in the thriving area of Puchong, Malaysia, is a premier residential development, designed with a vision for modern, sustainable living. Consisting of 1,245 exclusive units, this landmark project is set to commence the development in Year 2025, offering residents a unique combination of comfort and luxury whilst featuring a sense of environmental responsibility. With the use of sustainable building materials and state-of-the-art design, The Genium is our testament to venturing into eco-friendly urban living. The development includes energy-efficient lighting systems, along with rainwater harvesting tanks for landscape irrigation, ensuring resource optimisation and long-term sustainability.

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE (Continued)

In addition to its GreenRE gold credentials, The Genium caters to the health and well-being of its occupants by creating spaces that stimulate mental and physical wellness. The building's design maximizes indoor environmental quality through optimum air quality, natural daylight access, and expansive views. The property is further enriched by the integration of the neighbouring park and lake, conserving local biodiversity and providing residents with the tranquillity of nature at their doorstep. These outdoor spaces, with a variety of flora and fauna, foster a serene and balanced environment, catering to the evolving needs of today's wellness-conscious consumers.

Committed to responsible living, The Genium incorporates forward-thinking waste management systems, encouraging residents to practice waste separation and recycling. This focus on sustainability, combined with an emphasis on wellness and holistic community designed for a future where environmental stewardship and well-being go hand in hand.

We have put in place a quality control system to deliver quality products and services. This is in line with our efforts to maintain customer loyalty and trust as well as growing our brand and reputation.

- Appointing contractors with reliable track records
- Weekly site inspection performed to ensure the construction complies with the industry standards
- Conduct periodic progress meetings with the consultants and contractors to detect potential challenges and issues during the construction stage, which may result in project delays
- Perform pre-VP defect inspections on all units before handover to customers
- Ensuring the customers' defects are rectified within the stipulated time, spelt out in the Housing Development Act
- Introducing the requirement of contractors to submit their Project Quality Plan ("PQP")

CONSTRUCTION AND BUILDING MATERIALS

Our construction business segment which is certified with CIDB Certificate Grade 7, demonstrates our ability to undertake to infrastructure works and main buildings projects at levels satisfying the relevant quality and industry regulations.

To ensure we consistently meet the required quality or standard, we conduct assessments to appoint reputable suppliers and contractors with proven track records. Regular meetings and inspections are conducted with subcontractors to ensure projects are timely and works delivered are aligned with our's and clients' expectations. Regular site meetings allows potential challenges or quality issues to be proactively identified and addressed.

By embedding these practices into our operations, we not only enhance the quality of our products and services but also strengthen our reputation for reliability and accountability.

Award Received in Year 2023

- **Category**: Excellent Performance
- **Project:** East Coast Rail Link
- **Company:** Tanco Builders Sdn. Bhd.

ECRL
East Coast Rail Link

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE (Continued)

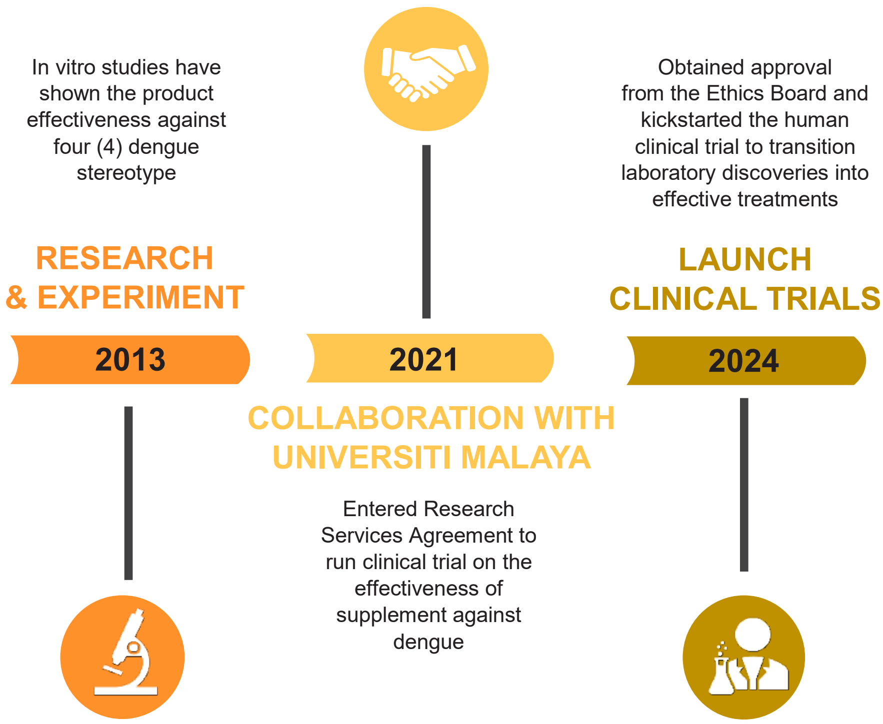
HEALTHCARE

Focusing on community's wellness, Herbitec (M) Sdn. Bhd. ("Herbitec") believes that nature provides the necessary ingredients to improve our health and wellbeing by using modern science and cutting-edge technologies.

Our proprietary technology, MEGHE is designed to harnesses the full potential of traditional herbal remedies by extracting their active compounds under optimum and hygienic conditions.

We also collaborate with researchers and conduct clinical trials to verify the efficacy of our supplements. These studies have proven Herbitec supplements, NODEN and LIVARTON can assist in strengthening the body and allowing it to recover by supplying essential nutrients, thus addressing vital health concerns. Both supplements have been approved and certified by the Malaysian Ministry of Health.

EFFICACY OF NODEN SUPPLEMENT TO COMBAT DENGUE



Our products are designed to explore the therapeutic properties of herbal remedies, which emphasise the importance of preserving our natural resources via sustainable harvesting and cultivation practices to ensure the future generation will continue to have access to these resources. Additionally, our commitment in using primarily organic herbal ingredients with vegetable capsules miminises the production of hazardous substances to the environment.

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE (Continued)

MONEY LENDING

Our money lending operation, Bizcredit Sdn. Bhd. is licensed by Ministry of Local Government Development ("KPKT"). Tanco recognises the importance of complying with the Moneylenders Act 1951, Anti-Money Laundering Act ("AMLA") etc as any non-compliance or misappropriation may affect the Group's reputation and operation.

Anti-Money Laundering Policy is established and periodic audit is conducted to ensure the fund is managed appropriately and the operation is in compliance with the required regulations.

Zero breaches/ non-compliance reported to AMLA during FYE2024**.**

Zero fines or penalties related to non-compliance with relevant rules and regulations.

INNOVATIVE BUSINESS DEVELOPMENT STRATEGIES

Tanco remains highly attuned to evolving market trends, especially the growing emphasis on personal well-being, and we continuously pursue innovative strategies to ensure our services remain relevant and of the highest quality. To stay ahead of these shifts, we periodically review and align our approach to meet the changing needs of our customers. Our diversified portfolio reflects this commitment, by venturing into property development, construction and pharmaceutical sectors that position us to capitalize on emerging opportunities. By expanding into these industries, we demonstrate our ability to adapt and innovate, ensuring Tanco's sustained growth and relevance in an increasingly competitive landscape.

In line with our strategy, Tanco achieved a significant increase in revenue for FYE2024. Our Group's revenue reached RM174 million, a notable rise of RM80 million compared to RM94 million in the previous year, FYE2023. This growth is largely driven by our success in the trading of construction materials, as we continue to meet the rising demand for high-quality building supplies. Our entry into new sectors has not only diversified our revenue streams but also reinforced our commitment to deliver value and maintain sustainable long-term growth.

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE (Continued)

THE STRATEGY

- Acquired Gplex Properties Sdn. Bhd. to strengthen our sales and marketing abilities in property development by designing and refining our sales and marketing strategies by leveraging their expertise and robust network in the property development segment.

- Collaborate with reputable partners in providing consistent supply of durable and high-quality building materials to our contractors.

  - We have secured access to armour rock supply of up to 40 million tonnes.

  - We also carry a range of surface solution for wall and flooring products that are trademarked under the Terra Silvis brand.

- Re-strategising our development plans in Port Dickson to include the development of a Smart AI Port. We aim to create a robust ecosystem for trade, manufacturing, and logistics. This strategy looks to establish a conducive trade, manufacturing and logistic ecosystem, supporting the region's industrialisation plans and driving the region's economic growth.

  In January 2024, we received a letter from the Malaysia Marine Department (MMD) notifying that the Ministry of Transport of Malaysia (MOTM) had no objections to our Proposed Smart Ai Container Port Project in Negeri Sembilan, and that MMD is giving its approval-in-principle for the same. With this, we are confident that the Project will revolutionise & contribute significantly to both the state's and country's economies.

WASTE MANAGEMENT

Tanco takes a proactive approach to minimise waste and promote recycling to reduce the impact on the environment and surrounding communities.

The majority of the waste is generated from Property Development and Construction activities. The table below illustrates the actions and initiatives taken for Tanco's waste management.

Operation Activities	Waste Generated	Action and Initiatives
Corporate Office	Plastic bottles, newspapers, paper, cards, cans etc.	• Where possible, encourage digital communication and submission to minimise paper usage and storage space.
Property Development and Construction activities	Construction materials i.e. steel, timbers, concrete, cement, glasses and bricks.	• Recycling bins are available in the community area. • Schedule waste is stored at designated areas and disposed of by licensed scheduled waste service providers. • Prohibition of open burning at the project site.
Pharmaceutical	Expired supplement, R&D waste e.g. supplement bottles, failed products, raw materials etc.	• Our supplements are fully organic and environmentally friendly. The raw materials can decompose naturally. • Product bottles are made from recyclable materials which are in accordance with industry and environmental standards.

SUSTAINABILITY STATEMENT (Continued)

PRODUCT QUALITY AND SERVICE (Continued)

WASTE MANAGEMENT (Continued)

The Group is committed to minimising our waste output in our office and all projects, we have introduced several initiatives to improve our waste management practices:

- Promote 3R Concept (Reduce, Reuse, Recycle)
- Collaborate closely with contractors and consultants to identify reuse and recycling opportunities for construction materials.

ENERGY AND WATER EFFICIENCY

ENERGY CONSUMPTION

Energy management and efficiency initiatives represent a key component of the Group efforts to reduce our carbon emissions. At Tanco, our portfolio consists of various properties that are either owned or managed by the Group, including corporate offices, project/ construction sites and resorts. These properties rely primarily on electricity as their main energy source.

92.36mwh total energy consumption during FYE2024

As part of our energy reduction efforts, our corporate office has implemented several initiatives:

- Usage of energy-efficient lighting ("LED") and equipment
- Switching off electronics, lights and air conditioners when not in use
- Maintaining air conditioner temperature at 24 degrees Celsius
- Upgrade office appliances such as energy-efficient air conditioners with four or five-star labels issued by the Energy Commission
- Perform regular maintenance on air conditioners and equipment, to prevent efficiency loss and increase energy usage

As we recognise the importance of energy management and efficiency in our operations, we continuously explore ways to optimise our energy consumption to reduce our overall environmental carbon footprint. By carefully monitoring our energy usage and investing in energy-efficient technologies and systems, we aim to minimise the impact of our properties on the environment and contribute to a more sustainable future.

Water Management

Our operations are not dependent on the usage of water. Most of our water consumption is attributable to the corporate office.

2.82 megalitres total water consumption in FYE2024

Despite our water consumption, we are mindful that it does not significantly impact water availability in the regions where we operate, and there is currently no immediate water scarcity at our corporate office and project site.

SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE

COMMON INDICATOR		MEASUREMENT UNIT	FYE2024
C1	**Anti-Corruption**		
(a)	Percentage of employees who have received training on anti-corruption by employee category		
	Management	Percentage	100%
	Executive	Percentage	100%
	Non-executive/ Technical Staff	Percentage	100%
	General Workers	Percentage	-
(b)	Percentage of operations assessed for corruption-related risks	Percentage	0%
(c)	Confirmed incidents of corruption and action taken	Number	0
C2	**Community/ Society**		
(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Unit of currency	RM18,000
(b)	Total number of beneficiaries of the investment in communities	Number	1
C3	**Diversity**		
(a)	Percentage of employees by gender and age group, for each employee category		
	Gender Group by Employee Category		
	Management Male	Percentage	63%
	Management Female	Percentage	38%
	Executive Male	Percentage	24%
	Executive Female	Percentage	76%
	Non-executive/ Technical Staff Male	Percentage	82%
	Non-executive/ Technical Staff Female	Percentage	14%
	General Workers Male	Percentage	0%
	General Workers Female	Percentage	0%
	Age Group by Employee Category		
	Management Under 30	Percentage	13%
	Management Between 30-50	Percentage	38%
	Management Above 50	Percentage	50%
	Executive Under 30	Percentage	28%
	Executive Between 30-50	Percentage	60%
	Executive Above 50	Percentage	12%
	Non-executive/ Technical Staff Under 30	Percentage	5%
	Non-executive/ Technical Staff Between 30-50	Percentage	64%
	Non-executive/ Technical Staff Above 50	Percentage	32%
	General Workers Under 30	Percentage	0%
	General Workers Between 30-50	Percentage	0%
	General Workers Above 50	Percentage	0%
(b)	Percentage of directors by gender and age group		
	Male	Percentage	67%
	Female	Percentage	33%
	Under 30	Percentage	0%
	Between 30-50	Percentage	33%
	Above 50	Percentage	67%
C4	**Energy Management**		
(a)	Total energy consumption	Megawatt	92.36
C5	**Health and Safety**		
(a)	Number of work-related fatalities	Number	0

SUSTAINABILITY STATEMENT (Continued)

PERFORMANCE DATA TABLE

COMMON INDICATOR		MEASUREMENT UNIT	FYE2024
(b)	Lost time incident rate ("LTIR")	Rate	0
(c)	Number of employees trained on health and safety standards	Number	0
C6	**Labour practices and standards**		
(a)	Total hours of training by employee category		
	Management	Hours	194
	Executive	Hours	105
	Non-Executive/ Technical Staff	Hours	7
	General Workers	Hours	0
(b)	Percentage of employees that are contractors or temporary staff	Percentage	0%
(c)	Total number of employee turnover by employee category		0
	Management	Number	1
	Executive	Number	25
	Non-Executive/ Technical Staff	Number	4
	General Workers	Number	1
(d)	Number of substantiated complaints concerning human rights violations	Number	0
C7	**Supply chain management**		
(a)	Proportion of spending on local suppliers	Percentage	100%
C8	**Data privacy and security**		
(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
C9	**Water**		
(a)	Total volume of water used	Megalitres	2.824
C10	**Waste Management**		
(a)	Total waste generated	Metric tonnes	-
(i)	Total waste diverted from disposal	Metric tonnes	-
(ii)	Total waste directed to disposal	Metric tonnes	-
C11	**Emission Management**		
(a)	Scope 1 emissions in tonnes of CO_2e	Metric tonnes	-
(b)	Scope 2 emissions in tonnes of CO_2e	Metric tonnes	-
(c)	Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-

Internal Assurance	External Assurance	No Assurance	(*) Restated

DIRECTORS' PROFILE

DATO' DR. MOHD. AMINUDDIN BIN MOHD. ROUSE

Non-Independent Non-Executive Chairman

NATIONALITY	AGE	GENDER
Malaysian	79	Male

Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse, was appointed to the Board as an Independent Non-Executive Director on 20 October 1997. On 2 July 2018, he was re-designated as Independent Non-Executive Chairman and subsequently to Non-Independent Non-Executive Chairman of Tanco Holdings Berhad ("Tanco") on 30 May 2023.

He obtained his Bachelor of Science (Honours) in Biochemistry from the University of Malaya in 1969 and his PhD in Agricultural Chemistry from the University of Adelaide in 1974. He began his career as the Head and lecturer at the Department of Biochemistry and Microbiology before becoming the professor of Biochemistry and Deputy Dean at Universiti Pertanian Malaysia in 1977.

Prior to joining Berjaya Group Berhad as the Group Director in 1994, he was the Director of Manufacturing and Agribusiness for Guthrie Berhad Group. He was the Group Chief Executive Officer of Konsortium Perkapalan Berhad cum President and Chief Executive Officer of PSNL Berhad. In November 1997, he assumed the position of Executive Chairman, Indah Water Konsortium Sdn Bhd and was President and Chief Executive Officer of Malaysian Technology Development Corporation Sdn Bhd. He retired as a Director from Konsortium Logistics Bhd in 2007.

He does not have any other directorship in public companies and listed issuers.

He does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DATO' SRI ANDREW TAN JUN SUAN

Group Managing Director

NATIONALITY	AGE	GENDER
Malaysian	44	Male

Dato' Sri Andrew Tan Jun Suan, was appointed to the Board as Executive Director on 22 November 2007. On 18 March 2015, he was appointed as the Group Managing Director of Tanco.

He graduated from the University of Melbourne, Australia, with a degree in Commerce in 2002. He joined Tanco in year 2005 as Business Development Director.

His directorships in other unlisted public companies are Palm Springs Resort Management Berhad, Tanco Club Berhad and Tanco Resorts Berhad.

He is the brother of Mr. Christopher Tan Khoon Suan and Mr. Edwin Tan Kium Suan, a director of Tanco subsidiaries. Save as aforesaid, he does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco other than the recurrent related party transactions as disclosed and approved in the Annual General Meeting. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DIRECTORS' PROFILE (Continued)

DATUK RASHIDI BIN HASBULLAH
Independent Non-Executive Director

NATIONALITY	AGE	GENDER
Malaysian	65	Male

Datuk Rashidi bin Hasbullah, was appointed to the Board as an Independent Non-Executive Director on 1 September 2019. He is the Chairman of the Nomination Committee of Tanco. He is also members of the Audit and Risk Management Committee and the Remuneration Committee of Tanco.

He graduated from the Mississippi State University, Starkville, Mississippi, United States of America with a Bachelor of Science Degree in Food Science, Nutrition and Dietetics in 1987. He later obtained his Master in Tourism at the Central Michigan University, United States of America in 2004 and then enrolled in the Oxford Advanced Leadership Management Program at the University of Oxford, United Kingdom in 2012.

He has a vast experience in the Tourism Industry since 1996 when joining the Ministry of Tourism, Arts and Culture Malaysia ("MOTAC") as an Assistant Secretary at the Tourism Development Division after completing his Diploma in Public Management Program from the National Institute of Public Administration (INTAN) in 1996 until his last position held as Secretary General of MOTAC in February 2019. During the 23 years in MOTAC, he was promoted in several positions at different divisions making him very well versed and experience in Tourism Industrial Development policies. He was also involved directly in implementing of Malaysia Tourism Transformation Plan (2010 - 2020), drafting the Malaysia Tourism Strategic Plan (2020 - 2050) and Malaysia Culture Policy (2020 - 2030) during his tenure as Deputy Secretary General and Secretary General. Besides tourism, he has a substantial amount of experience in culture sector which is very important to link it with tourism to promote Malaysia.

He does not have any other directorship in public companies and listed issuers.

He does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DIRECTORS' PROFILE (Continued)

DATO' MARTINI BINTI OSMAN

Independent Non-Executive Director

NATIONALITY	AGE	GENDER
Malaysian	72	Female

Dato' Martini binti Osman, was appointed to the Board as an Independent Non-Executive Director on 17 December 2021. She is the Chairperson of the Remuneration Committee of Tanco. She is also members of the Audit and Risk Management Committee and the Nomination Committee of Tanco.

She graduated from the University of Science Malaysia with a Bachelor of Social Sciences (Hons) (Urban Studies) in 1975. She later obtained her Masters in Public Administration (Human Resource) in 1984 from the University of Pittsburgh, Pennsylvania, United States of America.

She has a vast experience in the fields of credit delivery, human resource trainings and corporate communications. She had served with Bank Pertanian Malaysia (now known as Agrobank) for 34 years since 1975 and had held in the position as Senior Manager at the regional and branch offices of Agrobank until she retired as the President/Chief Executive Officer of Agrobank in 2009.

Upon her retirement, she served as the Chairman of the committee for supervision and monitoring of Syarikat Jaminan Pembiayaan Perniagaan Berhad, a company wholly-owned by the Minister of Finance, Malaysia from 2009 to 2018.

She does not have any other directorship in public companies and listed issuers.

She does not have any family relationship with any other directors and/or major shareholders of Tanco. She does not have any conflict of interest with Tanco. She does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

She attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

KOAY GHEE TEONG

Executive Director

NATIONALITY	AGE	GENDER
Malaysian	55	Male

Mr. Koay Ghee Teong, was appointed to the Board as Executive Director on 6 September 2012.

He graduated with an Honours Degree in Law from the University of Leicester, United Kingdom in 1991 and after a brief stint in the banking industry, he was called to the Malaysian Bar in 1994 and went into active legal practice as an advocate and solicitor before joining the Tanco group of companies ("Tanco Group" or "Group") in December 2000. Within the Tanco Group, he holds positions as Head of Group Legal Affairs and as Chief Executive Officer of Tanco Resorts Berhad ("TRB") as well as directorships in various other Tanco subsidiaries. He has also been involved in the Group's restructuring and corporate planning exercises and was also TRB's representative in the Malaysian Holiday Timeshare Developers Federation ("MHTDF") and was an elected member of the Executive Committee and Honorary Secretary of the MHTDF.

He also holds a directorship in another unlisted public company namely Palm Springs Resort Berhad.

He does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DIRECTORS' PROFILE (Continued)

CHRISTOPHER TAN KHOON SUAN

Executive Director

NATIONALITY	AGE	GENDER
Malaysian	38	Male

Mr. Christopher Tan Khoon Suan, was appointed to the Board as Executive Director on 1 September 2019. He is also the Chief Sustainability Officer of Tanco.

He graduated from the University of Melbourne, Australia, with a degree in Commerce in 2006. Prior to joining Tanco, he worked in Hong Leong Bank Berhad, Treasury in 2008 and has great experience in financing, servicing corporate clients on market trends and investments. He joined Tanco in 2013 and has since been actively involved in marketing and development of Tanco Group of Companies ("Group") current and future projects, providing direction and assistance to the Group regarding related projects development.

His directorships in other unlisted public companies are Palm Springs Resort Berhad, Palm Springs Resort Management Berhad, Tanco Club Berhad and Tanco Resorts Berhad.

He is the brother of Dato' Sri Andrew Tan Jun Suan and Mr. Edwin Tan Kium Suan, a director of Tanco subsidiaries. Save as aforesaid, he does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco other than the recurrent related party transactions as disclosed and approved in the Annual General Meeting. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

CHEW SHEN HOAY

Executive Director and Group Chief Financial Officer

NATIONALITY	AGE	GENDER
Malaysian	45	Female

Ms. Chew Shen Hoay, was appointed to the Board on 1 June 2022. She is the Executive Director and Group Chief Financial Officer of Tanco.

She obtained her Bachelor of Business Degree (Accounting and International Business Management) from Charles Sturt University, Australia. She is a member of Malaysian Institute of Accountants (MIA) and is also a member of Fellow Certified Practising Accountant (FCPA) Australia.

She has more than 20 years of experience in the financial, marketing and business sectors.

Prior to joining Tanco, she was involved in originating, structuring, implementing and monitoring various group financial and corporate affairs; business development and marketing; intellectual property and licensing; audit and internal control review; and planning of local and international businesses (United States of America, United Kingdom, and Hong Kong); and as the liaison to the regulators and authorities.

She joined Tanco as the Group Financial Controller since 2018, leading and overseeing the Group's finance and also has been involved in the due diligence, restructuring and corporate planning exercises.

Her directorships in other unlisted public companies are Palm Springs Resort Berhad, Palm Springs Resort Management Berhad, Tanco Club Berhad and Tanco Resorts Berhad.

She does not have any family relationship with any other directors and/or major shareholders of Tanco. She does not have any conflict of interest with Tanco. She does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

She attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DIRECTORS' PROFILE (Continued)

WONG JEE SENG
Independent Non-Executive Director

NATIONALITY	AGE	GENDER
Malaysian	63	Male

Mr. Wong Jee Seng, was appointed to the Board as an Independent Non-Executive Director on 29 March 2023. He is also the Chairman of the Audit and Risk Management Committee of Tanco.

He is professionally qualified as a Chartered Management Accountant, United Kingdom, since 1990 with more than twenty (20) years of senior management experiences in various banking divisions covering treasury, finance, risk, capital and balance sheet management, corporate strategy and retail banking financial solutions. He has previously held positions as Group Chief Financial Officer, Group Chief Risk Officer, Group Chief Operating Officer in Public Bank Berhad and Executive Vice President in Ambank (M) Berhad.

He developed and deployed a range of strategies in varying markets and market conditions: capital raising both in equity and debt locally and internationally, exponentially growth in sales and market share, formulated key business, financial reengineering in capital management and merger & acquisition and fund management.

Currently, he is also a Director of P.A. Resources Berhad.

He does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

He attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

DIRECTORS' PROFILE (Continued)

SYAFINAZ MERICAN BINTI ISAHAK MERICAN
Independent Non-Executive Director

NATIONALITY	AGE	GENDER
Malaysian	51	Female

Madam Syafinaz Merican binti Isahak Merican, was appointed to the Board as an Independent Non-Executive Director on 29 March 2023. She is also members of the Nomination Committee and the Remuneration Committee of Tanco.

She graduated from University of Nebraska-Lincoln, USA with a Bachelor of Science in Business Administration - International Business in 1996. She is a global professional across multiple industries including asset management, business advisory, corporate finance, and luxury retail with main work experiences in Malaysia, Lebanon, the United Arab Emirates and Singapore.

She began her career in 1996 as a Consultant of Financial Advisory Services at PricewaterhouseCoopers (PwC) Kuala Lumpur, where she specialised in regional and local corporate finance work covering corporate and debt restructuring, independent business review, dispute analysis and investigation, merger and acquisition, privatization, risk, regulation & compliance management, valuation and strategy validation and other consulting services.

She then went on to become the Founding Director and General Manager of Patchi Malaysia officially launched in 2003, where she was instrumental in obtaining and developing the luxurious franchise for the Malaysian market and the brand's further expansion into Asia: Brunei, China, India, Indonesia, and Singapore.

After relocating to Dubai the same year, she took on the role as Corporate Advisor to the Chairman of Dragoni International LLC, a contracting company involved in many prestigious projects in the middle east including for EMAAR Properties, an Emirati multinational real estate development public joint-stock company where she performed strategic management to enhance the company's performance and value for target DEPA PLC, a public listed global interior contracting and solutions company on the Dubai NASDAQ, who eventually acquired the company as its majority shareholder.

She has been an Advisor to Fairshore Asset Management (FAMCO) since 2017, a Monetary Authority of Singapore (MAS) Regulated Investment Manager based in Singapore – with a Capital Markets Services License. FAMCO manages multiple fund platforms with various investment strategies. It has vast experience in alternative credit and asset management and bespoke wealth planning and structuring developed from their team's decades of investment banking and asset management backgrounds. She serves as a Director on three FAMCO managed funds.

In February 2024, Syafinaz has been appointed as an Independent Non-Executive Director to Vizier Asset Management Company Limited, an authorised Investment Management Company regulated by the Abu Dhabi Global Market (ADGM) based in Abu Dhabi, the United Arab Emirates. This establishment is strategic to undertake opportunities in the logistics, commodities, manufacturing, real estate, and infrastructure sectors with a preference for investments in Central Asia, Southeast Asia and the Gulf Cooperation Countries (GCC).

She does not have any other directorship in public companies and listed issuers.

She does not have any family relationship with any other directors and/or major shareholders of Tanco. She does not have any conflict of interest with Tanco. She does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

She attended all six (6) Board Meetings held during the financial year ended 30 June 2024.

PROFILE OF SENIOR MANAGEMENT

DATUK LEE CHENG BING

Executive Director of Tanco Properties Sdn. Bhd.

NATIONALITY	AGE	GENDER
Malaysian	52	Male

Datuk Lee Cheng Bing, was appointed to the Board of Tanco Properties Sdn. Bhd. ("TPSB") on 1 December 2022 as Executive Director. He obtained his professional qualification in Building Economics & Project Management (B.Sc., Hons.) from Malaysia Science University, Penang in 1997.

Throughout his extensive experiences in Property Development Industry (domestic and international markets) over the past 25 years, Datuk Lee is well equipped with various technical skills on design planning, project management, and property developments.

Notable projects undertaken by Datuk Lee include Privatisation Schemes, Smart AI Container Port & Integrated Industrial Park Developments Township & International Resorts, Island Reclamations, Hotel and Shopping Malls.

He is one of the recipients of Malaysia Business of The Year Award in 2009 with 3 major recognitions on his works. Datuk Lee has also been featured on the cover story of Malaysian Institute of Management Magazine in December 2011 issue.

He does not have any directorship in public companies and listed issuer.

He does not have any family relationship with any directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

CHOO EWE CHUEN

Managing Director of Tanco Builders Sdn. Bhd. and Director of Tanco Supplies Sdn. Bhd.

NATIONALITY	AGE	GENDER
Malaysian	47	Male

Mr. Choo Ewe Chuen, was appointed to the Board of Tanco Builders Sdn. Bhd. on 1 June 2022 as Managing Director. He is also a Director of Tanco Supplies Sdn. Bhd. Mr. Choo is responsible to oversee the business units of Tanco Builders Sdn. Bhd. and Tanco Supplies Sdn. Bhd.

He graduated from The University of Melbourne, Australia, with a double degree in Bachelor of Laws and Engineering in 2003. After graduated, he practiced law in Melbourne as solicitor.

Subsequently, he joined BHP Billiton as corporate lawyer before started his own investment firm. He was actively involved in industries such as construction, property development and corporate merger and acquisition. He joined Tanco Group in year 2021 as an advisor and has been actively involved in the Tanco Group's corporate exercise.

He does not have any directorship in public companies and listed issuer.

He does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

PROFILE OF SENIOR MANAGEMENT (Continued)

EDWIN TAN KIUM SUAN

Executive Director of Tanco Builders Sdn. Bhd. and Director of Tanco Supplies Sdn. Bhd.

NATIONALITY	AGE	GENDER
Malaysian	29	Male

Mr. Edwin Tan Kium Suan, was appointed to the Board of Tanco Builders Sdn. Bhd. ("TBSB") and Tanco Supplies Sdn. Bhd. respectively on 11 October 2021. Subsequently, he was appointed as an Executive Director of TBSB on 1 June 2022.

He graduated from the Royal Melbourne Institute of Technology (RMIT), Australia, with a degree in Bachelor of Business (Financial Planning) in 2019. Prior to joining Tanco, he worked in a private limited company as an Operation Director in January 2020. His role was to provide direction and assistance regarding mining operation application, pre tender and responsible for export materials. He joined Tanco Group in March 2021 and has since been actively involved in current and future projects of Tanco Group.

He does not have any directorship in public companies and listed issuer.

He is the brother of Dato' Sri Andrew Tan Jun Suan and Mr. Christopher Tan Khoon Suan. Save as aforesaid, he does not have any family relationship with any other directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco other than the recurrent related party transactions as disclosed and approved in the Annual General Meeting. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

COLLIN CHIN KOK MENG

Group Investment Director

NATIONALITY	AGE	GENDER
Malaysian	49	Male

Mr. Collin Chin Kok Meng, holds the position of Group Investment Director of Tanco since 1 June 2022. He is responsible to oversee all new investments for Tanco Group.

He graduated from the University of Melbourne, Australia, with a degree in Bachelor of Commerce (Accounts & Finance) in 1997.

Prior to joining Tanco, he worked in various functions, namely, internal audit, strategy, business development, financial and business performance monitoring, as well as managing nationwide sales team and sales operations. He started his career with Renong/ UEM Group of Companies as an Internal Auditor and subsequently involved in management and strategy consultancy, property development and information technologies as well as telecommunication. He was then served as the Head of Sales Enablement, Enterprise Division, in Maxis Berhad to provide sales strategy and planning, sales and performance monitoring, including sales governance, in order to enable the Corporate and Government business units within the Enterprise Division.

He joined Tanco Group in September 2021 and has since been actively involved in sharing his expertise and experiences in the various functions he gained to the Tanco Group.

He does not have any directorship in public companies and listed issuer.

He does not have any family relationship with any directors and/or major shareholders of Tanco. He does not have any conflict of interest with Tanco. He does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

PROFILE OF SENIOR MANAGEMENT (Continued)

TAN PIK HOOI
Corporate Strategy
and Business Development Director

NATIONALITY	AGE	GENDER
Malaysian	46	Female

Ms. Tan Pik Hooi, holds the position of Corporate Strategy and Business Development of Tanco since 4 December 2023.

She graduated from the University of Malaya with a Bachelor of Accountancy (Hons) in 2001. She is a member of Malaysian Institute of Accountants (MIA) and is also a fellow member of Association of Chartered Certified Accountant (ACCA). She has also successfully completed the Certification of Internal Auditor (CIA).

She began her career in audit and business advisory services from big four accounting firm and has extensive exposures in multinational and public listed companies. She has experienced working as financial controller, leading and managing finance, tax and logistics operations. Prior to joining Tanco, she was involved in strategy development, digital transformation, programme management, business performance and operational management, internal auditing and financial due diligence from Axiata Group of subsidiaries.

She does not have any directorship in public companies and listed issuer.

She does not have any family relationship with any directors and/or major shareholders of Tanco. She does not have any conflict of interest with Tanco. She does not have any convictions for offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Tanco Holdings Berhad ("Tanco" or "Company") recognises the importance of corporate governance towards promoting business prosperity and corporate to protect and enhance shareholders' value as well as the interest of the Company.

The Board is also committed in ensuring that the Company and its subsidiaries ("the Group") carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

The Board is pleased to provide an overview of the corporate governance ("CG") practices, which made reference to the three key CG principles as set out in the MCCG throughout the financial year ended 30 June 2024 ("FYE 2024") unless otherwise stated, which are as follows:-

(a) Principle A : Board Leadership and Effectiveness;
(b) Principle B : Effective Audit and Risk Management; and
(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG overview statement, approved by the Board, shall be read together with the CG Report 2024 ("CG Report") of the Company which is available on the Company's website at www.tancoholdings.com and the website of Bursa Malaysia Securities Berhad ("Bursa Securities") at www.bursamalaysia.com.

The CG Report provides the details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2024. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2024 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board's principal activities amongst others include setting out strategic plans and policies and overseeing the investments and businesses of the Group. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to identify the Company's significant risks and implementation of appropriate internal controls and mitigation measures to manage these risks. Key matters such as approval of annual and interim results, major acquisitions and disposals, major agreements as well as review of the adequacy and integrity of the internal controls system and risk management strategies of the Company are reserved for the Board. The Group has in place financial authorisation limit for matters such as operating and capital expenditure and Standard Operating Procedures ("SOPs") to improve efficiency and productivity among all departments within the Group.

The Board has delegated the day-to-day affairs of the Group's business to the Group Managing Director ("GMD") of the Company, Dato' Sri Andrew Tan Jun Suan. The GMD, supported by the Executive Directors, will focus on the business and leads the Senior Management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The GMD may delegate appropriate functions to any member of the Senior Management reporting to the Executive Directors.

The GMD, Executive Directors and Management meet regularly to review and monitor the performance of the Group's operating divisions. The GMD briefs the Board on the Group's business operations and Management's initiatives during the quarterly Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. BOARD RESPONSIBILITIES (Continued)

The Board Charter clearly spells out the following principal roles and responsibilities of the Board in enhancing effectiveness in the pursuits of corporate goals and objectives:-

(a) review and adopt a strategic plan for the Group;
(b) oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
(c) identify principal business risks and ensure the implementation of appropriate systems to manage these risks;
(d) succession planning including the implementation of appropriate systems for recruitment, training and replacement of members of the Board, Board Committees and Senior Management staff;
(e) overseeing the development and implement an investors relations programme or shareholder communication policy for the Company; and
(f) review the adequacy and the integrity of the Group's internal control systems and management information.

Division of roles and responsibilities between the Chairman and GMD

The Board is led by Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse as the Non-Independent Non-Executive Chairman and Dato' Sri Andrew Tan Jun Suan as the GMD.

There is a clear separation between the Chairman's role and the GMD to ensure a division of responsibilities and a balance of control, power and authority.

The Chairman leads and manages the Board with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective terms of reference, to ensure its own effectiveness; while the GMD manages the businesses and operations of the Group and implements and develops the Board's decisions, policies and strategies.

Non-Executive Directors

The Non-Executive Directors of the Company are not involved in the day-to-day management of the Group but contribute their own particular expertise, experience and provide views from a different perspective in the development of the Group's overall business strategy. Their participation as members of the various Board Committees also contributed towards the enhancement of the corporate governance and controls of the Group.

The Independent Non-Executive Directors are essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account. The significant contributions of the Independent Non-Executive Directors in the decision making process are evidenced in their participation as members of the various committees of the Board.

Board Committees

The Board has established and is supported by the following Board Committees to assist the Board in the discharge of its oversight function:-

i. Audit and Risk Management Committee
ii. Nomination Committee
iii. Remuneration Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. BOARD RESPONSIBILITIES (Continued)

Board Committees (Continued)

The Board Committees have their roles and functions, written terms of reference and authorities defined. The Board reviews the terms of reference of the Board Committees periodically to ensure their relevance. At each Board meeting, the Chairmen of the Board Committees report to the Board on the key issues deliberated and outcome of the Board Committees meetings. Minutes of the Board Committees meetings will also be presented to the Board for notification and endorsement. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

Company Secretary

The Board is supported by a suitably qualified, experienced and competent Company Secretary who is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators and is also qualified under the Companies Act, 2016. The Company Secretary advises the Board on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and the Group. The Company Secretary attends Board and Board Committees meetings and is responsible for ensuring the meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretary also ensures that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company.

The Company Secretary has been continuously attending the necessary training programmes, conferences, seminars, briefings and/or forums so as to keep herself abreast with the current regulatory changes in laws and regulatory requirements that are relevant to her profession and enabling her to provide the necessary advisory role to the Board.

Board Meetings

Regular Board and Board Committees meetings are scheduled throughout the year to enable the Directors to plan ahead and fit the meetings into their own schedules.

In order to discharge their responsibilities effectively, the Board meet regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board’s expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group’s business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions. The Board reviews and deliberates on the Group’s financial performance and results, business operations, reports of the various Board Committees, corporate exercises and strategic financials and investments decisions.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. BOARD RESPONSIBILITIES (Continued)

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. During FYE 2024, the Board met six (6) times and the attendance record of the Directors at the Board meetings were as follows:-

	Attendance
Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	6/6
Dato' Sri Andrew Tan Jun Suan	6/6
Datuk Rashidi bin Hasbullah	6/6
Dato' Martini binti Osman	6/6
Koay Ghee Teong	6/6
Christopher Tan Khoon Suan	6/6
Chew Shen Hoay	6/6
Wong Jee Seng	6/6
Syafinaz Merican binti Isahak Merican	6/6

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Paragraph 15.06 of the Main Market Listing Requirements ("MMLR") of Bursa Securities.

Access to Information and Advice

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for an effective discharge of the Board's responsibilities.

Notices of Board/Board Committees Meetings and the relevant Board papers shall be circulated to the Directors electronically at least five (5) working days in advance before the meeting is held, except in the case of an emergency, where reasonable time would suffice. This enables the Directors to have sufficient time to solicit further explanations and/or information, where necessary, so that deliberations at the meeting are focused and constructive.

The Board papers include meeting minutes which reflects the deliberations and decisions of the Board, updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation which inter alia, include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. BOARD RESPONSIBILITIES (Continued)

Access to Information and Advice (Continued)

The Chairmen of the Board Committees namely the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee, brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees.

The Board has unrestricted access to all information within the Group. All Directors are entitled to seek independent professional advice on issues whether as a full Board or in their individual capacity where they are of the opinion that professional advice is needed after having discussions with Senior Management, External Auditors and Internal Auditor, in furtherance of their duties at the Company's expense.

Board Charter

The Board is guided by a Board Charter which provides reference for directors in relation to the Boards' roles, powers, duties and functions. The Board Charter also outlines the processes and procedures to ensure the Board's and Board Committees' effectiveness and efficiency. The Board Charter comprises, amongst others, the well-defined terms of reference for the Board and its Committees.

The Board will review and update the Board Charter periodically in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the Board's responsibilities. The Board Charter was reviewed and revised on 30 May 2024 and is available on the Company's website at www.tancoholdings.com.

Ethical Standards through Code of Ethics, Code of Conduct and Whistleblowing Policy

(a) Code of Ethics for Director

The Board has formalised a Code of Ethics and Conduct for its Directors which is incorporated in the Board Charter, to enhance the standard of corporate governance and promote ethical conduct of the Directors and the same is adhered to at all times.

(b) Code of Conduct and Business Ethics

The Group has established and adopted a Group Code of Conduct and Business Ethics to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation. The Code of Conduct was reviewed and revised on 30 May 2024 and is available on the Company's website at www.tancoholdings.com.

(c) Whistleblowing Policy and Procedures

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistleblowing Policy which serves as an internal disclosing channel in relation to whistleblowing at work place to enable employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis.

Employees also have free access to the GMD of the Company and may raise concerns of non-compliance to him.

The Whistleblowing Policy, underlining its protection and reporting channels, is available on the Company's website at www.tancoholdings.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. BOARD RESPONSIBILITIES (Continued)

Anti-Corruption and Bribery Policy

In line with the Guidelines on Adequate Procedures pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, the Board of Directors has adopted the Anti-Corruption and Bribery Policy of the Group and the aforesaid policy will be reviewed periodically.

This policy sets out the proper practices and guidance to be adhered to in relation to improper solicitation, bribery and other corrupt activities and/ or issues that may arise in the course of business and the responsibilities to comply with all applicable laws and regulations against bribery and corruption.

The Anti-Corruption and Bribery Policy is available on the Company's website at www.tancoholdings.com.

Sustainability Policy

The Board views the commitment to promote sustainability policy in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Company has formalised a Sustainability Policy which aims to integrate the principles of sustainability into the strategies of the Company and its subsidiaries and to ensure compliance and adherence to related internal policies/guidelines, external authorities and regulators when dealing with sustainability matters. Each Department Head of Group are responsible for the planning and implementation by ensuring each Department's operational activities and business decision made are aligned to the policy.

The Group strives to achieve a sustainable balance between meeting its business goals, preserving the environment to sustain the ecosystem and the welfare of its employees and the communities in which it operates. The Group's efforts to promote sustainability initiatives for the communities in which it operates, the environment and the employees is set out in Sustainability Statement in this Annual Report.

II. BOARD COMPOSITION

As at the date of this Statement, the Board has nine (9) members comprising four (4) Executive Directors and four (4) Independent Non-Executive Directors and a Non-Independent Non-Executive Director/Chairman.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities which require at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent directors. The Board noted that Practice 5.2 of the MCCG has recommended for at least half of the Board members comprises independent directors.

Based on the review of the Board's composition and assessment of individual Directors during the FYE 2024, the Directors are of the opinion that the current Board size and composition is appropriate for the scope and nature of the Group's business and operations and for facilitating effective discussions and decision making. No individual or group dominates the Board's decision making. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity backgrounds and competencies of the Directors. Such competencies include business, finance, accounting, banking, legal, construction, property development, tourism, luxury retail and other relevant industry knowledge and management experience and familiarity with the regulatory requirements and risk management. A brief profile of each Director is presented in the Directors' Profile section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

The current Directors of the Company as at the date of this Statement are as follows:-

Name of Director	Designation
Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	Non-Independent Non-Executive Chairman
Dato' Sri Andrew Tan Jun Suan	Group Managing Director
Datuk Rashidi bin Hasbullah	Independent Non-Executive Director
Dato' Martini binti Osman	Independent Non-Executive Director
Mr. Wong Jee Seng	Independent Non-Executive Director
Madam Syafinaz Merican binti Isahak Merican	Independent Non-Executive Director
Mr. Koay Ghee Teong	Executive Director
Mr. Christopher Tan Khoon Suan	Executive Director
Ms. Chew Shen Hoay	Executive Director and Group Chief Financial Officer

Board Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. Thus, the Company does not set any specific target for boardroom diversity.

The Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a work place environment free of harassment and discrimination on the basis of gender, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

Currently, the Board has three (3) women Directors namely, Dato' Martini binti Osman, Ms. Chew Shen Hoay and Madam Syafinaz Merican binti Isahak Merican, representing 33.3% of the total Board member, which is in line with the 30% recommended under Practice 5.9 of the MCCG.

The Board has in place a Gender Diversity Policy for the Company and a copy is available on the Company's website at www.tancoholdings.com.

Director's Training

As at the date of this Statement, all Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") Part I prescribed by MMLR of Bursa Securities. With effect from 6 June 2023, pursuant to the amendments to MMLR of Bursa Securities in relation to sustainability training for Directors, the Directors are now also required to complete MAP Part II ("MAP Part II") which focus substantively on sustainability and the related roles of a Director in addition to the existing training for Directors in relation to corporate governance and a director's roles, duties and liabilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

Director's Training (Continued)

All the Directors of the Company have attended and completed MAP Part II while Dato' Sri Andrew Tan Jun Suan has to complete the MAP Part II within 18 months on or before 1 August 2025.

The Directors are mindful that they should also receive appropriate continuous training in order to broaden their perspectives and to keep abreast with new developments for the furtherance of their duties.

The Directors are encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board is also regularly updated by the Company Secretary on the latest update/amendments to the relevant regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

During the FYE 2024, the training programmes and seminars which were attended by the Directors are as follows:

Name of Director	Training Programmes/ Seminars	Date
Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	Mandatory Accreditation Programme Part II: Leading for Impact	29-30 November 2023
Dato' Sri Andrew Tan Jun Suan	4th APEC Green Port Development Forum	3-5 June 2024
Datuk Rashidi bin Hasbullah	National Integrity Forum 2023: "Leading Governance with Integrity" Mandatory Accreditation Programme Part II: Leading for Impact	31 July 2023 28-29 February 2024
Dato' Martini binti Osman	Mandatory Accreditation Programme Part II: Leading for Impact	23-24 January 2024
Mr. Wong Jee Seng	Mandatory Accreditation Programme Part II: Leading for Impact	6-7 March 2024
Madam Syafinaz Merican binti Isahak Merican	ICDM PowerTalk Series: Generative AI - An Opportunity or Risk? National Integrity Forum 2023: "Leading Governance with Integrity" Asia Growth & Exit Strategies: Building for Scale, Building for Sale Mandatory Accreditation Programme Part II: Leading for Impact	20 July 2023 31 July 2023 16 November 2023 23-24 January 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

Director's Training (Continued)

Name of Director	Training Programmes/ Seminars	Date
Mr. Koay Ghee Teong	Seminar Pengurusan Strata 2023	4 July 2023
	Taxation of Land Transactions	20 July 2023
	What Amounts to a Conflict of Interest by Directors?	12 September 2023
	ESG Litigation Trends: Expanding Duty of Directors	26 October 2023
	Mandatory Accreditation Programme Part II: Leading for Impact	23-24 January 2024
	Highlights of Landmark Tax & Customs Cases in 2023	21 March 2024
Mr. Christopher Tan Khoon Suan	What Amounts to a Conflict of Interest by Directors?	12 September 2023
	ESG & Sustainability Conference	17 January 2024
	Mandatory Accreditation Programme Part II: Leading for Impact	6-7 March 2024
Ms. Chew Shen Hoay	Sharing on Special Pathway & Talk on Transfer Pricing Rules 2023	28 August 2023
	The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	4 September 2023
	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	12 September 2023
	Unlocking Business Efficiency through Digitalisation with e-invoicing	14 September 2023
	Indirect Tax Development & Voluntary Disclosure Programme	25 September 2023
	CPA Australia ESG Forum 2023	27 September 2023
	Can you use AI and comply with your ethical obligations?	10 October 2023
	What Amounts to a Conflict of Interest by Directors?	13 October 2023
	Highlights from Budget 2024 - in collaboration with PwC Malaysia	17 October 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

Director's Training (Continued)

Name of Director	Training Programmes/ Seminars	Date
Ms. Chew Shen Hoay *(continued)*	Personal branding & networking essentials	25 October 2023
	Forward Thinkers: Revolutionizing Strategies and Solutions	26 October 2023
	Career Development Series - Forging your career path: Stepping out of the box	8 November 2023
	Feng Shui Outlook for the Year 2024 -Year of the Jade Dragon	5 December 2023
	Strategic Finance Business Partnering Value Preservation and Creation	22 December 2023
	Professional Ethics in Focus	4 January 2024
	The Way of Capitalization under the New Economic Situation - Merger and Acquisition Integration	11 January 2024
	Indonesia's Economic Outlook 2024: Capitalizing the Election Momentum	23 January 2024
	How to effectively implement AI into your (and your client's) business	13 February 2024
	National E-Invoicing Initiative & Income Tax Requirements - Impact on Business	22 February 2024
	Energy Trilemma: Energy Security, Sustainability and Affordability	6 March 2024
	Predictive Analytics and its role in Budgeting and Forecasting	12 March 2024
	E-Invoicing Latest Updates	26 April 2024
	Mandatory Accreditation Programme Part II: Leading for Impact	6-7 May 2024
	CPA Australia: Sustainability & Ethics - Lunch with the IESBA Chair: Webinar	9 May 2024
	MIA Accounting & Financial Technology Showcase 2024	15 May 2024
	Affin ESG Conference: Charting the Path to Sustainability	16 May 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

Nomination Committee

The Nomination Committee consists of wholly Independent Non-Executive Directors and its composition is as follows:-

Members	Designation
Datuk Rashidi bin Hasbullah	- Chairman of the Nomination Committee, Independent Non-Executive Director
Dato' Martini binti Osman	- Independent Non-Executive Director
Syafinaz Merican binti Isahak Merican	- Independent Non-Executive Director

The Nomination Committee's main responsibility, amongst others, is to recommend new appointment to the Board for their approval. The other responsibilities of the Nomination Committee include making recommendations to the Board on the appointment of members of Board Committees, the review on an annual basis of the Board structure, size and composition, and assessment of the effectiveness of the Board, its Committees and the contribution of each Board. The Terms of Reference of the Nomination Committee is available on the Company's website at www.tancoholdings.com.

The Nomination Committee held two (2) meetings during the FYE 2024.

The activities carried out by the Nomination Committee during the FYE 2024 and up to the date of this statement are disclosed in the Nomination Committee Statement of the Annual Report 2024.

Directors' Fit and Proper Policy

The Board based on the recommendation of the Nomination Committee had on 25 May 2022 approved the adoption of Directors' Fit and Proper Policy as a guiding tool to the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election. The Directors' Fit and Proper Policy is available on the Company's website at www.tancoholdings.com.

Appointment to the Board

The Board delegates to the Nomination Committee the responsibility of making recommendations on any potential and suitable candidate for the appointment as a new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and that appointments are made on merits, as guided by the Company's Directors' Fit and Proper Policy.

The process for the appointment of a new Director is summarised in the sequence as follows:-

1. The candidate identified upon the recommendation by the existing Directors, management, major shareholders, independent search firms and/or other independent sources;

2. In evaluating the suitability of candidates for appointment to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates will be required to confirm compliance to the criteria of an independent director as prescribed in the MMLR of Bursa Securities;

3. Recommendation shall then be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. BOARD COMPOSITION (Continued)

Appointment to the Board (Continued)

4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

Annual Assessment

The Board through its Nomination Committee, reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual director. The evaluation involves individual Director and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. Please refer to the Nomination Committee Statement which discloses how the assessment was carried out and its outcome reported to the Board.

Re-election of Directors

The Nomination Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM") in accordance with the provisions of the Constitution of the Company and the relevant provisions of the Companies Act, 2016.

The Company's Constitution provides that a director appointed during the year is required to retire and seek election by shareholders at the following AGM immediately after their appointment. The Clauses also require that one third of the Directors including the Group Managing Director to retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years. The assessment details on the retirement of Directors by rotation are disclosed in the Nomination Committee Statement.

Tenure of Independence Directors

The Company's Board Charter states that the tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of twelve (12) years, this is in compliance with the definition of independent directors under the enhanced Listing Requirements of Bursa Securities which takes effect from 1 June 2023. Upon completion of twelfth (12th) year, an Independent Non-Executive Director may continue to serve on the Board as a Non-Independent Non-Executive Director.

The Board is also guided by the recommended Practice 5.3 of the MCCG for retention of Independent Directors beyond the cumulative term limit of nine (9) years. Independent Director who exceeds the cumulative term limit of nine (9) years shall be re-designated as a Non-Independent Director, unless annual shareholders' approval is sought through a two-tier voting process for him/her to remain as Independent Director with providing justification. Currently, none of the Independent Non-Executive Directors of the Company have served the Board for a cumulative term of nine (9) years.

Senior Independent Non-Executive Director

Datuk Rashidi bin Hasbullah has been identified as the Senior Independent Non-Executive Director, to whom all concerns may be conveyed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

III. REMUNERATION

The Remuneration Committee consists of three (3) Independent Non-Executive Directors and its composition is as follows:

Members	Designation
Dato' Martini binti Osman	- Chairperson of the Remuneration Committee, Independent Non-Executive Director
Datuk Rashidi bin Hasbullah	- Independent Non-Executive Director
Syafinaz Merican binti Isahak Merican	- Independent Non-Executive Director

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.tancoholdings.com.

The Remuneration Committee held one (1) meeting during the FYE 2024.

The Board has adopted a Remuneration Policy and Procedures to support the Directors and Key Senior Management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and Key Senior Management who will manage and drive the Company's success. The Remuneration Policy and Procedures is available on the Company's website at www.tancoholdings.com.

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy and Procedures. The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the Executive Directors. The remuneration of Executive Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities.

Both the remuneration of Executive Directors and Key Senior Management are structured to link rewards to the achievement of individual and corporate performance.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on the decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should reflect the experience and the level of responsibilities undertaken by each Non-Executive Director. The Board will then recommend the yearly Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

In addition to the above, the Company has taken up a Directors' and Officers' Liability ("D&O") insurance for coverage of the Directors' defence costs and legal representation expenses incurred by the Directors concerned should any action be brought against them for their actions as Director of the Company and/or its subsidiaries. Nevertheless, the D&O insurance does not indemnify a director if he is proven to have acted fraudulently or dishonestly or for any intentional breach of the law.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

III. REMUNERATION (Continued)

None of the Executive Directors have received fees or salary related benefits from the Company during the FYE 2024. The details of Directors' remuneration as at 30 June 2024 paid or payable by the Company and its subsidiary companies for the FYE 2024 on named basis are as follows:

Company Level

Non-Executive Director						
Name of Director	Directors' Fees (RM)	Meeting Attendance Allowances (RM)	Salaries (RM)	Benefits -in-kind (RM)	Other Emoluments (RM)	Total (RM)
Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	60,000	3,500	-	-	-	63,500
Datuk Rashidi bin Hasbullah	36,000	8,000	-	-	-	44,000
Dato' Martini binti Osman	36,000	8,000	-	-	-	44,000
Wong Jee Seng	45,290	6,500	-	-	-	51,790
Syafinaz Merican binti Isahak Merican	45,290	5,000	-	-	-	50,290
Total	222,580	31,000	-	-	-	253,580

Group Level (Company and Subsidiary)

Executive Director						
Name of Director	Directors' Fees (RM)	Meeting Attendance Allowances (RM)	Salaries (RM)	Benefits -in-kind (RM)	Other Emoluments (RM)	Total (RM)
Dato' Sri Andrew Tan Jun Suan	-	-	576,000	22,700	92,133	690,833
Koay Ghee Teong	-	-	276,240	6,000	58,501	340,741
Christopher Tan Khoon Suan	-	-	262,160	12,500	36,655	311,315
Chew Shen Hoay	-	-	300,240	5,300	61,381	366,921
Total	-	-	1,414,640	46,500	248,670	1,709,810

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

III. REMUNERATION (Continued)

Group Level (Company and Subsidiary) (Continued)

Non-Executive Director						
Name of Director	Directors' Fees (RM)	Meeting Attendance Allowances (RM)	Salaries (RM)	Benefits -in-kind (RM)	Other Emoluments (RM)	Total (RM)
Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse	60,000	3,500	-	-	-	63,500
Datuk Rashidi bin Hasbullah	36,000	8,000	-	-	-	44,000
Dato' Martini binti Osman	36,000	8,000	-	-	-	44,000
Wong Jee Seng	45,290	6,500	-	-	-	51,790
Syafinaz Merican binti Isahak Merican	45,290	5,000	-	-	-	50,290
Total	222,580	31,000	-	-	-	253,580

Senior Management Remuneration

The Company has opted not to disclose on a named basis for the Senior Management's remuneration in bands of RM50,000 due to confidentiality and sensitivity of each remuneration package as well as the competitive market for talents in the businesses of the Group.

As an alternative, details of the remuneration of the top five (5) Senior Management of the Group (including salary, benefits in-kind and other emoluments) for the FYE 2024 are disclosed on an aggregate basis and in each successive bands of RM50,000 as follows:-

Range of Remuneration	Number of Senior Management
RM400,001 to RM450,000	1
RM300,001 to RM350,000	2
RM150,001 to RM200,000	2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a balanced and clear view and assessment of the Company's financial position, performance and prospects and in compliance with the applicable financial reporting standards.

The Audit and Risk Management Committee ("ARMC") assists the Board in reviewing the Group's financial reporting process and accuracy of its financial results and scrutinising information for disclosure to ensure reliability and compliance with the applicable financial reporting standards. The ARMC reviewed the unaudited quarterly financial reports and year-end financial statements of the Company prior to recommendation of the same to the Board for approval and submission to Bursa Securities.

The ARMC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board. All members of the ARMC are financially literate, with one (1) of the members of the ARMC is a Chartered Management Accountant.

The current ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The ARMC has incorporated in its terms of reference a requirement for a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The membership of the ARMC, meeting & attendance, summary of work of ARMC and summary of work of the internal audit function are set out in the ARMC Report section of this Annual Report.

The Terms of Reference of the ARMC is available on the Company's website at www.tancoholdings.com.

None of the members of the Board were former key audit partners and notwithstanding that in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the Board.

Assessment of Sustainability and Independence of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the ARMC. Under the existing practice, the ARMC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Company's yearly financial statements. In addition, the ARMC will also have private meetings with the External Auditors without the presence of the Executive Directors and Senior Management to enable exchange of views on issues requiring attention.

The ARMC has adopted an External Auditors Policy which outlines the policies and procedures for the ARMC to govern the assessment and to monitor the External Auditors.

For the FYE 2024, the ARMC has assessed the suitability and independence of the External Auditors vide an annual assessment of the suitability and independence of the External Auditors.

Both the ARMC and Board have considered the external auditors' performance and independence for the FYE 2024. Based on the assessment, it has been determined that the External Auditors continue to be objective and remain independent of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (Continued)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (Continued)

Assessment of Sustainability and Independence of External Auditors (Continued)

In addition, the External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are also required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants and they have provided the declaration in their annual Audit Plan and Audit Committee Memorandum presented to the ARMC of the Company.

Upon completion of the said assessment, the ARMC was satisfied with Messrs. Baker Tilly Monteiro Heng PLT's technical competency and audit independence during the FYE 2024.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to ensure that an effective system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group.

While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

The Board is also responsible to oversee the areas of anti-corruption and bribery and in ensuring that adequate and appropriate policies and procedures on anti-corruption are in place. The ARMC had reviewed and established the Anti-Corruption and Bribery Policy of the Group and has embedded corruption risk in the risk register and in the annual risk assessment of the Group.

During the financial year under review, the ARMC had reviewed and established the Conflict of Interest Policy ("COI Policy") of the Group and recommended the same to the Board for adoption. The COI Policy aligns with the recent amendments on enhancing the MMLR of Bursa Securities in relation to the enhancement to the existing conflict of interests ("COI") disclosures involving directors and key senior management with the listed issuer and its subsidiaries. The scope of the Audit Committee ("AC") has been expanded to include the review of COI situations that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the COI and the AC is required to disclose a summary of any COI or potential COI situation within the listed issuer or group that it has reviewed (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts, in its AC report, which has taken into effect on 1 July 2023.

As at the date of this statement, no COI was reported to the ARMC except for the Recurrent Related Party Transactions ("RRPTs") which will be tabled to the shareholders for approval at the forthcoming Sixty-Fifth (65th) AGM of the Company to obtain the renewal of shareholders' mandate for RRPTs of a revenue or trading nature as contained in the Circular to Shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (Continued)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (Continued)

The internal audit function of the Company is outsourced to Messrs. S F Chang Corporate Services Sdn. Bhd., and they are free from any relationships or conflict of interest that could impair their objectivity and independence. The Internal Auditor reports to the ARMC and provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of the risk management process is carried out by the ARMC of the Group.

Details pertaining to the Group's internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board ensures that all material information and corporate disclosures are discussed with the Management prior to dissemination to ensure compliance with MMLR of Bursa Securities. In deciding on the necessary disclosures and announcements, the Board is also guided by Bursa Securities' corporate disclosure guides as published by Bursa Securities from time to time.

The Board has established a Corporate Disclosure Policy. This policy provides a framework for the Board and the management to communicate effectively with the Company's shareholders, investors, stakeholders, external parties and the general public.

The Board is committed to achieve timely and high-quality disclosure in accordance with the spirit, intention and purpose of the applicable regulatory requirements.

The Board has adopted the following measures with regard to communication with the Company's stakeholders:-

(i) Announcements to Bursa Securities

Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Securities. Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results and the distribution of annual reports and circulars in the website of Bursa Securities at www.bursamalaysia.com.

(ii) Corporate Website

A corporate website at www.tancoholdings.com is maintained and the said website contains relevant information on the Group's activities, financial results, major strategic development and other matters affecting stakeholders' interests for the shareholders, potential investors, suppliers and the general public.

(iii) Annual Reports

The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (Continued)

I. COMMUNICATION WITH STAKEHOLDERS (Continued)

(iv) AGMs

The AGM is the principal forum for dialogue and communication with shareholders.

(v) Investor Relations

Shareholders and other interested parties are welcome to contact the Company should they have any comments, questions or concerns, by writing in, via telephone, facsimile or email, details of which are as follows:-

Address	:	No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan.
Telephone No.	:	+6(03) 8070 8288
Fax No.	:	+6(03) 8070 8299
Email address	:	corporate@tancoholdings.com

II. CONDUCT OF GENERAL MEETINGS

The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Shareholders are encouraged to actively participate during AGMs by raising questions and providing feedbacks to the Board and Senior Management.

The members of the Board, Chairmen of the ARMC, Nomination Committee, Remuneration Committee and Senior Management as well as the External Auditors are present to facilitate shareholder engagement and to provide clear and meaningful responses to shareholders' concerns and queries.

The notice of AGM together with the Annual Report are despatched to shareholders at least twenty-eight (28) days prior to the meeting date. Sufficient notice period is given to the shareholders in order for them to schedule their time to attend the Company's AGM or to appoint a proxy to attend and vote on their behalf. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

In line with paragraph 8.29A of the MMLR of Bursa Securities on the requirement for poll voting for any resolution set out in the notice of general meetings, during the 64th AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was appointed to verify the poll results and the outcome of the AGM was announced to Bursa Securities on the same day. A summary of the key matters discussed at the said AGM will also made available on the Company's website.

If a shareholder is unable to attend, participate and vote at the General Meetings, the Company allows him/her to appoint any person, who may but need not be a member of the Company, to be his/her proxy. A proxy appointed to attend, participate and vote at the General Meetings shall have the same rights as the shareholders to participate, speak and vote at the General Meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Continued)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (Continued)

II. CONDUCT OF GENERAL MEETINGS (Continued)

Leverage Technology for Remote Participation and Voting by Shareholders

The last AGM of the Company was duly convened and held on 20 December 2023 on a fully virtual basis through live streaming and online remote voting by using Remote Participation and Voting ("RPV") facilities provided by Vote2U via online meeting platform. All Directors, Senior Management, External Auditors and the Solicitor were participated in the 64th AGM over the virtual meeting platform.

The Company will continue to leverage on technology by conducting its upcoming 65th AGM on a fully virtual basis through live streaming and online remote voting using RPV facilities via Vote2U online meeting platform at https://web.vote2u.my (Domain Registration No. with MYNIC: D6A471702). This allows shareholders and proxies to fully participate, speak (in the form of real-time submission of typed texts) and vote remotely from any locations via RPV facilities.

This CG Overview Statement is approved by the Board of Directors of the Company on 22 October 2024.

NOMINATION COMMITTEE STATEMENT

1. COMPOSITION

The Nomination Committee ("NC") consists of wholly Independent Non-Executive Directors and its composition is as follows:-

Members	Designation
Datuk Rashidi bin Hasbullah	- Chairman of the NC, Independent Non-Executive Director
Dato' Martini binti Osman	- Independent Non-Executive Director
Syafinaz Merican binti Isahak Merican	- Independent Non-Executive Director

2. ATTENDANCE

During the financial year ended 30 June 2024, the NC held two (2) meetings which were held on 29 August 2023 and 27 February 2024 respectively. The details of attendance of each member of the NC held during the financial year are as follows:-

Name	Attendance
Datuk Rashidi bin Hasbullah	2/2
Dato' Martini binti Osman	2/2
Syafinaz Merican binti Isahak Merican	2/2

3. SUMMARY OF ACTIVITIES OF THE NC

Summary of the activities during the financial year ended 30 June 2024 up to the date of this statement are as follows:-

Annual Assessment

The NC conducted an annual review of the evaluation of performance of the Directors (or "Board") and the Board Committees. The Directors have completed the following performance evaluation ("Performance Evaluation") which involves:

(i) the effectiveness of the Board as a whole and of the Committees of the Board;
(ii) the character, experience, integrity, competence, time commitment and other qualities of each Director;
(iii) mix of skills and experience of each individual Director, including core competencies of the Non-Executive Directors;
(iv) Environmental, Social and Governance ("ESG") or Sustainability;
(v) level of independence of Directors; and
(vi) controls and compliance on Senior Management.

Following the Performance Evaluation, the results were compiled and analysed by the Company Secretary and presented at Board and Board Committees meetings. The responses from the evaluation process indicated that the Board is well balanced, the size of the Board is adequate for the Group and the Board has the relevant knowledge relating to the Group's businesses. The Directors believe Board meetings are well organised, efficiently run and all relevant aspects of the Company's businesses are dealt with thoroughly by the Board and its various committees which have all discharged their responsibilities adequately. The individual Director has also met the standards expected of them, with each making strong contributions, generally and through the knowledge derived from their specialised areas of expertise, qualifications, skills and experience.

NOMINATION COMMITTEE STATEMENT (continued)

3. SUMMARY OF ACTIVITIES OF THE NC (continued)

Annual Assessment (continued)

All the Directors have also demonstrated willingness to devote time an effort to the affairs of the Company while acting in good faith and with integrity at all times.

The NC also concluded that each Independent Director has fulfilled the independence criteria set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and they continue to demonstrate their independence through their engagement in meetings, providing objective challenge to the Management and bringing independent judgment to decisions taken by the Board.

Based on the Performance Evaluation, the NC also concluded that the effectiveness of controls and compliance on Senior Management are deemed appropriate and effective and that the Board together with the Senior Management have discharged their roles and responsibilities in addressing the Company's material sustainability risks and opportunities.

Re-election of Directors

The NC reviewed and carried out an assessment of the Directors who are subject to retirement by rotation at the forthcoming Sixty-Fifth Annual General Meeting ("65th AGM") of the Company in accordance with Clause 114 of the Company's Constitution, and had recommended the re-election of Dato' Sri Andrew Tan Jun Suan, Mr. Koay Ghee Teong and Datuk Martini binti Osman ("Retiring Directors") who being eligible to be re-elected, have individually indicated their willingness to be re-elected. Its assesses and evaluates the Retiring Directors individually based on the following criteria and was satisfied with the Retiring Directors' performance and contributions to the Board and they have discharged their responsibilities effectively. They also possess relevant qualification, knowledge and experience which complement the Board's competencies:-

a. Fit and proper assessment;
b. Contribution and performance; and
c. Calibre and personality;

Term of office and performance of the Audit and Risk Management Committee ("ARMC")

The NC reviewed and assessed the term of office and performance of the ARMC and each of its members based on the quality and composition; skills and competencies; and meeting administration and conduct. Following the evaluation, the NC concluded that the ARMC and each of its members have been effective in discharging their responsibilities and carried out their duties in accordance with the terms of reference of the ARMC. The NC also satisfied with the overall skills and competencies and performance of each of its members, and had recommended the continuation of the existing members in the ARMC for the Board's approval.

Re-appointment of Group Managing Director

The NC also reviewed the re-appointment of the Group Managing Director of the Company and had recommended the same to the Board for approval.

This Nomination Committee Statement is approved by the Board of Directors of the Company on 22 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

To comply with Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information has been provided:

i) Status of Utilisation of Proceeds Raised from Corporate Proposal

Redeemable Convertible Notes ("RCN")

As at the date of this report, the RCN had expired on 29 September 2023. The total proceeds of RM100.0 million from the RCN was utilised as follows:

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 said corporate exercise	7,500	5,592	Within thirty-six (36) months
TOTAL	**100,000**	**72,000**	

Note:
^ The proceeds raised were utilized from the date of issuance of the respective sub-tranches of the Notes and within the estimated timeframe stated above.

ii) Material Contract

There were no material contracts entered into by the Company and its subsidiary companies, involving the interest of the Directors and major shareholders up to the date of this report.

iii) Recurrent Related Party Transactions of a Revenue Nature

At the Sixty-Fourth Annual General Meeting of the Company held on 20 December 2023, the Company obtained a mandate from the shareholders for recurrent related party transactions ("**RRPTs**") of a revenue or trading nature with related parties.

In accordance with Section 3.1.5 of Practice Note No. 12 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of RRPTs conducted during FYE 2024 pursuant to the shareholders' mandate are disclosed as follows:

Transacting Parties		Types of Recurrent Transactions	Interested Related Parties	Transacted amount during the FYE 2024 (RM'000)
Company/ Subsidiaries	**Related Party**			
Tanco Supplies Sdn Bhd ("TSSB")	Halaman Mantap Sdn Bhd ("HMSB")	Supply of various products, construction and/or building materials by HMSB to TSSB	Interested Directors and/or interested major shareholders of Tanco Group and/or persons connected to them as disclosed in the Circular to Shareholders dated 30 October 2023	166

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of Tanco Holdings Berhad ("the Company") is pleased to present the report of the Audit and Risk Management Committee (or "ARMC") for the financial year ended 30 June 2024 ("FYE 2024").

The establishment of Audit Committee of the Company was in line with the Listing Requirements ('Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Subsequently on 29 November 2018, the Board had approved the merger of Audit Committee and Risk Management Committee of the Company into a committee known as the "Audit and Risk Management Committee" to better reflect the ARMC's roles in supporting the Board to fulfill its responsibility of overseeing the risk management policies and framework as well as the internal control systems of the Group.

Members and Meetings Attendances

Members of ARMC	Designation
Wong Jee Seng	- Chairman of the ARMC, Independent Non-Executive Director
Datuk Rashidi bin Hasbullah	- Independent Non-Executive Director
Dato' Martini binti Osman	- Independent Non-Executive Director

Terms of Reference

The Terms of Reference of the ARMC is available for reference on the Company's website at www.tancoholdings.com.

Meetings

During the financial year ended 30 June 2024, the ARMC held a total of six (6) meetings. The details of the attendance of each of the ARMC members are as follows:

Name of ARMC member	Attendance
Wong Jee Seng	6/6
Datuk Rashidi bin Hasbullah	6/6
Dato' Martini binti Osman	6/6

The Internal Auditors attended two (2) meetings while the External Auditors attended three (3) meetings. Separate meetings between the ARMC and the External Auditors were held two (2) times during the financial year under review to discuss audit feedback, amongst others, without the presence of any Executive Directors and Management of the Group. The Executive Director(s) and Group Chief Financial Officer were also invited to attend the ARMC meetings.

There were no restrictions of resources or information to the ARMC that would have impaired the effective execution of the ARMC's responsibilities. The ARMC engages on a continuous basis with the Executive Directors, the Senior Management, the External Auditors and the Internal Auditors of the Group to keep abreast of issues affecting the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Continued)

Summary of Work of the ARMC

The work of the ARMC is in line with its responsibilities as set out in the Terms of Reference. The following summary sets out the work of the ARMC during the financial year under review in discharging its functions and duties and how the ARMC met its responsibilities.

Financial Reporting

The ARMC reviewed the Quarterly Interim Financial Reports, which were presented by the Management, with the aim of ensuring that the Reports, inter alia, complied in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and with the disclosure requirements of the Listing Requirements, the Companies Act 2016, other statutory and regulatory requirements, prior to recommending the Reports to the Board for consideration and approval, and for subsequent release to Bursa Securities. The ARMC also sought explanations from Management on the Group's performance against the prior year's results.

The ARMC also reviewed the Annual Audited Financial Statements, which were presented by the Management, with the External Auditors, with the aim of ensuring that the Statements, inter alia, complied with the disclosure requirements of the approved MFRSs, the IFRSs, the Companies Act 2016, the Listing Requirements and other statutory and regulatory requirements, and to resolve any contentious issues, if any, prior to recommending the Statements to the Board for consideration and approval, and for subsequent release to Bursa Securities and for dispatch to the shareholders of the Company.

External Audit

During the financial year under review, the ARMC carried out the following activities:

- Reviewed the External Audit Plan, scope and nature of statutory audit of the Group's financial statements prior to the commencement of audit;
- Reviewed the External Audit Reports and the significant findings of the External Auditors' examination on the financial statements of the Group;
- Reviewed the External Auditors' recommendations and management responses on matters for control improvements;
- Reviewed and discussed the impact of new and proposed changes in MFRSs, IFRSs and other new developments in financial reporting with the External Auditors;
- Reviewed the suitability of the External Auditors for re-appointment through a performance and independence checklist which had been adopted by the ARMC, taking into consideration amongst others, their independence, performance, competence, experience of audit team assigned, provision of non-audit services and audit fees;
- Reviewed the quarterly and annual financial results of the Company and the Group prior to submission to the Board of Directors for consideration and approval;
- Reviewed the Annual Audited Financial Statements of the Company and of the Group prior to submission to the Board of Directors for consideration and approval;
- Reviewed the Circular to Shareholders to seek for shareholders' mandate for related party transactions entered into by the Company and by the Group;
- Reviewed the Conflict of Interest policy of the Group; and
- Reviewed the disclosure Statements on compliance of the Malaysian Code on Corporate Governance, Board's responsibility on the Annual Audited Financial Statements and the state of internal control and other relevant documents for publication in the Company's Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Continued)

Internal Audit

The ARMC recognises the importance of the internal audit function and the need for it to be independent of Management in order to carry out its function effectively. During the financial year, the Group's internal audit function was outsourced to Messrs. S F Chang Corporate Services Sdn. Bhd., an independent professional firm, which reports directly to the ARMC.

The internal audit function assists the ARMC in reviewing and monitoring the adequacy, effectiveness and integrity of the Group's internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, preserving the quality of assets and the integrity of the management information system and consequently determining the future requirements for the internal control system.

Internal Audit Function

The principal role of the internal audit function is to undertake, on a prioritised approach, an independent and systematic assessment of the Group's system of internal controls as established by Management in addressing the principal business risks faced by the Group, weaknesses and areas that required improvement, including the recommendations thereof and action plans agreed to be deployed by Management to address the issues raised, were highlighted by the independent internal audit function by way of internal audit reports issued to the ARMC.

The internal audit function conducted its work based on an annual internal audit plan which was tabled before, and approved by, the ARMC. The activities and work carried out by the internal audit function are set out below:

(i) Conduct of Internal Audit

The internal audit function adopted a risk-based approach in identifying specific areas and processes to be covered. Issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues noted, were highlighted in an internal audit report and furnished to the ARMC.

The Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group. The internal audit function is involved in carrying out:

- A review on the effectiveness and efficiency of the governance, risk management and internal control processes;
- A systematic analysis of business processes and associated controls;
- Ad-hoc reviews of other areas where there is a concern that affects financial reporting or a threat on safeguarding of the Company's assets;
- Review of compliance framework and specific compliance issues; and
- Value-added recommendation.

(ii) Follow-up Internal Audit Report

The internal audit function also performed a follow-up on the status of Management agreed action plans on recommendations raised in previous cycles of internal audits. A follow-up report was issued to highlight those issues that had yet to be fully addressed by Management, including specific timelines for those outstanding matters to be resolved.

Report issued by the internal audit function for the financial year under review was tabled at ARMC meeting. Management was present at such meeting to provide pertinent clarification or additional information to address questions raised by ARMC members pertaining to matters raised by the internal audit function. The internal audit review also evolves with the changing risk profiles and adds value to the business, as well as assisting with improving business efficiency performance. The internal audit approach broadly inquiry, analyse and review of the internal audit areas.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Continued)

Internal Audit Function (Continued)

The Internal Auditors conducted one (1) review during the financial year. At the ARMC meeting, the Internal Auditors presented their Internal Audit Review Report to the Committee for review and discussion with Management. The Internal Audit Review Report highlighted the Internal Auditors' review and findings on the Group's compliance with the established internal policies and procedures, their assessment of the magnitude of the Internal Auditors' recommendations on the corrective actions to overcome the weaknesses and Management's comments and agreed actions thereon. The Internal Auditors reported their follow-up findings and highlighted any non-actions by Management in subsequent ARMC meetings.

In all internal audit review, the Internal Auditors have reported that the internal control system of the Group is generally in place with minimum control issues.

The ARMC is satisfied with the results of the internal audit review during the financial year. None of the findings has resulted in any material losses that would require separate disclosure in this Report and the ARMC has reported the same to the Board of Directors.

The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 30 June 2024 was RM9,000.

Assessment of Independence and Performance

To support the ARMC's assessment of their independence, the External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors namely, Baker Tilly Monteiro Heng PLT ("Baker Tilly") are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors have provided the declaration in their annual Audit Plan and Audit Committee Memorandum presented to the ARMC of the Company.

The ARMC also ensures that the External Auditors are independent of the activities they audit and will review the contracts for provision of non-audit services by the External Auditors and its affiliates. The recurring non-audit service was in respect of the annual review of the Statement on Risk Management and Internal Control.

The amount of audit and non-audit fees paid or payable to the External Auditors and its affiliates by the Company and Group in the financial year ended 30 June 2024 are set out below:-

	Group (RM)	Company (RM)
Audit and non-audit fees (a)	280,000	90,800
Non-audit fees (b)	5,000	5,000
Percentage (%) of total non-audit fees over total fees (b)/(a)	1.8%	5.5%

In considering the nature and scope of non-audit fees, the ARMC was satisfied that they were not likely to create any conflict or impair the independence and objective of the External Auditors.

Upon completion of the assessment, the ARMC will recommend the re-appointment of Baker Tilly as External Auditors of the Company to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Continued)

Risk Management

The ARMC reviewed the Risk Management Framework, Risk Assessment and the Risk Registry of the Group and the ongoing identification, evaluation and management of the significant risks affecting the Group, as reported in the Statement on Risk Management and Internal Control of this Annual Report.

The ARMC also reviewed the requirement of compliance to the Anti-Corruption and Bribery Policy and measures to prevent employees and/or associated persons from undertaking corrupt practices in relation to the Company or the Group's business activities.

Related Party Transactions and Conflict of Interest

The ARMC reviewed the policy and procedures for related party transactions, including the recurrent related parties transactions ("RRPTs") of a revenue and trading nature on a quarterly basis, that had arisen within the Company and the Group during the financial year and is satisfied that the said procedures are sufficient to ensure that the RRPTs undertaken are on arm's length basis and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority Shareholders of the Company as well as the thresholds of the RRPTs mandate obtained to ensure compliance with the Listing Requirements of Bursa Securities.

During the financial year under review, the ARMC had also reviewed and established the Conflict of Interest Policy ("COI Policy") of the Group and recommended the same to the Board for adoption. The COI Policy aligns with the recent amendments on enhancing the Listing Requirements of Bursa Securities in relation to the enhancement to the existing conflict of interests ("COI") disclosures involving directors and key senior management with the listed issuer and its subsidiaries.

Up to the date of this report, there were no related party transactions and COI situations brought to the attention of the ARMC except for the RRPTs which will be tabled to the shareholders for approval at the forthcoming Sixty-Fifth Annual General Meeting of the Company to obtain the renewal of shareholders' mandate for RRPTs of a revenue or trading nature as contained in the Circular to Shareholders. There were neither new related party or parties nor new RRPTs for the financial year ended 30 June 2024.

The ARMC is also satisfied that the Group has in place adequate procedures and processes as to monitor, track and identify RRPTs in a timely and orderly manner. The ARMC conducts the review of these procedures and processes at least once in a financial year.

Based on the evaluation exercise, the Nomination Committee and the Board are satisfied that the ARMC has carried out its responsibility and duties in accordance with the Terms of Reference of the ARMC.

Conclusion

The ARMC is of the opinion that it has discharged its duties in accordance with Terms of Reference during the financial year, and that the Group's Risk Management and Internal Control system has been adequate and effective.

Please refer to the Statement on Risk Management and Internal Control section in this Annual Report for more information.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2024, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, Principle B of the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines ("Guidelines") for Directors of Listed Issuers.

Board's Responsibility

The Board affirms its responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, and cultivates a culture towards effective risk management and internal control system. The Board performs regular reviews to assess the adequacy and effectiveness of the risk management and internal control system.

The Board acknowledges that a sound risk management and internal control is imperative, and has established a governance structure that ensures effective oversight of risks and internal control within the Group at all levels. The Board is assisted by the Audit and Risk Management Committee ("ARMC"). The ARMC is empowered by its terms of reference, to ensure independent oversight of internal control and risk management.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that such system is designed to manage rather than to eliminate all the risks that may impede the achievement of Group's business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

Risk Management

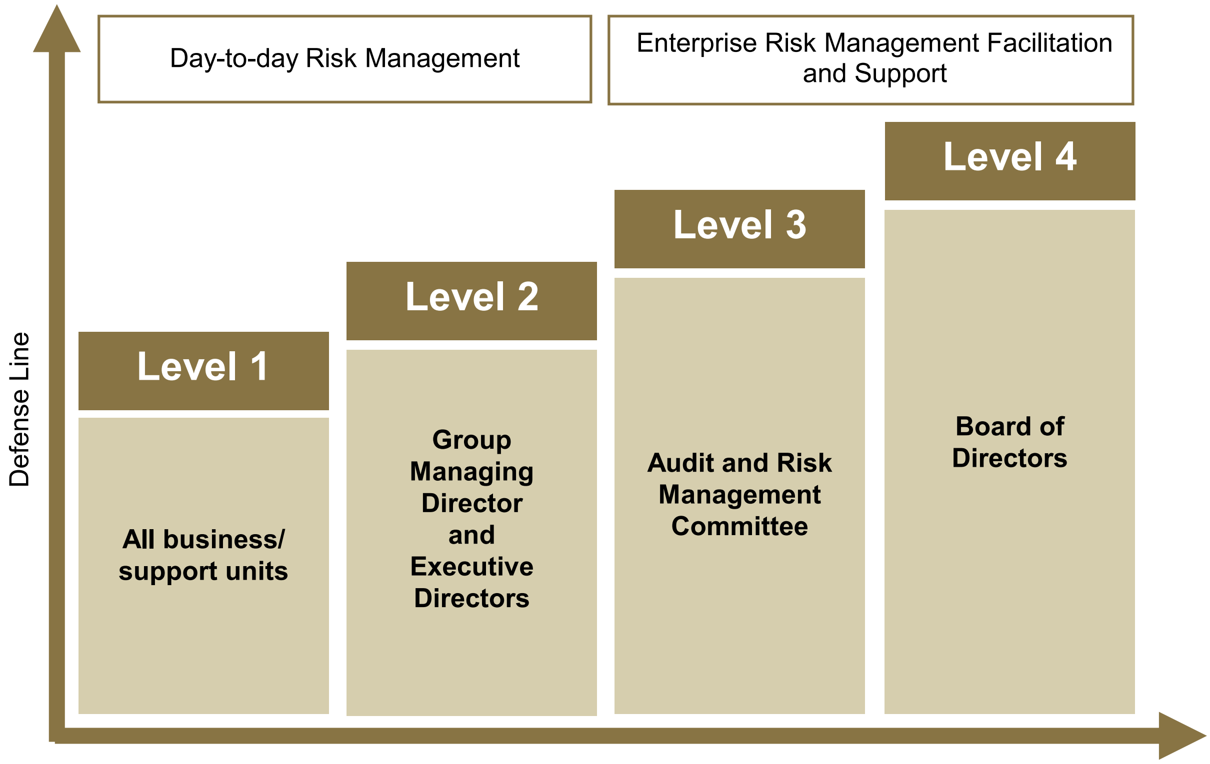
The Group has in place an Enterprise Risk Management framework ("Framework"), guided by ISO 31000:2018 which outlines the Group's risks and the on-going process for identifying, evaluating, managing, monitoring and communicating the risks faced by the Group throughout the financial year under review up to the date of approval of this Statement on Risk Management and Internal Control. The framework also categorises the risks in relation to strategic, operational, financial and compliance matters based on the Group business objectives.

The Board provides full support to implement the framework with an appropriate organisational structure and ensures that roles, responsibilities and accountabilities are clearly defined and communicated at all levels. This will enable risk information to be communicated through a clear and defined reporting structure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Risk Management (Continued)

The risk's organisational structure of the Group as illustrated below is established for effective risk management.



The Group's framework establishes the context of risk in relation to the Group's business and sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication which involves the key management from all business divisions and is chaired by the ARMC with the assistance from the Group Managing Director ("GMD") and Executive Directors ("EDs").

All key risks identified are captured in a risk register and reviewed by the divisional heads and support divisions. The risk register includes detailed assessments of the risks as well as the corresponding mitigating controls implemented or to be implemented to deal with the risks.

All the risks and its findings are consolidated and presented for deliberation during the ARMC meeting for update and to ensure its continued application and relevance. The significant risk management matters reported to the ARMC forms part of the ARMC's briefing to the Board. During the financial year under review, the updated risk register and its assessment results were reported and deliberated in the ARMC meeting.

The risk management process is an ongoing process and revisited whenever necessary in order to be responsive to changes in business and operational environment on a timely basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Internal Audit Function and Internal Control Process

The Group engaged an external independent party to provide internal audit services. The outsourced internal auditors' primary responsibility is to provide the Board, via the ARMC, an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The internal audit function adopts a risk-based approach in identifying areas of priority and carries out its works in accordance with an annual internal audit plan approved by the ARMC and the Board. The ARMC held a meeting with internal auditors during the financial year to review the internal audit report. Findings and concerns of the internal auditors are documented in the internal audit report, which are tabled and discussed at the ARMC meeting together with appropriate corrective measures, and necessary action to be taken by the management. Significant issues, if any are brought to the attention of the Board. In addition, the internal auditors also execute monitoring reviews to ensure their recommendations for improvements to internal controls are implemented.

The other key elements/ features of the Group's internal control system include the following:

- an organisation structure, which formally defines lines of responsibility and delegation of authority;
- key functions such as corporate affairs, finance, tax, treasury, legal and human resources are controlled centrally;
- incompatible responsibilities are properly segregated to ensure that no staff is in total control of whole transactions;
- the Group has a policy on financial limits and approving authority for its operating and capital expenditure;
- formalised standard operating procedures are in place to ensure compliance with internal controls and the relevant laws and regulations;
- there is effective reporting system in place to ensure timely generation of financial and operational information for management review;
- training and development programmes are attended by employees to enhance their knowledge and competency;
- annual operating and financial budgets are prepared, and tabled to the Board for approval; and
- a Whistleblower policy is in place to provide secured communication channel which enabled whistleblowing process in transparent and confidential manner.

Monitoring and Review during the Financial Year

The GMD holds meetings with the EDs and senior management to discuss and resolve operational, corporate, financial and key management issues; and to review the financial performance of the Group.

The ARMC and the Board meetings held at least once in a quarter with agenda on matters for discussion, inclusive of reviewing quarterly financial results and annual report. The Group's quarterly interim financial report and certain contents of the Annual Report including the Annual Audited Financial Statements are reviewed by the ARMC, followed by the Board's approval before released to Bursa Securities.

The ARMC also has access to audit reports and meets the internal/ external auditors to discuss their findings and reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

Review of this Statement by External Auditors

The external auditors as required by Paragraph 15.23 of the MMLR, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2024 and have reported to the Board that based on the procedures performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 (AAPG 3), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control*, issued by the Malaysian Institute of Accountants, nothing has come to their attention that have caused them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

Conclusion

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard shareholders' investment and the Group's assets. In addition, the Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal control system is operating effectively in all material aspects.

The Board and ARMC will work closely with internal auditors to continuously improve the risk management and internal controls of the Group in terms of its integrity and adequacy, taken into consideration recommendations from external auditors on matters for control improvement. The Group's risk management and internal control systems will continue to be reviewed, added to or updated in line with the changes in the operating environment to enhance its adequacy and continued effectiveness.

This statement is approved by the Board of Directors on 22 October 2024.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

In accordance with the requirements in Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors are required to issue a statement explaining their responsibility for preparing the annual audited financial statements.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:

- The Group and the Company have used appropriate accounting policies that are consistently applied;
- Reasonable and prudent judgments and estimates have been made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with regulatory requirements.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

The Board is also assisted by the Audit and Risk Management Committee in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high-quality financial reporting. A full Audit and Risk Management Committee Report detailing its composition, and a summary of activities and work during the financial year is disclosed in this Annual Report.

This statement is approved by the Board of Directors on 22 October 2024.

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	15,567	10,377
Profit attributable to:		
Owners of the Company	11,904	10,377
Non-controlling interest	3,663	-
	15,567	10,377

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2024.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (Continued)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (Continued)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration paid or payable to auditors of the Group and of the Company during the financial year were RM323,200 and RM90,800 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

(a) 12,538,125 new ordinary shares pursuant to conversion of Redeemable Convertible Notes ("RCN") of RM5,000,000; and

(b) 155,091,400 new ordinary shares issued pursuant to the exercise of warrants at an issue price of RM0.31 per share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

WARRANTS

The Company had on 5 September 2022 issued 883,303,290 free warrants on the basis of one (1) warrants for every 2 existing ordinary shares. The Warrants are constituted by a Deed Poll dated 18 August 2022.

The exercise period of the Warrants 2022/2025 expires on 25 August 2025.

As at 30 June 2024, the total number of Warrants 2022/2025 that remained unexercised were as follows:

	Number of warrants			
	At 1 July 2023	**Issued**	**Exercised**	**At 30 June 2024**
Warrants 2022/2025	816,043,457	-	(155,091,400)	660,952,057

The salient terms of Warrants 2022/2025 are disclosed in Note 19 to the financial statements.

Details of the Warrants 2022/2025 issued to Directors are disclosed in the section of Director's Interests in this report.

DIRECTORS' REPORT (Continued)

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Dr. Mohd. Aminuddin bin Mohd. Rouse *
Dato' Sri Andrew Tan Jun Suan *
Datuk Rashidi bin Hasbullah
Dato' Martini binti Osman
Christopher Tan Khoon Suan*
Koay Ghee Teong*
Chew Shen Hoay*
Wong Jee Seng
Syafinaz Merican binti Isahak Merican

* *Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Antony Tan Yee Koon	
Edwin Tan Kium Suan	
Ghazita binti Mohd Ghazali	
Datuk Lee Cheng Bing	
Sherman Lam Yuen Suen	
Choo Ewe Chuen	
Chao Miew San	
Datuk Wira Chuah Lim Leng	(Appointed on 1 November 2023)
Liang Tian Jing	(Appointed on 27 June 2024)
Liang Tian Kiat	(Resigned on 27 June 2024)
Ong Siang Long	(Resigned on 27 June 2024)

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares and warrants in the Company and its related corporations during the financial year were as follows:

Interest in the Holding Company - TJN Capital Sdn. Bhd.	Number of ordinary shares			
	At 1 July 2023	Bought	Sold	At 30 June 2024
Direct interests:				
Dato' Sri Andrew Tan Jun Suan	7,025	-	-	7,025
Christopher Tan Khoon Suan	585	-	-	585

Interest in the Company	Number of ordinary shares			
	At 1 July 2023	Bought	Sold	At 30 June 2024
Direct interests:				
Dato' Sri Andrew Tan Jun Suan	187,574,600	91,987,000	-	279,561,600
Deemed interests:				
Dato' Sri Andrew Tan Jun Suan*	774,059,064	30,000,000	-	804,059,064

Interest in the Company	Number of warrants 2022/2025			
	At 1 July 2023	Bought	Sold	At 30 June 2024
Direct interests:				
Dato' Sri Andrew Tan Jun Suan	92,450,000	-	(21,000,000)	71,450,000
Deemed interests:				
Dato' Sri Andrew Tan Jun Suan*	66,452,304	-	(10,000,000)	56,452,304

* *Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Sri Andrew Tan Jun Suan is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or warrants of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (Continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Fees	223	223
Salaries and allowances	1,446	31
Defined contribution plans	175	-
Other emoluments	73	-
Benefits-in-kind	47	-
	1,964	254
Directors of subsidiaries		
Fees	24	-
Salaries and allowances	415	-
Defined contribution plans	44	-
Other emoluments	4	-
Benefits-in-kind	26	-
	513	-

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM20 million and RM42,350 respectively.

HOLDING COMPANY

The directors regard TJN Capital Sdn. Bhd., a company incorporated in Malaysia, as the holding company of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT (Continued)

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

The Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, retire and do not seek for re-appointment at the forthcoming Annual General Meeting ("AGM") of the Company.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO' SRI ANDREW TAN JUN SUAN
Director

CHRISTOPHER TAN KHOON SUAN
Director

Date: 22 October 2024

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	121,005	74,688	441	455
Investment properties	6	35,063	35,462	-	-
Investments in subsidiaries	7	-	-	297,671	267,675
Investment in an associate	8	15,000	-	-	-
Inventories	9	110,532	110,441	-	-
Intangible assets	10	19,397	18,870	-	-
Other investments	11	3	3	3	3
Trade receivables	12	34,334	-	-	-
Total non-current assets		**335,334**	**239,464**	**298,115**	**268,133**
Current assets					
Inventories	9	52,692	57,345	-	-
Current tax assets		273	30	-	-
Trade receivables	12	90,125	75,096	-	-
Other receivables, deposits and prepayments	13	11,309	31,165	13	10
Amounts owing by subsidiaries	14	-	-	30,601	4,655
Contract assets	26	12,260	6,116	-	-
Contract costs	15	1,588	1,625	-	-
Cash and short-term deposits	16	14,916	8,119	7,503	2,917
Total current assets		**183,163**	**179,496**	**38,117**	**7,582**
TOTAL ASSETS		**518,497**	**418,960**	**336,232**	**275,715**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (Continued)

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to Owners of the Company					
Share capital	17	209,409	156,331	209,409	156,331
Capital reserves	17	50,233	50,233	50,233	50,233
Redeemable convertible notes - equity component	18	-	153	-	153
Retained earnings		44,035	32,093	49,578	39,201
		303,677	238,810	309,220	245,918
Non-controlling interests		7,494	3,659	-	-
TOTAL EQUITY		**311,171**	**242,469**	**309,220**	**245,918**
Non-current liabilities					
Loan and borrowings	20	36,679	15,742	-	-
Long term payables	21	748	748	-	-
Deferred tax liabilities	22	142	188	-	48
Total non-current liabilities		**37,569**	**16,678**	**-**	**48**
Current liabilities					
Trade payables	23	68,559	47,493	-	-
Other payables, deposits and accruals	24	48,920	27,880	5,397	2,454
Provisions	25	973	-	-	-
Contract liabilities	26	31,135	42,562	-	-
Loan and borrowings	20	4,107	3,846	-	-
Amounts owing to directors	27	11,635	26,549	12,780	22,496
Amounts owing to subsidiaries	14	-	-	8,835	-
Redeemable convertible notes - liability component	18	-	4,799	-	4,799
Current tax liabilities		4,428	6,684	-	-
Total current liabilities		**169,757**	**159,813**	**27,012**	**29,749**
TOTAL LIABILITIES		**207,326**	**176,491**	**27,012**	**29,797**
TOTAL EQUITY AND LIABILITIES		**518,497**	**418,960**	**336,232**	**275,715**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	28	173,532	93,850	-	-
Cost of sales	29	(153,497)	(71,519)	-	-
Gross profit		**20,035**	**22,331**	**-**	**-**
Other income		24,840	12,861	13,992	2,616
Net allowance of impairment losses on financial instruments		(4,041)	(851)	(345)	(194)
Administrative expenses		(22,158)	(18,946)	(3,294)	(7,215)
Operating profit/(loss)		**18,676**	**15,395**	**10,353**	**(4,793)**
Finance income		90	6,864	35	-
Finance costs	30	(635)	(475)	(11)	(72)
Profit/(Loss) before tax	31	**18,131**	**21,784**	**10,377**	**(4,865)**
Tax (expense)/credit	33	(2,564)	(862)	-	126
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		**15,567**	**20,922**	**10,377**	**(4,739)**
Income/(Loss) attributable to:					
Owners of the Company		11,904	18,533	10,377	(4,739)
Non-controlling interest		3,663	2,389	-	-
		15,567	**20,922**	**10,377**	**(4,739)**
Total comprehensive income/(loss) attributable to:					
Owners of the Company		11,904	18,533	10,377	(4,739)
Non-controlling interest		3,663	2,389	-	-
		15,567	**20,922**	**10,377**	**(4,739)**
Earnings per ordinary share (sen)					
- Basic	34	0.59	1.03		
- Diluted	34	0.44	0.71		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		← Attributable to Owners of the Company →					
Group	**Note**	**Share capital RM'000**	**Capital reserve RM'000**	**Redeemable convertible notes - equity component RM'000**	**Retained earnings RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 July 2023		156,331	50,233	153	32,093	3,659	242,469
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	11,904	3,663	15,567
		156,331	50,233	153	43,997	7,322	258,036
Transactions with owners							
Issuance of shares pursuant to conversion of redeemable convertible notes	17	5,000	-	(153)	-	-	4,847
Issuance of shares pursuant to warrants exercised	17	48,078	-	-	-	-	48,078
Non-controlling interests arising from incorporation of a new subsidiary		-	-	-	-	2	2
Disposal of a subsidiary		-	-	-	38	-	38
Changes in ownership interests in subsidiaries		-	-	-	-	170	170
Total transactions with owners		53,078	-	(153)	38	172	53,135
At 30 June 2024		**209,409**	**50,233**	**-**	**44,035**	**7,494**	**311,171**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

Group	Note	Attributable to Owners of the Company				Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Capital reserve RM'000	Redeemable convertible notes - equity component RM'000	Retained earnings RM'000		
At 1 July 2022		107,981	50,233	275	13,560	144	172,193
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	18,533	2,389	20,922
		107,981	50,233	275	32,093	2,533	193,115
Transactions with owners							
Issuance of redeemable convertible notes		-	-	981	-	-	981
Issuance of shares pursuant to conversion of redeemable convertible notes	17	27,500	-	(1,103)	-	-	26,397
Issuance of shares pursuant to warrants exercised	17	20,850	-	-	-	-	20,850
Non-controlling interests arising from acquisition of a new subsidiary		-	-	-	-	1,126	1,126
Total transactions with owners		48,350	-	(122)	-	1,126	49,354
At 30 June 2023		**156,331**	**50,233**	**153**	**32,093**	**3,659**	**242,469**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

		Attributable to Owners of the Company				
Company	**Note**	**Share capital RM'000**	**Capital reserve RM'000**	**Redeemable convertible notes - equity component RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 July 2023		156,331	50,233	153	39,201	245,918
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	10,377	10,377
		156,331	50,233	153	49,578	256,295
Transactions with owners						
Issuance of shares pursuant to conversion of redeemable convertible notes	17	5,000	-	(153)	-	4,847
Issuance of shares pursuant to warrants exercised	17	48,078	-	-	-	48,078
Total transactions with owners		53,078	-	(153)	-	52,925
At 30 June 2024		**209,409**	**50,233**	**-**	**49,578**	**309,220**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

		Attributable to Owners of the Company				
Company	**Note**	**Share capital RM'000**	**Capital reserve RM'000**	**Redeemable convertible notes - equity component RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 July 2022		107,981	50,233	275	43,940	202,429
Loss for the financial year, representing total comprehensive income for the financial year		-	-	-	(4,739)	(4,739)
		107,981	50,233	275	39,201	197,690
Transactions with owners						
Issuance of redeemable convertible notes		-	-	981	-	981
Issuance of shares pursuant to conversion of redeemable convertible notes	17	27,500	-	(1,103)	-	26,397
Issuance of shares pursuant to warrants exercised	17	20,850	-	-	-	20,850
Total transactions with owners		48,350	-	(122)	-	48,228
At 30 June 2023		**156,331**	**50,233**	**153**	**39,201**	**245,918**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		18,131	21,784	10,377	(4,865)
Adjustments for:					
Allowance for impairment loss on:					
- amounts owing by subsidiaries	14(b)	-	-	439	202
- goodwill	10	-	380	-	-
- investments in subsidiaries	7(b)	-	-	1,837	4,651
- property, plant and equipment	5	-	61	-	-
- trade receivables	12	11,176	3,488	-	-
- other receivables	13	78	-	-	-
Depreciation of:					
- investment properties	6	1,201	1,177	-	-
- property, plant and equipment	5	960	802	14	14
- right-of-use assets	5	684	272	-	-
Interest expenses		635	475	11	72
Finance income		(90)	(6,864)	(35)	-
Loss on disposal of investment properties		-	15	-	-
Unwinding of discount		-	479	-	-
Provision of liquidated ascertained damage		973	-	-	-
Provision of tax penalty		287	-	-	-
Property, plant and equipment written off		11	-	-	-
Bad debts written off		4	-	-	-
Inventories written off		26	18	-	-
Deposits written off		2	-	-	-
Loss/(Gain) on disposal of property, plant and equipment		72	(465)	-	-
Gain on disposal of a subsidiary		(9,962)	-	(10,000)	-
Reversal of write down of inventories		-	(4,407)	-	-
Reversal of provision of tax penalty		(905)	-	-	-
Reversal of impairment loss on:					
- amounts owing by subsidiaries	14(b)	-	-	(94)	(8)
- investments in subsidiaries	7	-	-	(3,992)	(2,590)
- investment properties	6	(691)	(4,305)	-	-
- property, plant and equipment	5	(8)	-	-	-
- trade receivables	12	(6,962)	(2,482)	-	-
- other receivables	13	(232)	(155)	-	-
Operating profit/(loss) before changes in working capital, carried forward		**15,390**	**10,273**	**(1,443)**	**(2,524)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities (Continued)					
Operating profit/(loss) before changes in working capital, brought forward		**15,390**	**10,273**	**(1,443)**	**(2,524)**
Changes in working capital:					
Inventories		4,425	(2,303)	-	-
Receivables		(58,149)	(65,445)	(3)	(4)
Contract assets		(6,144)	(4,615)	-	-
Contract costs		37	2,014	-	-
Payables		42,068	24,664	2,943	2,097
Contract liabilities		(11,427)	10,771	-	-
Net cash (used in)/generated from operations		**(13,800)**	**(24,641)**	**1,497**	**(431)**
Tax paid		(4,416)	(344)	-	-
Tax refunded		11	-	-	-
Net cash (used in)/from operating activities		**(18,205)**	**(24,985)**	**1,497**	**(431)**
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(1,817)	(1,353)	-	-
Proceeds from disposal of property, plant and equipment		230	465	-	-
Proceeds from disposal of investment properties		-	901	-	-
Proceeds from disposal of a subsidiary		94	-	10,000	-
Acquisition of a subsidiary, net of cash acquired	7(h)(ii)	-	(19,868)	-	-
Incorporation of a subsidiary		2	-	(8)	-
Changes in ownership interests in subsidiaries		170	-	(339)	-
Advances to subsidiaries		-	-	(27,494)	(65,842)
Changes in pledged fixed deposits		(123)	(77)	-	-
Purchase of intangible assets	10	(527)	-	-	-
Interest received		90	6,864	35	-
Net cash used in investing activities		**(1,881)**	**(13,068)**	**(17,806)**	**(65,842)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from financing activities	(b)				
Net repayments of:					
- bridging loan		-	(34,236)	-	-
- term loans		(6,245)	560	-	-
- lease liabilities		(348)	-	-	-
- hire purchase payables		(19)	(128)	-	-
Repayments to subsidiaries		-	-	(17,456)	(4,813)
(Repayments to)/Advances from directors		(14,914)	25,436	(9,716)	21,553
Proceeds from issuance of redeemable convertible notes		-	27,991	-	27,991
Proceeds from exercise of warrants		48,078	20,850	48,078	20,850
Interest paid		(635)	(475)	(11)	(72)
Net cash from financing activities		**25,917**	**39,998**	**20,895**	**65,509**
Net increase/(decrease) in cash and cash equivalents		5,831	1,945	4,586	(764)
Cash and cash equivalents at the beginning of the financial year		6,755	4,810	2,917	3,681
Cash and cash equivalents at the end of the financial year		**12,586**	**6,755**	**7,503**	**2,917**
Analysis of cash and cash equivalents:					
Cash and bank balances		5,378	3,103	553	417
Deposits placed with licensed banks		9,538	5,016	6,950	2,500
Bank overdrafts		(991)	(148)	-	-
		13,925	7,971	7,503	2,917
Less: Non-short term deposits pledged with licensed banks		(1,339)	(1,216)	-	-
		12,586	**6,755**	**7,503**	**2,917**

(a) Purchase of property, plant and equipment:

	Group 2024 RM'000	Group 2023 RM'000
Cash payments	1,817	1,353
Contra arrangement with receivables	14,864	-
Lease arrangement	31,585	-
	48,266	1,353

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (Continued)

(b) Reconciliation of liabilities arising from financing activities:

	1 July 2023 RM'000	Cash flows RM'000	← Non-cash → Conversion RM'000	Others RM'000	30 June 2024 RM'000
Group					
Term loans	18,938	(6,245)	-	(4,618)	8,075
Lease liabilities	-	(348)	-	31,585	31,237
Hire purchase payables	502	(19)	-	-	483
Redeemable convertible notes - liability component	4,799	-	(4,799)	-	-
	24,239	(6,612)	(4,799)	26,967	39,795
Company					
Redeemable convertible notes - liability component	4,799	-	(4,799)	-	-

	1 July 2022 RM'000	Cash flows RM'000	← Non-cash → Conversion RM'000	Others RM'000	30 June 2023 RM'000
Group					
Term loans	5,854	560	-	12,524	18,938
Bridging loan	34,236	(34,236)	-	-	-
Hire purchase payables	299	(128)	-	331	502
Redeemable convertible notes - liability component	4,147	26,710	(26,058)	-	4,799
	44,536	(7,094)	(26,058)	12,855	24,239
Company					
Redeemable convertible notes - liability component	4,147	26,710	(26,058)	-	4,799

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM754,259 (2023: RM149,412).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tanco Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at No. 1, Jalan Bandar 1, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan.

The holding company of the Company is TJN Capital Sdn. Bhd., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of its subsidiaries are disclosed in Note 7. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of directors on 22 October 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17	Insurance Contracts

Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. **BASIS OF PREPARATION (CONTINUED)**

2.2 **Adoption of new MFRS and amendments to MFRSs (Continued)**

Amendments to MFRS 101 Presentation of Financial Statements (Continued)

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

2.3 **New MFRSs and amendments to MFRSs that have been issued, but yet to be effective**

(a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements.* It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. **BASIS OF PREPARATION (CONTINUED)**

2.3 **New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Continued)**

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below (Continued).

MFRS 18 Presentation and Disclosure in Financial Statements (Continued)

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period ; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. **BASIS OF PREPARATION (CONTINUED)**

2.3 **New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Continued)**

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below (Continued).

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The initial application of the above amendments to MFRSs is not expected to have material impact to the current and prior years financial statements of the Company.

2.4 **Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(c) Associates

Investment in associate is accounted for in the consolidated financial statements using the equity method.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

(a) Financial assets – subsequent measurement and gain and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gain and losses, including any interest and dividend income, are recognised in profit or loss.

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Finance income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Financial instruments (Continued)

(b) Financial liabilities – subsequent measurement and gain and losses

The Group and the Company classify the financial liabilities at amortised cost.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rates:

Freehold buildings	2% - 4%
Furniture and fittings	10% - 20%
Office equipment	10% - 20%
Maintenance equipment	10% - 20%
Rights in resort properties	2%
Motor vehicles	10% - 20%

3.5 Leases

(a) Lessee accounting

The Group present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 20.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are depreciated evenly over the lease period ranging from 67 months to 78 months.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases (Continued)

(a) Lessee accounting (Continued)

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Freehold building is depreciated at the annual rate of 2%. Long term leasehold land and building are depreciated evenly over the period ranging from 50 to 97 years.

3.7 Intangible assets

Intangible assets, other than goodwill and licenses, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Properties held for development

Properties held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Properties held for development will be reclassified to properties under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

3.8 **Inventories (Continued)**

Properties under development and completed properties

Properties under development consists of the cost of land and all costs that are directly attributable to development activities that can be allocated on a reasonable basis to such activities, including common costs.

The cost of unsold completed properties is determined on a specific identification basis.

Finished goods

Inventories are valued at the lower of cost and net realisable value (which is the estimated selling price less costs to complete and sell) after adequate provision has been made for all damaged, obsolete and slow moving stocks.

Cost, which is determined on the first in first out basis, consists of the invoiced value of goods purchased and other costs specifically incurred in bringing the stocks to their present location and condition.

3.9 **Compound financial instruments**

Compound financial instruments issued by the Company comprise Redeemable Convertible Notes (“RCN”) that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any transaction costs that are directly attributable are allocated to the liability and equity components in proportion to the allocated proceeds.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition except on conversion or expiry.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

3.10 **Revenue and other income**

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) **Revenue from property development and completed properties**

The Group develops and sells properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Revenue from sale of properties held for development and completed properties are recognised at a point in time when the control of the properties has been transferred to the customers i.e. upon delivery to purchasers, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the properties held for development and completed properties sold.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

3.10 **Revenue and other income (Continued)**

(b) **Construction contracts**

The Group's construction service is under long-term contracts with customers. Construction service contracts comprise multiple deliverables and therefore revenue is recognised by reference to each distinct performance obligation promised in the context with customer.

Under the terms of the contracts, control is transferred over time as the Group is contractually restricted from redirecting the assets to another customer and have an enforceable right to payment for work performed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone payment exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

The consideration of the contracts include variable consideration as penalty charges are imposed for late completion of work and the Group applies the most likely outcome method in estimating the amount.

(c) **Sale of goods**

Revenue from sale of manufactured pharmaceutical products and construction materials are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a normal credit term ranges from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Revenue and other income (Continued)

(d) Installation works contracts

The Group installs flooring works under long-term contracts with customers. Installation works contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group create or enhance an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of installation costs incurred for work performed to date bear to the estimated total installation costs (an input method).

Billings are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for installation works based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone payment exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(e) Revenue from annual subscription fees, club and resort operations

Revenue from annual subscription fees, club and resort operations is recognised over time because the customer receives and uses the benefits simultaneously. This is determined based on time elapsed (output method).

(f) Finance income from money lending business

Finance income earned from money lending business is recognised using effective interest method.

(g) Rental income

Rental income from properties is recognised on a straight-line basis over the term of the lease.

(h) Business consulting services

Revenue from business consulting services is recognised when services are rendered.

3.11 Contract costs

The Group has applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group would have recognised is one year or less.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) **Impairment of property, plant and equipment and investment properties (Note 5 and 6)**

The Group assesses impairment of property, plant and equipment and investment properties whenever the events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset or its value-in-use. The Group assessed the market price of properties based on market valuation performed by external independent valuer and information available through internal research.

(b) **Impairment of investment in subsidiaries (Note 7)**

The Group tests investment in subsidiaries at the end of the reporting period for any objective evidence that the investment may be impaired i.e. the carrying amount of the asset is less than its recoverable amount. For the purpose of assessing impairment, the Group determines the recoverable amount of the investments by taking into account the fair value less costs of disposal of the subsidiaries' assets. The Group assessed the market price of properties based on market valuation performed by external independent valuer and information available through internal research.

(c) **Write-down of slow moving inventories (Note 9)**

The Group writes down its slow moving inventories based on the assessment of their estimated net realisable value. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group assessed the market price of properties based on market valuation performed by external independent valuer and information available through internal research. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(d) **Recognition of property development revenue (Note 9 and 26)**

The Group recognises property development revenue in profit or loss by using the progress towards complete satisfaction of performance obligations. The progress towards complete satisfaction of performance obligations is determined by the proportion of property development costs incurred for work performed to date bear over the estimated total property development costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. **SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

(d) **Recognition of property development revenue (Note 9 and 26) (Continued)**

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue (including liquidated and ascertained damages) and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) **Recognition of construction revenue (Note 26)**

The Group recognises construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction cost incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue (including LAD) and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates by relying on the work of specialists.

(f) **Impairment of goodwill (Note 10(a))**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

(g) **Impairment of financial assets and contract assets (Note 35(b)(i))**

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(h) **Right-of-Use assets and Lease Liabilities (Notes 5(b) and 20 to the financial statements)**

The Group recognised right-of-use ("ROU") assets and lease liabilities arising from the hotel units leased by the Group for business operations which amounts to RM31,173,805 and RM31,236,880 respectively. In measuring ROU assets and lease liabilities, significant judgement is required in determining the lease term, lease payments and incremental borrowing rate. Any changes in the estimates may have significant effect on the Group's performance and financial position.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Leasehold buildings RM'000	Furniture and fittings RM'000	Office equipment RM'000	Maintenance equipment RM'000	Resort operations RM'000	Motor vehicles RM'000	Construction work in progress RM'000	Right-of-use assets RM'000	Total RM'000
Group										
2024										
Cost										
At 1 July 2023	44,545	1,927	708	1,057	313	86,619	1,232	55	22,121	158,577
Additions	166	-	1,044	296	-	39	272	14,864	31,585	48,266
Disposal	(156)	-	-	(3)	-	-	(214)	-	-	(373)
Written off	(18)	-	-	-	-	-	-	-	-	(18)
At 30 June 2024	44,537	1,927	1,752	1,350	313	86,658	1,290	14,919	53,706	206,452
Accumulated depreciation										
At 1 July 2023	3,961	1,927	382	757	313	29,979	895	-	5,180	43,394
Depreciation charge for the financial year	391	-	64	105	-	320	80	-	684	1,644
Disposal	(3)	-	-	-	-	-	(68)	-	-	(71)
Written off	(4)	-	-	(3)	-	-	-	-	-	(7)
At 30 June 2024	4,345	1,927	446	859	313	30,299	907	-	5,864	44,960
Accumulated impairment losses										
At 1 July 2023	-	-	-	-	-	40,495	-	-	-	40,495
Reversal of impairment loss	-	-	-	-	-	(8)	-	-	-	(8)
At 30 June 2024	-	-	-	-	-	40,487	-	-	-	40,487
Net carrying amount										
At 1 July 2023	40,584	-	326	300	-	16,145	337	55	16,941	74,688
At 30 June 2024	40,192	-	1,306	491	-	15,872	383	14,919	47,842	121,005

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Analysis of resort operations

	Leasehold land, golf course and club village RM'000	Rights in resort properties RM'000	Construction -in-progress - Marina Club RM'000	Motor vehicles RM'000	Total RM'000
Group					
2024					
Cost					
At 1 July 2023	22,927	22,562	40,434	696	86,619
Addition	39	-	-	-	39
At 30 June 2024	22,966	22,562	40,434	696	86,658
Accumulated depreciation					
At 1 July 2023	6,721	22,562	-	696	29,979
Depreciation charge for the financial year	320	-	-	-	320
At 30 June 2024	7,041	22,562	-	696	30,299
Accumulated impairment losses					
At 1 July 2023	61	-	40,434	-	40,495
Reversal of impairment losses	(8)	-	-	-	(8)
At 30 June 2024	53	-	40,434	-	40,487
Net carrying amount					
At 1 July 2023	16,145	-	-	-	16,145
At 30 June 2024	15,872	-	-	-	15,872

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land and buildings RM'000	Leasehold buildings RM'000	Furniture and fittings RM'000	Office equipment RM'000	Maintenance equipment RM'000	Resort operations RM'000	Motor vehicles RM'000	Construction work in progress RM'000	Right-of-use assets RM'000	Total RM'000
Group										
2023										
Cost										
At 1 July 2022	41,725	1,927	497	648	313	86,619	1,462	-	22,121	155,312
Additions	1,206	-	17	75	-	-	-	55	-	1,353
Disposal	-	-	-	-	-	-	(672)	-	-	(672)
Acquisition of a subsidiary	1,614	-	194	334	-	-	442	-	-	2,584
At 30 June 2023	44,545	1,927	708	1,057	313	86,619	1,232	55	22,121	158,577
Accumulated depreciation										
At 1 July 2022	3,344	1,927	274	574	313	29,659	1,392	-	4,908	42,391
Depreciation charge for the financial year	319	-	42	60	-	320	61	-	272	1,074
Disposal	-	-	-	-	-	-	(672)	-	-	(672)
Acquisition of a subsidiary	298	-	66	123	-	-	114	-	-	601
At 30 June 2023	3,961	1,927	382	757	313	29,979	895	-	5,180	43,394
Accumulated impairment losses										
At 1 July 2022	-	-	-	-	-	40,434	-	-	-	40,434
Impairment loss	-	-	-	-	-	61	-	-	-	61
At 30 June 2023	-	-	-	-	-	40,495	-	-	-	40,495
Net carrying amount										
At 1 July 2022	38,381	-	223	74	-	16,526	70	-	17,213	72,487
At 30 June 2023	40,584	-	326	300	-	16,145	337	55	16,941	74,688

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Analysis of resort operations

	Leasehold land, golf course and club village RM'000	Rights in resort properties RM'000	Construction -in-progress - Marina Club RM'000	Motor vehicles RM'000	Total RM'000
Group					
2023					
Cost					
At 1 July 2022/30 June 2023	22,927	22,562	40,434	696	86,619
Accumulated depreciation					
At 1 July 2022	6,401	22,562	-	696	29,659
Depreciation charge for the financial year	320	-	-	-	320
At 30 June 2023	6,721	22,562	-	696	29,979
Accumulated impairment losses					
At 1 July 2022	-	-	40,434	-	40,434
Impairment loss	61	-	-	-	61
At 30 June 2023	61	-	40,434	-	40,495
Net carrying amount					
At 1 July 2022	16,526	-	-	-	16,526
At 30 June 2023	16,145	-	-	-	16,145

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings	
	2024	**2023**
	RM'000	**RM'000**
Company		
Cost		
At 1 July/30 June	722	722
Accumulated depreciation		
At 1 July	267	253
Depreciation charge for the financial year	14	14
At 30 June	281	267
Carrying amount		
At 1 July	455	469
At 30 June	441	455

(a) **Assets pledged as security**

The net carrying amount of property, plant and equipment pledged as security for banking facilities granted to the subsidiaries as mentioned in Note 20 is as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Freehold land and buildings	8,501	8,135
Golf course and club village	-	16,145

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

(b) **Right-of-use assets**

The Group leases several assets including leasehold land and building. Information about leases for which the Group is lessee is presented below:

Analysis of right-of-use assets

	← Resort operations →			
Group	**Leasehold land RM'000**	**Leasehold land golf course and club village RM'000**	**Building RM'000**	**Total RM'000**
2024				
Cost				
At 1 July 2023	4,003	18,118	-	22,121
Addition	-	-	31,585	31,585
At 30 June 2024	4,003	18,118	31,585	53,706
Accumulated depreciation				
At 1 July 2023	1,743	3,437	-	5,180
Depreciation charge for the financial year	63	209	412	684
At 30 June 2024	1,806	3,646	412	5,864
Net carrying amount				
At 1 July 2023	2,260	14,681	-	16,941
At 30 June 2024	2,197	14,472	31,173	47,842
2023				
Cost				
At 1 July/30 June	4,003	18,118	-	22,121
Accumulated depreciation				
At 1 July 2022	1,680	3,228	-	4,908
Depreciation charge for the financial year	63	209	-	272
At 30 June 2023	1,743	3,437	-	5,180
Net carrying amount				
At 1 July 2022	2,323	14,890	-	17,213
At 30 June 2023	2,260	14,681	-	16,941

(i) The Group leases land and building for their operation site. The leases for operation site generally have lease term between 30 to 93 years (2023: 31 to 94 years).

(ii) Right-of-use building represents hotel units leased by the Group for business operations with lease period of 6 years (2023: Nil).

(c) Included in construction work-in-progress are Water Play Section Structures at Splash Park with a net carrying amount of RM14.777 million.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. INVESTMENT PROPERTIES

	Group 2024 RM'000	Group 2023 RM'000
Cost		
At 1 July	63,363	57,547
Acquisition of a subsidiary	-	3,380
Disposal	-	(942)
Transfers from inventories	111	3,378
At 30 June	63,474	63,363
Accumulated depreciation		
At 1 July	12,686	11,426
Acquisition of a subsidiary	-	109
Depreciation charge for the financial year	1,201	1,177
Disposal	-	(26)
At 30 June	13,887	12,686
Accumulated impairment losses		
At 1 July	15,215	19,520
Reversal of impairment loss during the financial year	(691)	(4,305)
At 30 June	14,524	15,215
Carrying amount		
At 1 July	35,462	26,601
At 30 June	35,063	35,462

(a) The fair value of the investment properties of approximately RM44.565 million (2023: RM44.565 million) are determined by the directors with reference to the market valuation performed by external independent valuer.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. INVESTMENT PROPERTIES (CONTINUED)

(b) Fair value of investment properties for the Group is categorised as follows:

	Significant unobservable inputs Level 3 RM'000
Group	
Asset for which fair value is disclosed	
Freehold land and buildings	
2024	44,565
2023	44,565

There are no Level 1 and Level 2 investment properties or transfers between Level 1 and Level 2 during the financial year ended 30 June 2024 or 30 June 2023.

Level 3 fair value

The estimated fair values of investment properties were arrived at using the comparable method and the cost method of valuation. The value of the land is arrived at by reference to similar land in the locality and adjusting for location, terrain, size, present market trends and other differences, where applicable. The value of the building is estimated by obtaining an asset in the similar locality and adjusted for location and accessibility, tenure, size and condition, where applicable. The significant unobservable inputs used in the valuation are price per square foot and construction cost per square foot.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

(c) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM'000	2023 RM'000
Rental income	101	24
Direct operating expenses		
- income generating investment properties	112	25
- non-income generating investment properties	60	166

(d) Investment properties with total carrying amount of RM2.265 million (2023: RM4.900 million) has been pledged as security for borrowings granted to the Group as disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. **INVESTMENTS IN SUBSIDIARIES**

	Note	Company 2024 RM'000	2023 RM'000
At cost			
Unquoted shares		120,002	119,655
Less: Allowance for impairment losses	(b)	(81,644)	(80,250)
		38,358	39,405
Quasi loans	(a)	262,864	235,370
Less: Allowance for impairment losses	(c)	(3,551)	(7,100)
		259,313	228,270
		297,671	267,675

(a) Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investments in the subsidiaries.

(b) The movement in the allowance for impairment losses for investments in subsidiaries are as follows:

	Company 2024 RM'000	2023 RM'000
At 1 July	80,250	75,661
Charge for the financial year (Note 31)	1,837	4,651
Reversal of impairment loss (Note 31)	(443)	(62)
At 30 June	81,644	80,250

(c) The movement in the allowance for impairment losses for quasi loans are as follows:

	Company 2024 RM'000	2023 RM'000
At 1 July	7,100	9,628
Reversal of impairment loss (Note 31)	(3,549)	(2,528)
At 30 June	3,551	7,100

The impairment and reversal of impairment of investments in subsidiaries have been recognised during the year in respect of loss making subsidiaries to adjust the carrying value to its recoverable amount determined based on fair value less cost of disposal of the subsidiaries' assets. The fair value is within level 3 of the fair value hierarchy. The key assumption used in estimating the fair values is the price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
Held directly				
Point Resort Club Sdn. Bhd. #	Malaysia	100	100	Investment holding.
Popular Elegance (M) Sdn. Bhd. #	Malaysia	100	100	Investment holding.
Splash Park Sdn. Bhd.	Malaysia	100	100	Property management services.
Tanco Development Sdn. Bhd.	Malaysia	100	100	Property development.
World Vacation Ownership Sdn. Bhd.	Malaysia	100	100	Provision of consultancy services and investment holding.
Medan Melati Sdn. Bhd. #	Malaysia	100	100	Investment holding.
Platinum Residence Sdn. Bhd. #	Malaysia	-	100	Investment holding.
Acrez33 Sdn. Bhd. #	Malaysia	100	100	Dormant.
Midports Holdings Sdn. Bhd.	Malaysia	79	-	Port operations, carrier haulage and transportation, logistics and investment holding.
Held through Tanco Development Sdn. Bhd.				
Tanco Builders Sdn. Bhd.	Malaysia	100	100	Contracting and building works.
Tanco Dot Com Sdn. Bhd. #	Malaysia	100	100	Provision of multimedia related business.
Held through World Vacation Ownership Sdn. Bhd.				
Tanco Resorts Berhad	Malaysia	100	100	Investment holding, and the management and operation of resorts and of vacation ownership interval and point based schemes.
BizCredit Sdn. Bhd.	Malaysia	100	100	Money lending business.
Palm Springs Development Sdn. Bhd.	Malaysia	100	100	Property development and property investment.
Palm Springs Resort (MM2H) Sdn. Bhd. #	Malaysia	100	100	Provide services in relation to Malaysia My Second Home Programme.
Tanco Properties Sdn. Bhd.	Malaysia	100	100	Property development and property investment.
Genium Corporation Sdn. Bhd.	Malaysia	100	100	General agent.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Details of the subsidiaries are as follows (Continued):

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Held through Tanco Builders Sdn. Bhd.				
Tanco Supplies Sdn. Bhd.	Malaysia	100	100	Installation and trading of construction materials.
Tanco Designs Sdn. Bhd. (formerly known as Tanco Holidays Sdn. Bhd.) #	Malaysia	100	-	Interior design, furnishing and renovation works.
Held through Genium Corporation Sdn. Bhd.				
Herbitec (M) Sdn. Bhd. @	Malaysia	72.6	51	Research and sales of pharmaceutical products.
Held through Herbitec (M) Sdn. Bhd.				
Herbitec Marketing Sdn. Bhd.	Malaysia	72.6	51	Sales of pharmaceutical products.
Held through Palm Springs Development Sdn. Bhd.				
Palm Springs Club Sdn. Bhd. #	Malaysia	100	100	Investment holding.
Regal Resort Sdn. Bhd. #	Malaysia	100	100	Property development.
Held through Tanco Properties Sdn. Bhd.				
Tanco Land Sdn. Bhd. #	Malaysia	80	100	Property investment.
Palm Springs Resort Management Berhad *	Malaysia	100	100	Property investment.
Held through Palm Springs Club Sdn. Bhd.				
Palm Springs Resort Berhad	Malaysia	100	100	Operator of golf and marina clubs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Details of the subsidiaries are as follows (Continued):

Name of company	Principal place of business/ country of incorporation	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
Held through Tanco Resorts Berhad				
Palm Springs Leisure Sdn. Bhd.^	Malaysia	100	100	Property and resort management.
Tanco Enterprise Sdn. Bhd. #	Malaysia	100	100	Property investment and general trading.
Tanco Club Berhad #	Malaysia	100	100	Club operator.
Tanco Lake Resorts Sdn. Bhd. #	Malaysia	100	100	Resort operator.
Tanco Recreational Holdings Sdn. Bhd. #	Malaysia	100	100	Property management.
Tanco Designs Sdn. Bhd. (formerly known as Tanco Holidays Sdn. Bhd.) #	Malaysia	-	100	Interior design, furnishing and renovation works.
Held through Splash Park Sdn. Bhd.				
DB Spa Villas Management Sdn. Bhd. #	Malaysia	100	100	Property and resort management.
Held through Palm Springs Resort Management Berhad				
Gplex Properties Sdn. Bhd. #	Malaysia	50.1	50.1	Investment holding and business consulting.

* *The effective equity interest held in Palm Springs Resort Management Berhad is 100% whereby 85.7% is held by Tanco Properties Sdn Bhd. and the remaining 14.30% is held by the Company.*

^ *The effective equity interest held in Palm Springs Leisure Sdn. Bhd. is 100% whereby 97.5% is held by Tanco Resorts Berhad. and the remaining 2.5% is held by the Company.*

@ *The effective equity interest held in Herbitec (M) Sdn. Bhd. is 72.6% whereby 51% is held by Genium Corporation Sdn. Bhd. and the remaining 21.56% is held by the Company.*

\# *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. **INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

(e) **Incorporation of Midports Holdings Sdn. Bhd. ("MHSB")**

On 16 October 2023, the Company incorporated an owned subsidiary, MHSB with a paid-up capital of RM10,000. The Company subscribed for 7,900 ordinary shares in MHSB for a total cash consideration of RM7,900, representing 79% equity interest in MHSB. Consequently, MHSB became a 79% directly owned subsidiary of the Company.

(f) **Disposal of Platinum Residence Sdn. Bhd. ("PRSB")**

On 27 February 2024, the Company disposed of its 100% equity investment in PRSB for a total consideration of RM10,000,000.

(i) Summary of the effects of disposal:

	2024 **RM'000**
Cash consideration	10,000
Less: Fair value of identifiable net assets at disposal date	(38)
Gain on disposal	9,962

(ii) Effects of disposal on cash flows:

	2024 **RM'000**
Consideration received in cash/Cash inflows on disposal	10,000

(g) **Changes in ownership interests in subsidiaries**

On 19 February 2024, Tanco Properties Sdn. Bhd., an indirect wholly owned subsidiary of the Company disposed 460,000 ordinary shares in Tanco Land Sdn. Bhd. ("TLSB"), representing 20% of its equity interest in TLSB for a disposal consideration of RM100,000. Consequently, TLSB became an 80% indirectly owned subsidiary of the Company.

On 18 October 2023, the Company acquired 21.56% equity interest (representing 307,968 ordinary shares) in Herbitec (M) Sdn. Bhd. ("HSB"), a 51% owned subsidiary of Genium Corporation Sdn. Bhd. which in turn is a 100% owned indirect subsidiary of the Company for a total purchase consideration of RM338,765. Consequently, HSB became a 72.56% owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. **INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

(h) **Acquisition of Gplex Properties Sdn. Bhd. ("GPSB")**

In the previous financial year, Palm Springs Resort Management Berhad (a subsidiary of the Company and Tanco Properties Sdn. Bhd.) acquired 250,500 ordinary shares, representing 50.1% controlling interest in the equity shares of GPSB with a cash consideration of RM20,000,000. GPSB is principally engaged in business as investment holding and business consulting. Its businesses are mainly conducted in Malaysia.

(i) Fair value of identifiable assets acquired and liabilities recognised:

	RM'000
Assets	
Property, plant and equipments	1,983
Investment properties	3,271
Trade receivables	7,622
Other receivables, deposit and prepayments	22,970
Amounts owing by related companies	269
Contract assets	163
Cash and bank balances	280
Total assets	36,558
Liabilities	
Other payables and accruals	(13,920)
Loan and borrowings	(13,003)
Current tax liabilities	(4,935)
Amounts owing to directors	(2,234)
Deferred taxation	(210)
Total liabilities	(34,302)
Total identifiable net assets acquired	2,256
Goodwill arising on acquisition (Note 10)	18,870
Non-controlling interest	(1,126)
Fair value of consideration transferred	20,000

(ii) Effects of acquisition on cash flows:

	RM'000
Fair value of consideration transferred	20,000
Less: Cash and cash equivalents of a subsidiary acquired	(280)
Net cash outflow on acquisition	19,720

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. **INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

(i) **Acquisition of Gplex Properties Sdn. Bhd. ("GPSB") (Continued)**

(iii) Effect on consolidated statement of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	RM'000
Revenue	11,097
Profit for the financial year	5,008

If the acquisition had occurred on 1 July 2022, the consolidated results for the financial year ended 30 June 2023 would have been as follows:

	RM'000
Revenue	16,750
Profit for the financial year	5,707

(j) **Non-controlling interest in subsidiaries**

The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Other individually immaterial subsidiary companies RM'000	GPSB RM'000	Total RM'000
2024			
NCI proportion of ownership interest and voting interest		49.90%	
Carrying amount of NCI	197	7,297	7,494
(Loss)/Profit allocated to NCI	(95)	3,758	3,663
2023			
NCI proportion of ownership interest and voting interest		49.90%	
Carrying amount of NCI	120	3,539	3,659
(Loss)/Profit allocated to NCI	(24)	2,413	2,389

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(k) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that has material NCI are as follows:

	GPSB RM'000
Summarised statement of financial position	
As at 30 June 2024	
Non-current assets	18,338
Current assets	23,260
Non-current liabilities	(3,268)
Current liabilities	(24,560)
Net assets	13,770
Summarised statement of comprehensive income	
Financial year ended 30 June 2024	
Revenue	23,303
Profit for the financial year/Total comprehensive income	7,551
Summarised statement of financial position	
As at 30 June 2023	
Non-current assets	3,124
Current assets	40,724
Non-current liabilities	(14,111)
Current liabilities	(27,315)
Net assets	2,422
Summarised statement of comprehensive income	
Financial year ended 30 June 2023	
Revenue	11,097
Profit for the financial year/Total comprehensive income	4,835

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. INVESTMENTS IN AN ASSOCIATE

	Group 2024 RM'000	2023 RM'000
Unquoted shares, at cost:		
- Ordinary shares	#	#
- Redeemable Convertible Preference Shares	15,000	-
Shares of post-acquisition reserves	(#)	(#)
	15,000	-

 # Representing amount less than RM1,000

Details of associate are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activity
Held by Gplex Properties Sdn. Bhd.				
Gplex Realty Sdn. Bhd.*	Malaysia	49	49	Real estate agency.

* *Audited by firm other than Baker Tilly Monteiro Heng PLT.*

(a) **Subscription of Redeemable Convertible Preference Shares (“RCPS”) in Gplex Realty Sdn.Bhd. (“GRSB”)**

On 1 April 2024, GRSB issued 25,000,000 new RCPS at a price of RM1.00 per share. GPSB subscribed for 15,000,000 of the new RCPS for a total consideration of RM15,000,000.

Salient features of the RCPS are as follows:

(i) the tenure of the RCPS shall be 5 years from the full payment of the value of the RCPS (“Commencement Date”) and mature on the day falling on the 5 years from the commencement date (“Maturity Date”);

GRSB shall have the option to extend the date of redemption beyond the expiry of the tenure (“Extended Tenure”) subject to 3 months prior written notice and mutually agreed by RCPS holder;

(ii) GRSB has the sole and absolute discretion to decide whether to declare any non-cumulative preferential dividend (“Dividend Payment”) throughout the RCPS tenure at the rate of not more than 4% per annum multiple by the total subscription price for RCPS in proportion to the RCPS holdings;

(iii) the redemption price is RM1.05 per RCPS plus any declared but unpaid dividends;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. **INVESTMENTS IN AN ASSOCIATE (CONTINUED)**

(a) **Subscription of Redeemable Convertible Preference Shares ("RCPS") in Gplex Realty Sdn.Bhd. ("GRSB") (Continued)**

Salient features of the RCPS are as follows (Continued):

(iv) if GRSB fails to redeem the RCPS within the period, the RCPS holders may elect to revoke the redemption notice and convert the outstanding RCPS held into new Ordinary Shares or continue holding the RCPS. The Conversion ratio shall be 11 new ordinary shares of the GRSB for every 10 RCPS held. No cash is payable by the RCPS holder upon conversion of the RCPS into ordinary shares; and

(v) The RCPS holders shall not be entitled to attend and vote at, a general meetings of the GRSB, except for matters as stated below:

- during period as the dividend of RCPS or any part remains in arrears and unpaid for more than 6 months after payment date;
- creation of further shares ranking in any respect in priority to or pari passu with the RCPS;
- meeting includes for the liquidation, dissolution or winding up of the Company;
- proposal to effect any scheme of arrangement;
- other circumstances as may be expressly provided under the law from time to time in respect of preference shares.

(b) **Summarised financial information of associate**

The summarised financial information of the Group's associate and reconciles the information to the carrying amount of the Group's interest in the associate is as follows:

	2024 RM'000	**2023 RM'000**
Assets and liabilities		
Non-current assets	3,702	3,773
Current assets	66,638	63,760
Non-current liabilities	(7,072)	(7,355)
Current liabilities	(61,332)	(73,450)
Net assets/(liabilities)	1,936	(13,272)
Non-controlling interest	987	(6,769)
Results		
Revenue	68,546	30,248
Profit/(Loss) for the financial year/ Total comprehensive income/(loss)	208	(536)

The Group has not recognised its share of profit/(losses) of GRSB amounting to RM101,996 (2023: (RM262,532)) because the Group's cumulative share of profit/(losses) has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM160,536 (2023: RM262,532).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. INVENTORIES

	Group 2024 RM'000	Group 2023 RM'000
Non-current		
At cost		
Properties held for development		
- Freehold land	79,013	82,849
- Development costs	29,852	25,925
	108,865	108,774
At net realisable value		
Properties held for development		
- Freehold land	1,667	1,667
Total non-current inventories	110,532	110,441
Current		
At cost		
Properties under development		
- Freehold land	937	950
- Development costs	28,785	33,470
Completed properties	1,940	1,940
Trading goods	3	3
Finished goods	78	33
	31,743	36,396
At net realisable value		
Completed properties	20,949	20,949
Total current inventories	52,692	57,345
Total inventories	163,224	167,786

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM12.766 million (2023: RM13.766 million).

(b) The following properties are pledged as security to secure banking facilities granted to the Group as disclosed in Note 20:

	Group 2024 RM'000	Group 2023 RM'000
Completed properties	-	11,471

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Development costs RM'000	Total RM'000
Group			
2024			
Cost			
At 1 July 2023	19,250	-	19,250
Addition	-	527	527
At 30 June 2024	19,250	527	19,777
Accumulated impairment losses			
At 1 July 2023/30 June 2024	380	-	380
Net carrying amount			
At 1 July 2023	18,870	-	18,870
At 30 June 2024	18,870	527	19,397
2023			
Cost			
At 1 July 2022	380	-	380
Acquisition of a subsidiary (Note 7(i))	18,870	-	18,870
At 30 June 2023	19,250	-	19,250
Accumulated impairment losses			
At 1 July 2022	-	-	-
Impairment loss (Note 31)	380	-	380
At 30 June 2023	380	-	380
Net carrying amount			
At 1 July 2022	380	-	380
At 30 June 2023	18,870	-	18,870

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. **INTANGIBLE ASSETS (CONTINUED)**

(a) **Impairment of goodwill**

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating units ("CGUs") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 July	18,870	380
Acquisition of a subsidiary (Note 7(i))	-	18,870
Impairment on goodwill (Note 31)	-	(380)
At 30 June	18,870	18,870

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from forecast approved by management covering a five-years period.

CGU 1

Goodwill on consolidation arose from the acquisition of Gplex Properties Sdn. Bhd. ("Gplex"). Gplex is identified as a single cash generating unit ("CGU 1").

The calculation of value-in-use for the CGU 1 is most sensitive to the following key assumptions:

- Cash flows were projected based on industry trends and Group's plans. The management believes that the 5 years forecast period together with its estimated terminal value was justified due to the long-term nature of the business consulting services;
- Revenue growth rates were estimated to range from 4% to 7% (2023: 4% to 10%) per annum; and
- Pre-tax discount rate of 15.02% (2023: 15.25%) being the weighted average cost of capital which reflects the risk relating to the business consulting services.

The values assigned to the above key assumptions represent the management's assessment of future trends of the business and the industry, and are based on both external sources and internal sources of information.

The estimated recoverable amount exceeds the carrying amount of CGU 1. Based on the sensitivity analysis performed, the management believes that there is no reasonably possible change in base case key assumptions that would cause the carrying value of the CGU 1 to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. **INTANGIBLE ASSETS (CONTINUED)**

(a) **Impairment of goodwill (Continued)**

CGU 2

Goodwill on consolidation arose from the acquisition of Herbitec (M) Sdn. Bhd. ("Herbitec"). Herbitec is identified as a single cash generating unit ("CGU 2").

The calculation of value-in-use for the CGU 2 is most sensitive to the following key assumptions:

- Cash flows were projected based on industry trends and Group's plans. The management believes that the 5 years forecast period together with its estimated terminal value was justified due to the long-term nature of the pharmaceutical business;
- Revenue growth rates were estimated to range from 4% to 10% per annum after its projected market penetration from financial year 2024; and
- Pre-tax discount rate of 16.62% being the weighted average cost of capital which reflects the risk relating to the pharmaceutical business.

The values assigned to the above key assumptions represent the management's assessment of future trends of the business and the industry, and are based on both external sources and internal sources of information.

As at 30 June 2024, the Group estimated that the carrying amount of the CGU 2 was higher than its recoverable amount and an impairment loss of Nil (2023: RM380,485) was recognised. The impairment loss was fully allocated to goodwill and is recorded in the statement of comprehensive income of the Group.

(b) **Development costs**

Development costs comprise internally generated expenditure on supplement product development where it is reasonably anticipated that the costs will be recovered through future commercial activities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OTHER INVESTMENTS

	Quoted shares in Malaysia RM'000	Vacation ownership intervals RM'000	Total RM'000
Group			
2024			
Fair value/Cost			
At 1 July 2023/30 June 2024	3	146	149
Accumulated amortisation			
At 1 July 2023/30 June 2024	-	146	146
Carrying amount			
At 1 July 2023/30 June 2024	3	-	3
2023			
Fair value/Cost			
At 1 July 2022/30 June 2023	3	146	149
Accumulated amortisation			
At 1 July 2022/30 June 2023	-	146	146
Carrying amount			
At 1 July 2022/30 June 2023	3	-	3

	Quoted shares in Malaysia	
	2024 RM'000	2023 RM'000
Company		
Fair value		
At 1 July/30 June	3	3

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TRADE RECEIVABLES

	Note	Group 2024 RM'000	Group 2023 RM'000
Non-current:			
Trade receivables	(b)	37,787	-
Less: Allowance for impairment losses		(3,453)	-
		34,334	-
Current:			
Trade receivables		110,304	94,514
Less: Allowance for impairment losses		(20,179)	(19,418)
		90,125	75,096
Total trade receivables		124,459	75,096

(a) Included in trade receivables is an amount of RM38.393 million (2023: RM1.566 million) which bear interest at 2.50% to 4.50% (2023: 2.50% to 4.50%. The remaining trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

(b) Non-current trade receivables represent loan receivables from property purchasers and loan extended to the purchaser of PRSB as disclosed in Note 7(f). The loan receivables are recoverable by installment schemes for periods ranging from 60 to 300 months. These loan receivables are arising from loans extended by a subsidiary with money lending business.

<u>Receivables that are impaired</u>

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group 2024 RM'000	Group 2023 RM'000
At 1 July	19,418	18,432
Charge for the financial year (Note 31)	11,176	3,488
Reversal of impairment loss (Note 31)	(6,962)	(2,482)
Written off	-	(20)
At 30 June	23,632	19,418

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The information about the credit exposures are disclosed in Note 35(b)(i).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-trade				
Other receivables	10,153	30,552	-	-
Less: Allowance for impairment losses	(4,950)	(5,104)	-	-
	5,203	25,448	-	-
Advance payments to a supplier	4,609	4,500	-	-
Deposits	1,065	292	8	5
Prepayments	432	925	5	5
	11,309	31,165	13	10

Included in other receivables is amount owing by an associate company amounting to RM4,763,335 (2023: RM23,626,217) is non-trade in nature, unsecured, interest free and are repayable on demand in cash.

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 July	5,104	4,105
Acquisition of a subsidiary	-	1,178
Charge for the financial year (Note 31)	78	-
Reversal of impairment loss (Note 31)	(232)	(155)
Written off	-	(24)
At 30 June	4,950	5,104

Other receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. AMOUNTS OWING BY SUBSIDIARIES

		Company	
		2024	2023
		RM'000	RM'000
Current:			
Amounts owing by subsidiaries			
Non-trade	(a)	32,223	5,932
Less: Allowance for impairment losses	(b)	(1,622)	(1,277)
		30,601	4,655
Current:			
Amounts owing to subsidiaries			
Non-trade	(a)	(8,835)	-

(a) These amounts are non-trade in nature, unsecured, interest free and are repayable on demand in cash.

(b) The Company's amounts owing by subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of amounts owing by subsidiaries are as follows:

	Company	
	2024	2023
	RM'000	RM'000
At 1 July	1,277	1,083
Charge for the financial year (Note 31)	439	202
Reversal of impairment loss (Note 31)	(94)	(8)
At 30 June	1,622	1,277

15. CONTRACT COSTS

Costs to obtain contracts

Costs to obtain contracts relate to incremental sales commission fees paid to intermediaries as a result of obtaining properties sales contracts with customers.

These costs are amortised in accordance with the pattern of transfer of properties to which the asset relates. In the current financial year, amortisation amounting to RM3,006,961 (2023: RM2,013,969) was recognised as part of administrative expenses. There was no impairment loss in relation to the costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH AND SHORT-TERM DEPOSITS

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash and bank balances	5,378	3,103	553	417
Short-term deposits	9,538	5,016	6,950	2,500
	14,916	8,119	7,503	2,917

Included in the deposits placed with licensed banks of the Group amounting to RM1.579 million (2023: RM1.421 million) is pledged for borrowings granted to subsidiaries as disclosed in Note 20.

The deposits with licensed banks of the Group bear effective interest rates ranging from 1.50% to 2.90% (2023: 1.50% to 2.85%) per annum and mature range from 1 day to 1 year (2023: range from 1 day to 1 year).

17. SHARE CAPITAL AND RESERVES

	Group and Company 2024 Number of shares Unit '000	2024 Amount RM'000	2023 Number of shares Unit '000	2023 Amount RM'000
Issued and fully paid up:				
Ordinary shares				
At 1 July	1,922,299	156,331	1,741,786	107,981
Issuance of shares pursuant to:				
- Conversion of RCN	12,538	5,000	113,253	27,500
- Exercise of warrants	155,091	48,078	67,260	20,850
At 30 June	2,089,928	209,409	1,922,299	156,331

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company increased its issued and paid up share capital by the following issuance of:

(a) 12,538,125 new ordinary shares pursuant to conversion of Redeemable Convertible Notes ("RCN") of RM5,000,000; and

(b) 155,091,400 new ordinary shares issued pursuant to the exercise of warrants at an issue price of RM0.31 per share.

The above new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. SHARE CAPITAL AND RESERVES (CONTINUED)

Capital reserves

The balance represents the reduction of the Company's par value of its existing ordinary shares from RM0.20 to RM0.05 by way of cancellation of RM0.15 of the par value of every existing ordinary share of RM0.20 each.

18. REDEEMABLE CONVERTIBLE NOTES ("RCN")

On 27 July 2016, the shareholders of the Company at the Extraordinary General Meeting approved the issuance of Redeemable Convertible Commercial Papers and/or Redeemable Convertible Medium Term Notes with an aggregate principal amount of up to RM100 million under a Redeemable Convertible Notes ("RCN") programme convertible into a maximum of 2,000 million ordinary shares of RM0.05 each in the Company, representing approximately 73.5% of the Company's enlarged issued and paid up share capital which includes the conversion of the Company's existing ICULS. The RCN has a tenure of 3 years up to September 2019 ("Maturity Date"). Subsequently, there was an extension of the RCN period. The RCN now has a tenure of 7 years up to September 2023.

On 29 August 2023, the Company announced 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.

The proceeds from the issuance are to be utilised for Splash Park project, acquisition of land, repayment of bank borrowings, working capital and expenses in relation to the issuance.

The salient features of the RCN are as follows:

(i) the RCN bear interest from the respective dates on which they are issued and registered at the rate of 2% per annum, payable semi-annually in arrears on 30 June and 31 December in each year with the last payment being made on the Maturity Date;

(ii) conversion price shall be 80% of the average closing price per the Company Share on any 3 consecutive market days during the 45 market days immediately preceding the relevant conversion date of the RCN, provided the conversion price is not less than RM0.05;

(iii) the RCN are convertible at the option of the RCN holders into ordinary shares of the Company, subject to the terms of the Redemption Option at any time after the issue date of the RCN and up to the day falling 7 days prior to the Maturity Date;

(iv) if the conversion price is less than or equal to 65% of the average of the daily traded volume weighted average price of the Company Share for the 45 consecutive market days prior to the relevant closing date in respect of each first sub-tranche of the respective tranches of the RCN, the Company may redeem the RCN presented for conversion in cash at an amount calculated in accordance with a fixed formula; and

(v) any RCN not converted at maturity date may be redeemed by the Company at 100% of their principal amount.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. REDEEMABLE CONVERTIBLE NOTES (“RCN”) (CONTINUED)

The liability component and equity component of the RCN are allocated at initial recognition as follows:

	Group and Company RM'000
Nominal value	72,000
Equity component	
- equity component, net of deferred tax	(4,932)
- deferred tax liabilities	(1,557)
	(6,489)
Liability component at initial recognition	65,511

	Group and Company	
	2024 RM'000	2023 RM'000
Liability component at 1 July	4,799	4,147
Issuance of RCN during the financial year	-	26,710
Conversion during the financial year	(4,799)	(26,058)
Interest expense recognised during the financial year (Note 30)	11	72
Interest paid during the financial year	(11)	(72)
Liability component at 30 June	-	4,799
Equity component at 30 June	-	153

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. WARRANTS

Warrants 2022/2025

On 28 June 2022, the Company announced a proposed issue of free warrants on the basis of 1 warrant for every 2 existing ordinary shares in Tanco (''Tanco Shares''). The requisite approvals were obtained from Bursa Malaysia Securities Berhad on 13 July 2022.

On 5 September 2022, a total of 883,303,290 free warrants with an exercise price of RM0.31 per warrant and a 3-year tenure ("Free Warrants") were listed on the Main Market of Bursa Malaysia Securities Berhad. The exercise price was set at a 17.16% premium to the 5-day volume weighted average share price of Tanco Shares of RM0.2646.

The salient terms of the warrants are as follows:

(i) entitles its registered holders to subscribe for one (1) new ordinary share at the exercise price during the exercise period;
(ii) the exercise price is RM0.31 per share subject to adjustments in accordance with the provisions of the deed poll executed; and
(iii) the warrants may be exercised at any time for a period of 3 years commencing on and including 26 August 2022 being the date of issue of the warrants ("exercise period"). Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

The movement of the Company's warrants during the financial year are as follows:

	2024 Number of warrants Units '000	2023 Number of warrants Units '000
At 1 July	816,043	-
Issuance of warrants during the financial year	-	883,303
Exercised during the financial year	(155,091)	(67,260)
At 30 June	660,952	816,043

20. **LOAN AND BORROWINGS**

	Secured				
	Bank overdrafts (Note 20.1) RM'000	Lease liabilities (Note 20.2) RM'000	Hire purchase payables (Note 20.3) RM'000	Term loans (Note 20.4) RM'000	Total RM'000
Group					
2024					
Current liabilities					
Due in 1 year or less	991	2,648	90	378	4,107
Non-current liabilities					
Due in more than 1 year but not more than 5 years	-	21,014	289	1,841	23,144
Due in more than 5 years	-	7,575	104	5,856	13,535
	-	28,589	393	7,697	36,679
	991	31,237	483	8,075	40,786
2023					
Current liabilities					
Due in 1 year or less	148	-	123	3,575	3,846
Non-current liabilities					
Due in more than 1 year but not more than 5 years	-	-	379	8,935	9,314
Due in more than 5 years	-	-	-	6,428	6,428
	-	-	379	15,363	15,742
	148	-	502	18,938	19,588

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. LOAN AND BORROWINGS (CONTINUED)

20.1 Bank overdrafts

The secured bank overdraft of the Group bears effective interest rate of 8.60% (2023: 7.89% to 8.60%) per annum and is secured and supported by fixed deposit of the Group and corporate guarantee by the Company.

20.2 Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2024 RM'000	2023 RM'000
Minimum lease payments:		
- not later than one year	4,086	-
- later than one year but not later than five years	25,149	-
- later than five years	7,986	-
	37,221	-
Less: Future finance charges	(5,984)	-
Present value of minimum lease payments	31,237	-
Represented by:		
Non-current	28,589	-
Current	2,648	-
	31,237	-

The incremental borrowing rate implicit in the leases is 5.15% (2023: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. **LOAN AND BORROWINGS (CONTINUED)**

20.3 **Hire purchase payables**

Certain vehicles of the Group as disclosed in Note 5 are pledged for leases. Such leases do not have terms for renewal which would give the Group an option to purchase at nominal values at the end of lease term. The average interest rate implicit in the leases ranges from 3.20% to 6.34% (2023: 2.46% to 7.43%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Minimum lease payments:		
- not later than one year	113	151
- later than one year but not later than five years	343	386
- later than five years	112	47
	568	584
Less: Future finance charges	(85)	(82)
Present value of minimum lease payments	483	502
Represented by:		
Non-current	393	379
Current	90	123
	483	502

20.4 **Term loans**

Term loan 1

Term loan of a subsidiary of RM5.116 million (2023: RM5.492 million) bears interest rate ranging from 3.85% to 4.85% (2023: 4.10% to 4.85%) per annum and is repayable by monthly instalments of RM52,672 (2023: RM51,992) over 15 years commencing from the day of its first drawdown and is secured and supported as follows:

(i) Facilities agreement for RM7.4 million;
(ii) First legal charge over property of a subsidiary (Note 5);
(iii) Corporate guarantee by the Company;
(iv) Guarantee by a director; and
(v) First party legal assignment for rental proceeds.

Term loan 2

Term loan of a subsidiary of RM0.820 million (2023: RM0.837 million) bears interest rate at 5.35% (2023: 1.50%) below the bank's base lending rate per annum and is repayable by monthly instalments of RM5,143 (2023: RM5,020) over 25 years commencing in August 2019 and is secured and supported as follows:

(i) First legal charge over property of a subsidiary (Note 5);
(ii) Corporate guarantee by the former immediate holding company; and
(iii) Joint and several guarantee by a director and a third party of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. LOAN AND BORROWINGS (CONTINUED)

20.4 Term loans (Continued)

Term loan 3

Term loan of a subsidiary of RM0.987 million (2023: RM1.003 million) bears interest rate at 4.49% (2023: 2.40%) below the bank's Islamic financing rate per annum and is repayable by monthly instalments of RM5,011 (2023: RM5,011) over 30 years commencing in February 2020 and is secured and supported as follows:

(i) Investment properties and fixed deposits of a subsidiary; and
(ii) Joint and several guarantee by the directors and a third party of the subsidiary.

Term loan 4

Term loan of a subsidiary of RM1.152 million (2023: RM1.170 million) bears interest rate at 4.49% (2023: 2.40%) below the bank's Islamic financing rate per annum and is repayable by monthly instalments of RM5,846 (2023: RM5,846) over 30 years commencing in February 2020 and is secured and supported as follows:

(i) Investment properties and fixed deposits of a subsidiary; and
(ii) Joint and several guarantee by the directors and a third party of the subsidiary.

Term loan 5

Term loan of a subsidiary of Nil (2023: RM9.211 million) bears interest rate at Nil (2023: 18.00%) per annum and is repayable by monthly instalments of Nil (2023: RM316,667) over 5 years commencing in February 2021 and is secured and supported as follows:

(i) Corporate guarantee by the former immediate holding company of the subsidiary; and
(ii) Joint and several guarantee by directors of the subsidiary.

The loan was fully settled on 10 October 2023.

Term loan 6

Term loan of a subsidiary of Nil (2023: RM1.225 million) bears interest rate at Nil (2023: 18.00%) per annum and is repayable by monthly interest of Nil (2023: RM15,000) and principal sum of Nil (2023: RM1,000,000) at the last month in March 2024 and is secured and supported as follows:

(i) Joint and several guarantee by directors of the subsidiary.

The loan was fully settled on 10 October 2023.

21. LONG TERM PAYABLES

	Group	
	2024	2023
	RM'000	RM'000
Non-trade		
Other payables	748	748

Other payables represent sums payable to members upon expiry of their golf memberships in year 2093 in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. DEFERRED TAX LIABILITIES

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Deferred tax liabilities				
At 1 July	(188)	(87)	(48)	(87)
Issuance of RCN	-	(310)	-	(310)
Conversion of RCN during the financial year	48	349	48	349
Addition due to acquisition of a subsidiary	-	(210)	-	-
Recognised in profit or loss (Note 33)	(2)	70	-	-
At 30 June	(142)	(188)	-	(48)

The deferred tax assets and liabilities are not available to set-off as they arise from different taxable entities of the Group and of the Company.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Unabsorbed capital allowances	802	832	161	161
Unused tax losses	96,528	123,965	4,656	4,153
Property, plant and equipment	(1,609)	(1,289)	-	-
Other temporary differences	140,269	144,937	86,818	88,628
	235,990	268,445	91,635	92,942

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Year of assessments				
2028	83,681	114,440	4,656	4,153
2029	5,474	5,474	-	-
2030	99	99	-	-
2031	763	763	-	-
2032	2,828	2,828	-	-
2033	361	361	-	-
2034	3,322	-	-	-
	96,528	123,965	4,656	4,153

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. TRADE PAYABLES

	Group	
	2024	2023
	RM'000	RM'000
Trade payables	68,559	47,493

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days).

24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other payables	34,427	23,518	5,350	2,379
Deposits	483	1,972	-	-
Accruals	14,010	2,390	47	75
	48,920	27,880	5,397	2,454

25. PROVISION

	Group	
	2024	2023
	RM'000	RM'000
At 1 July	-	-
Recognised in profit or loss (Note 31)	973	-
At 30 June	973	-

Provision represents liquidated ascertained damages ("LAD") of construction projects estimated based on the terms of contracts with customers.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. CONTRACT ASSETS/(LIABILITIES)

	Group 2024 RM'000	Group 2023 RM'000
Contract assets relating to business consulting services	-	60
Contract assets relating to construction service contracts	12,020	6,056
Contract assets relating to flooring installation works	208	-
Contract assets relating to sales contract	32	-
Total contract assets	12,260	6,116
Contract liabilities relating to property development contracts	(31,135)	(42,562)
Total contract liabilities	(31,135)	(42,562)

Movement of the contract asset/(liabilities) are as follows:

	Group 2024 RM'000	Group 2023 RM'000
At 1 July	(36,446)	(30,453)
Add: Revenue recognised during the financial year	59,888	65,385
	23,442	34,932
Less: Deposits and progress billings during the financial year	(42,317)	(71,378)
At 30 June	(18,875)	(36,446)

27. AMOUNTS OWING TO DIRECTORS

The amounts owing to directors are non-trade in nature, unsecured, interest free and is repayable on demand in cash.

28. REVENUE

	Group 2024 RM'000	Group 2023 RM'000
Revenue from contract with customers:		
Sales of development properties	18,207	26,596
Income from annual subscriptions fees, clubs and resort operations	719	756
Construction and installation	35,460	25,913
Sales of goods	93,411	27,528
Business consulting services	23,303	11,097
Revenue from other sources:		
Rental income	1,829	1,922
Interest income from money lending business	603	38
	173,532	93,850

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. REVENUE (CONTINUED)

(a) Disaggregation of revenue

The Group reports the following segments: property development/management, resorts and club operation/management, business consulting services, sales of goods and construction in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Group					
2024	**Property development/ management RM'000**	**Resorts and club operation/ management RM'000**	**Construction and installation RM'000**	**Sales of goods RM'000**	**Business consulting services RM'000**	**Total RM'000**
Timing of revenue recognition:						
At a point in time	-	-	-	93,411	-	93,411
Over time	18,207	719	35,460	-	23,303	77,689
	18,207	719	35,460	93,411	23,303	171,100
2023						
Timing of revenue recognition:						
At a point in time	-	-	-	27,528	-	27,528
Over time	26,596	756	25,913	-	11,097	64,362
	26,596	756	25,913	27,528	11,097	91,890

(b) Transaction price allocated to the remaining performance obligation

As of 30 June 2024, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM39.563 million (2023: RM80.992 million) and the Group will recognise this revenue as the properties or construction works are completed, which is expected to occur within the next 1 year (2023: 1 to 2 years).

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about the remaining performance obligations that have original expected durations of one year or less.

29. COST OF SALES

	Group	
	2024 RM'000	**2023 RM'000**
Cost of development properties	12,766	13,766
Rental operation costs	2,293	1,182
Business consulting services	12,245	3,645
Cost of construction and installation	34,208	25,440
Purchase of materials	91,985	27,486
	153,497	71,519

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
- Term loans	397	309	-	-
- Bank overdraft	46	66	-	-
- Lease liabilities	138	-	-	-
- Hire purchase payables	33	28	-	-
- Redeemable convertible notes (Note 18)	11	72	11	72
- Others	10	-	-	-
	635	475	11	72

31. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
- Statutory audit:				
- Baker Tilly Monteiro Heng PLT				
- current year	280	210	91	70
- prior year	-	21	-	7
- Other auditor				
- current year	43	30	-	-
- prior year	9	2	-	-
- Other service:				
- Baker Tilly Monteiro Heng PLT	5	5	5	5
Allowance for impairment loss on:				
- amounts owing by subsidiaries	-	-	439	202
- goodwill	-	380	-	-
- investments in subsidiaries	-	-	1,837	4,651
- property, plant and equipment	-	61	-	-
- trade receivables	11,176	3,488	-	-
- other receivables	78	-	-	-
Depreciation of:				
- investment properties	1,201	1,177	-	-
- property, plant and equipment	960	802	14	14
- right-of-use assets	684	272	-	-
Written off:				
- bad debts	4	-	-	-
- inventories	26	18	-	-
- property, plant and equipment	11	-	-	-
- deposit	2	-	-	-
Employee benefits expenses (Note 32)	8,415	6,363	254	180

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax (Continued):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Expenses relating to short-term leases:				
- premises	612	134	-	-
- equipments	59	15	-	-
Unwinding of discount	-	479	-	-
Loss on realised foreign exchange	4	-	-	-
Loss on disposal of investment properties	-	15	-	-
Loss/(Gain) on disposal of property, plant and equipment	72	(465)	-	-
Provision of liquidated ascertained damages	973	-	-	-
Provision of tax penalty	287	-	-	-
Gain on disposal of a subsidiary	(9,962)	-	(10,000)	-
Finance income	-	(6,864)	-	-
Rental income	(101)	(30)	-	-
Compensation on termination of lease contract	(9,300)	-	-	-
Reversal of written down of inventories	-	(4,407)	-	-
Reversal of provision of tax penalty	(905)	-	-	-
Reversal of impairment loss on:				
- amounts owing by subsidiaries	-	-	(94)	(8)
- investments in subsidiaries	-	-	(3,992)	(2,590)
- property, plant and equipment	(8)	-	-	-
- investment properties	(691)	(4,305)	-	-
- other receivables	(232)	(155)	-	-
- trade receivables	(6,962)	(2,482)	-	-

32. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries, allowances and bonuses	6,995	5,262	254	180
Defined contribution plans	787	610	-	-
Others	633	491	-	-
	8,415	6,363	254	180
Included in employee benefits expenses are:				
Directors' fee	247	150	223	150
Directors' remuneration				
- salaries and allowances	1,861	1,962	31	30
- defined contribution plans	219	239	-	-
- other emoluments	77	146	-	-
- benefits-in-kind	73	81	-	3
	2,477	2,578	254	183

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial years ended 30 June 2024 and 2023 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Current tax charge	2,584	1,781	-	-
- Adjustment in respect of prior years	(22)	(849)	-	(126)
	2,562	932	-	(126)
Deferred tax:				
- Origination of temporary differences	2	-	-	-
- Adjustment in respect of prior years	-	(70)	-	-
	2	(70)	-	-
Tax expense/(credit) recognised in profit or loss	2,564	862	-	(126)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	18,131	21,784	10,377	(4,865)
Taxation at Malaysian statutory income tax rate of 24%	4,351	5,228	2,490	(1,168)
Adjustments:				
Non-taxable income	(4,484)	(5,855)	(2,400)	-
Non-deductible expenses	10,508	5,600	224	1,168
Deferred tax assets not recognised	837	99	-	-
Utilisation of deferred tax assets previously not recognised	(8,626)	(3,291)	(314)	-
Adjustment in respect of prior years:				
- current tax	(22)	(849)	-	(126)
- deferred tax	-	(70)	-	-
Tax expense/(credit) recognised in profit or loss	2,564	862	-	(126)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the income for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group 2024 RM'000	Group 2023 RM'000
Income for the financial year attributable to owners of the Company	11,904	18,533

	Number of shares 2024 Units ('000)	Number of shares 2023 Units ('000)
Weighted average number of ordinary shares in issue		
At 1 July 2023/2022	1,922,298	1,741,786
Add: Effect of issuance of shares	100,655	65,706
At 30 June 2024/2023	2,022,953	1,807,492
Basic earnings per ordinary share (sen)	0.59	1.03

(b) Diluted earnings per ordinary share

Diluted earnings per share are based on the income attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that could be issued on conversion at all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group 2024 RM'000	Group 2023 RM'000
Income for the financial year attributable to owners of the Company	11,904	18,533

	Number of shares 2024 Units ('000)	Number of shares 2023 Units ('000)
Weighted average number of ordinary shares in issue	2,022,953	1,807,492
Effect of dilution of warrants	660,952	816,043
Weighted average number of ordinary shares for diluted earnings per share	2,683,905	2,623,535
Diluted earnings per ordinary share (sen)	0.44	0.71

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS**

(a) **Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost
(ii) Fair value through profit or loss

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
At 30 June 2024			
Group			
Financial assets			
Other investments	3	-	3
Trade receivables	124,459	124,459	-
Other receivables and deposits*	6,268	6,268	-
Cash and short-term deposits	14,916	14,916	-
	145,646	145,643	3
Financial liabilities			
Trade payables	68,559	68,559	-
Other payables, deposits and accruals	49,668	49,668	-
Amounts owing to directors	11,635	11,635	-
Loan and borrowings #	9,549	9,549	-
	139,411	139,411	-
Company			
Financial assets			
Other investments	3	-	3
Other receivables and deposits*	8	8	-
Amounts owing by subsidiaries	30,601	30,601	-
Cash and short-term deposits	7,503	7,503	-
	38,115	38,112	3
Financial liabilities			
Other payables, deposits and accruals	5,397	5,397	-
Amounts owing to directors	12,780	12,780	-
Amount owing to subsidiaries	8,835	8,835	-
	27,012	27,012	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Continued):

	Carrying amount RM'000	Amortised cost RM'000	Fair value through profit or loss RM'000
At 30 June 2023			
Group			
Financial assets			
Other investments	3	-	3
Trade receivables	75,096	75,096	-
Other receivables and deposits*	25,740	25,740	-
Cash and short-term deposits	8,119	8,119	-
	108,958	108,955	3
Financial liabilities			
Trade payables	47,493	47,493	-
Other payables, deposits and accruals	28,628	28,628	-
Amounts owing to directors	26,549	26,549	-
Loan and borrowings	19,588	19,588	-
RCN - liability component	4,799	4,799	-
	127,057	127,057	-
Company			
Financial assets			
Other investments	3	-	3
Other receivables and deposits*	5	5	-
Amounts owing by subsidiaries	4,655	4,655	-
Cash and short-term deposits	2,917	2,917	-
	7,580	7,577	3
Financial liabilities			
Other payables, deposits and accruals	2,454	2,454	-
Amounts owing to directors	22,496	22,496	-
RCN - liability component	4,799	4,799	-
	29,749	29,749	-

* *Excluding advance payments to a supplier and prepayment*
\# *Excluding lease liabilities*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks which are executed by the Executive Directors. The Audit and Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures for material contracts.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At each reporting date, the Group and the Company assess on an individual basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(i) **Credit risk (Continued)**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

In respect of trade receivables from sale of properties, the Group mitigates its credit risk by retaining legal title to all properties sold until the full contracted sales value is settled.

<u>Credit risk concentration profile</u>

At the reporting date, the Group has significant concentration of credit risk in the form of outstanding balance owing by one customer representing 19% of the total receivables.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") allowance for all trade receivables and contract assets. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(i) **Credit risk (Continued)**

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's trade receivables and contracts assets are as follows:

Group At 30 June 2024	Gross carrying amount RM'000	ECL allowance RM'000	Net balance RM'000
Contract assets			
Current	12,260	-	12,260
Trade receivables			
Current (not past due)	99,716	-	99,716
1 to 30 days past due	148	-	148
31 to 60 days past due	550	-	550
61 to 90 days past due	667	-	667
91 to 120 days past due	673	-	673
More than 120 days past due	22,956	(251)	22,705
Credit impaired	23,381	(23,381)	-
	160,351	(23,632)	136,719
At 30 June 2023			
Contract assets			
Current	6,116	-	6,116
Trade receivables			
Current (not past due)	51,774	-	51,774
1 to 30 days past due	847	-	847
31 to 60 days past due	1,531	-	1,531
61 to 90 days past due	7,301	-	7,301
91 to 120 days past due	2,182	-	2,182
More than 120 days past due	11,591	(130)	11,461
Credit impaired	19,288	(19,288)	-
	100,630	(19,418)	81,212

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors within the Group.

Trade receivables that are past due but not impaired

The Group is of the opinion that no impairment is required based on previous years experiences and the minimal probability that these receivables will default in payments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(i) **Credit risk (Continued)**

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As such, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than as disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(i) **Credit risk (Continued)**

Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM6.107 million (2023: RM5.639 million) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35(b)(ii) to the financial statements. Generally, the Company considers the financial guarantee has low credit risk. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to the subsidiaries' secured borrowings.

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loan and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The management of the Group and of the Company also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(ii) **Liquidity risk (Continued)**

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	**Carrying amount RM'000**	**On demand or within 1 year RM'000**	**Between 1 and 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
At 30 June 2024					
Trade payables	68,559	68,559	-	-	68,559
Other payables, deposits and accruals	49,668	48,920	-	748	49,668
Amounts owing to directors	11,635	11,635	-	-	11,635
Loan and borrowings	40,786	5,023	28,788	16,039	49,850
	170,648	134,137	28,788	16,787	179,712
At 30 June 2023					
Trade payables	47,493	47,493	-	-	47,493
Other payables, deposits and accruals	28,628	27,880	-	748	28,628
Amounts owing to directors	26,549	26,549	-	-	26,549
Loan and borrowings	19,588	6,282	13,640	12,787	32,709
RCN - liability component	4,799	4,799	-	-	4,799
	127,057	113,003	13,640	13,535	140,178

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(ii) **Liquidity risk (Continued)**

Maturity analysis (Continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows (Continued):

Company	Carrying amount RM'000	Contractual cash flows: On demand or within 1 year RM'000	Contractual cash flows: Between 1 and 5 years RM'000	Contractual cash flows: Total RM'000
At 30 June 2024				
Other payables, deposits and accruals	5,397	5,397	-	5,397
Amounts owing to directors	12,780	12,780	-	12,780
Amounts owing to subsidiaries	8,835	8,835	-	8,835
	27,012	27,012	-	27,012
At 30 June 2023				
Other payables, deposits and accruals	2,454	2,454	-	2,454
Amounts owing to directors	22,496	22,496	-	22,496
RCN - liability component	4,799	4,799	-	4,799
Financial guarantee contracts	-	5,639	-	5,639
	29,749	35,388	-	35,388

(iii) **Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest bearing financial liabilities which include other payables (non-current), loan and borrowings and RCN-liability component.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management (Continued)**

(iii) **Interest rate risk (Continued)**

The following table details the interest rate profile of the Group and of the Company's borrowings at the reporting date.

	Interest rate %	Within 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
Financial liabilities					
At 30 June 2024					
Bank overdrafts	8.60	991	-	-	991
Lease liabilities	5.15	2,648	21,014	7,575	31,237
Hire purchase payables	3.20 - 6.34	90	289	104	483
Term loans	3.85 - 5.35	378	1,841	5,856	8,075
Other payables (non-current)	7.83	-	748	-	748
At 30 June 2023					
Bank overdraft	7.89 - 8.60	148	-	-	148
Hire purchase payables	2.46 - 7.43	123	379	-	502
Term loans	1.50 - 18.00	3,575	8,935	6,428	18,938
RCN - liability component	8.96	4,799	-	-	4,799
Other payables (non-current)	7.83	-	748	-	748
Company					
Financial liabilities					
At 30 June 2023					
RCN - liability component	8.96	4,799	-	-	4,799

Sensitivity analysis for interest rate risk

If the interest rate had been 100 (2023: 100) basis point higher/lower and all other variables held constant, the Group's profit for the financial year ended 30 June 2024 would increase/decrease by RM68,894 (2023: RM145,054) respectively as a result of exposure to floating rate loan and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. **FINANCIAL INSTRUMENTS (CONTINUED)**

(c) **Fair value measurement**

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(i) *Cash and short-term deposits, receivables and payables*

The carrying amounts of cash and short-term deposit, receivables and payables are reasonable approximate to their fair values due to short term nature of these financial instruments.

(ii) *Investment in quoted shares*

Investment in quoted shares are carried at fair value based on its market price.

(iii) *Loan and borrowings*

The carrying amounts of the current portion of loan and borrowings are reasonable approximate to their fair values due to the insignificant impact of discounting.

The carrying amounts of long-term floating rate loans are reasonable approximate to their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of lease liabilities and RCN - liability component are estimated using discounted cash flow analysis, based on current lending rates for similar types of arrangements.

(iv) *Long term receivables and payables*

The fair value of long-term receivables and payables are estimated using discounted cash flow analysis, based on current lending rates for similar types of arrangements.

The carrying amounts of financial assets and liabilities recognised in the financial statements are reasonable approximate to their fair values.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, the lowest level input that is significant to the fair value measurement as whole:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities:

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group				
At 30 June 2024				
Financial asset				
Other investments	3	-	3	3
Financial liabilities				
Long term payables	-	748	748	748
Lease liabilities		31,237	31,237	31,237
Hire purchase payables	-	492	492	492
Term loans	-	8,075	8,075	8,075
	-	40,552	40,552	40,552
At 30 June 2023				
Financial asset				
Other investments	3	-	3	3
Financial liabilities				
Long term payables	-	748	748	748
RCN - liability component	-	4,799	4,799	4,799
Hire purchase payables	-	515	515	515
Term loans	-	18,938	18,938	18,938
	-	25,000	25,000	25,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities (Continued):

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Company				
At 30 June 2024				
Financial asset				
Other investments	3	-	3	3
At 30 June 2023				
Financial asset				
Other investments	3	-	3	3
Financial liability				
RCN - liability component	-	4,799	4,799	4,799

36. MATERIAL LITIGATION

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 9 May 2025, and trial on 16, 17 and 18 June 2025.

No provision has been made for the disputed amounts as the directors upon consultation with its solicitors acting for the subsidiary in the above matter are of the view that the subsidiary has a strong case against PTB.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company;
(ii) Subsidiaries;
(iii) Entities in which directors have substantial financial interests; and
(iv) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party balances

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 13, 14, 21, and 27.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to subsidiaries as disclosed in Note 35(b)(i).

(c) Compensation of key management personnel

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company and subsidiaries:				
- fees	247	150	223	150
- salaries and allowance	1,861	1,962	31	30
- defined contribution plans	219	239	-	-
- other emoluments	77	146	-	-
- benefits-in-kind	73	81	-	3
	2,477	2,578	254	183
Other key management personnels:				
- short term employee benefits	1,290	924	-	-
- defined contribution plan	134	95	-	-
- benefits-in-kind	49	36	-	-
	1,473	1,055	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholder or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 June 2024 and 30 June 2023.

The Group and the Company monitor capital using gearing ratio. The Group and the Company include within net debts, loan and borrowings (excluded lease liability), trade and other payables, amount due to directors, amount due to subsidiaries, redeemable convertible notes, less cash and short-term deposits. The gearing ratio is calculated as net debts divided by equity plus net debts. The gearing ratio at 30 June 2024 and 30 June 2023 are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Total loan and borrowings	9,549	19,588	-	-
Trade and other payables	118,227	76,121	5,397	2,454
Amounts owing to directors	11,635	26,549	12,780	22,496
Amounts owing to subsidiaries	-	-	8,835	-
Redeemable convertible notes	-	4,799	-	4,799
Less: Cash and short-term deposits	(14,916)	(8,119)	(7,503)	(2,917)
Net debts	124,495	118,938	19,509	26,832
Total equity	311,171	242,469	309,220	245,918
Total equity plus net debts	435,666	361,407	328,729	272,750
Gearing ratio (%)	29%	33%	6%	10%

39. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

(a) On 21 September 2023, the Company entered into shares sales agreement to acquire 307,968 shares in Herbitec (M) Sdn. Bhd. ("HSB") for a total consideration of RM339,000, representing 21.6% equity interest in HSB. HSB is the existing subsidiary of the Company, consequently shall owned 72.6% of HSB.

(b) On 16 October 2023, the Company subscribed for 7,900 shares in Midports Holdings Sdn. Bhd. ("MHSB") for a total consideration of RM7,900, representing 79% equity interest in MHSB. Consequently, MHSB became a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. **SEGMENT INFORMATION**

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based upon the industry of the underlying investments.

Geographical segments

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented.

Business segments

For management purposes, the Group is organised into the following operating divisions:

- Property development/management
- Resorts and club operation/management
- Construction and installation
- Investment holding
- Business consulting services

Segment profit

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operates within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment other than current and deferred tax assets.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment other than current and deferred tax liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. **SEGMENT INFORMATION (CONTINUED)**

	Note	Property development/ management RM'000	Resorts and club operation/ management RM'000	Construction and installation RM'000	Investment holding RM'000	Business consulting services RM'000	Elimination RM'000	Consolidated RM'000
2024								
Revenue								
External sales		19,751	2,045	128,424	9	23,303	-	173,532
Inter-segment sales	(a)	860	-	-	-	-	(860)	-
Total revenue		20,611	2,045	128,424	9	23,303	(860)	173,532
Results								
Segment results	(b)	10,051	(3,404)	(1,525)	6,456	9,914	(2,816)	18,676
Finance costs		(530)	(72)	-	(11)	(170)	148	(635)
Finance income		104	9	1	35	6	(65)	90
Tax (expense)/credit		(316)	(52)	38	(1)	(2,218)	(15)	(2,564)
Profit/(Loss) for the financial year		9,309	(3,519)	(1,486)	6,479	7,532	(2,748)	15,567
Assets and liabilities								
Segment assets	(c)	366,635	119,130	72,500	408,691	42,542	(491,001)	518,497
Segment liabilities	(d)	158,966	58,413	63,774	50,775	27,918	(157,090)	202,756

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. SEGMENT INFORMATION (CONTINUED)

	Property development/ management RM'000	Resorts and club operation/ management RM'000	Construction and installation RM'000	Investment holding RM'000	Business consulting services RM'000	Elimination RM'000	Consolidated RM'000
2024							
Other information							
Allowance for impairment loss on:							
- trade receivables	2,234	3,710	5,232	-	-	-	11,176
- other receivables	-	-	-	-	78	-	78
Depreciation of:							
- investment properties	-	1,193	-	-	8	-	1,201
- property, plant and equipment	328	418	1	15	198	-	960
- right-of-use assets	1,069	76	-	-	-	(461)	684
Written off:							
- bad debts	1	8	-	30	-	(35)	4
- inventories	-	-	-	26	-	-	26
- property, plant and equipment	-	-	-	-	11	-	11
- deposit	-	-	-	-	2	-	2
Loss on realised foreign exchange	-	-	-	-	4	-	4
Loss/(Gain) on disposal of property, plant and equipment	86	-	-	-	(14)	-	72
Gain on disposal of a subsidiary	-	-	-	(10,000)	-	38	(9,962)
Reversal of impairment loss on:							
- property, plant and equipment	-	(8)	-	-	-	-	(8)
- investment properties	-	(691)	-	-	-	-	(691)
- other receivables	(128)	-	-	-	(104)	-	(232)
- trade receivables	(3,523)	(78)	(2,496)	-	-	(865)	(6,962)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. **SEGMENT INFORMATION (CONTINUED)**

	Note	Property development/ management RM'000	Resorts and club operation/ management RM'000	Construction RM'000	Investment holding RM'000	Business consulting services RM'000	Elimination RM'000	Consolidated RM'000
2023								
Revenue								
External sales		27,833	1,478	53,406	36	11,097	-	93,850
Inter-segment sales	(a)	897	-	456	-	-	(1,353)	-
Total revenue		28,730	1,478	53,862	36	11,097	(1,353)	93,850
Results								
Segment results	(b)	14,815	2,304	(2,123)	(38,615)	6,573	32,441	15,395
Finance costs		(399)	(71)	-	(72)	(68)	135	(475)
Finance income		6,848	1	2	12	1	-	6,864
Tax expense		325	272	85	127	(1,671)	-	(862)
(Loss)/Profit for the financial year		21,589	2,506	(2,036)	(38,548)	4,835	32,576	20,922
Assets and liabilities								
Segment assets	(c)	325,395	81,476	35,517	350,894	43,848	(418,170)	418,960
Segment liabilities	(d)	140,800	38,888	26,275	52,355	31,070	(119,769)	169,619

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. SEGMENT INFORMATION (CONTINUED)

	Property development/ management RM'000	Resorts and club operation/ management RM'000	Construction RM'000	Investment holding RM'000	Business consulting services RM'000	Elimination RM'000	Consolidated RM'000
2023							
Other information							
Allowance for impairment loss on:							
- goodwill	-	-	-	380	-	-	380
- property, plant and equipments	-	61	-	-	-	-	61
- trade receivables	1,201	12	2,275	-	-	-	3,488
Depreciation of:							
- investment properties	-	1,177	-	-	-	-	1,177
- property, plant and equipment	293	418	#	15	76	-	802
- right-of-use assets	778	38	-	-	25	(569)	272
Loss on disposal of investment properties	-	-	-	-	15	-	15
Written off of inventories	-	-	-	18	-	-	18
Gain on disposal of property, plant and equipment	(465)	-	-	-	-	-	(465)
Reversal of impairment loss on:							
- inventories	(4,407)	-	-	-	-	-	(4,407)
- investment properties	-	(4,305)	-	-	-	-	(4,305)
- other receivables	(155)	-	-	-	-	-	(155)
- trade receivables	(2,482)	#	-	-	-	-	(2,482)

\# *Representing amount less than RM1,000*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. SEGMENT INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, loss, assets and liabilities are as follows:

(a) **Inter-segment revenue**

Inter-segment revenues are eliminated on consolidation.

(b) **Reconciliation of segment result**

	2024 RM'000	2023 RM'000
Elimination of inter-segment (loss)/profit	(2,816)	32,441

(c) **Reconciliation on assets**

	2024 RM'000	2023 RM'000
Inter-segment assets	(491,001)	(418,170)

(d) **Reconciliation on liabilities**

	2024 RM'000	2023 RM'000
Inter-segment liabilities	(157,090)	(119,769)

STATEMENT BY DIRECTORS

(Pursuant to Section 251(2) of the Companies Act 2016)

We, **DATO' SRI ANDREW TAN JUN SUAN** and **CHRISTOPHER TAN KHOON SUAN**, being two of the directors of TANCO HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 87 to 173 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DATO' SRI ANDREW TAN JUN SUAN
Director

CHRISTOPHER TAN KHOON SUAN
Director

Date: 22 October 2024

STATUTORY DECLARATION

(Pursuant to Section 251(1) of the Companies Act 2016)

I, **CHEW SHEN HOAY**, being the director primarily responsible for the financial management of TANCO HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 87 to 173 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHEW SHEN HOAY
(MIA Membership No.: 26647)

Subscribed and solemnly declared by the abovenamed at Puchong in the State of Selangor Darul Ehsan on 22 October 2024.

Before me,

KUMERESHUARAN GUNASEGARAN
Commissioner for Oaths
License No. B828

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tanco Holdings Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 173.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)

(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue recognition for property development activities (Note 4(d) and 28 to the financial statements)

The amount of revenue of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation when it is probable that the Group will collect the consideration to which it is entitled. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of development costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue (including liquidated and ascertained damages) and costs, as well as the recoverability of the development project. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures included, among others:

- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project manager;
- checking the mathematical computation of recognised revenue and corresponding costs for the project during the financial year; and
- assessing the impact to revenue arising from liquidated and ascertained damages.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)
(Incorporated in Malaysia)

Key Audit Matters (Continued)

Revenue recognition for construction activities (Note 4(e) and Note 28 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:

Our audit procedure included, among others:
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from reading the terms and conditions of agreements with customers and assessing on management basis of recognition on these contracts over time; and
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.

Goodwill (Note 4(f) and Note 10(a) to the financial statements)

The Group recorded goodwill on business combination amounting to RM18,870,000. The Group is required to assess the recoverable amount of goodwill annually.

We focused on this area because the determination of the recoverable amount of goodwill requires significant judgements by the Group on the discount rate applied and the assumptions supporting the underlying cash flow projections, including forecast growth rates, operating expenses and gross profit margin.

Our response:

Our audit procedures included, among others:
- assessing the appropriateness of the valuation methodology adopted by the Group in accordance to the requirements of *MFRS 136 Impairment of Assets*;
- discussing with the management in assessing key assumptions used in the preparation of cash flow projection;
- testing the mathematical accuracy of the computation of the recoverable amount; and
- performing a sensitivity analysis around the key assumptions that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)

(Incorporated in Malaysia)

Key Audit Matters (Continued)

Trade receivables (Note 4(g) and Note 12 to the financial statements)

The Group has significant trade receivables as at 30 June 2024 which include certain amounts which are long outstanding. We focused on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions and forward-looking information at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- developing understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

Property, plant and equipment and investment properties (Notes 4(a), 5 and 6 to the financial statements)

The Group assessed impairment of assets whenever the events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Certain property, plant and equipment and investment properties were impaired in the previous financial years. We focused on this area because significant judgement and estimates are involved in determining the indication of impairment and the recoverable amount of the identified properties in property, plant and equipment and investment properties. The Group estimated the recoverable amount of the properties primarily based on market valuation performed by external independent valuer.

Our response:

Our audit procedures included, among others:

- evaluating the competency, capabilities and objectivity of the external valuer which included consideration of their qualifications and experience;
- reading the valuation reports and discussed with the external valuer on their valuation approach and the significant judgements they made; and
- assessing the valuation approach used and the key assumptions.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)

(Incorporated in Malaysia)

Key Audit Matters (Continued)

Inventories (Notes 4(c) and 9 to the financial statements)

The Group held significant balance of inventories amounting to RM163,224,000 as at reporting period. Certain inventories were written down to its net realisable value in the previous financial years. We focused on this area because the assessment of these inventories at lower of cost and net realisable value by the Group requires judgement and estimates on their future saleability and net realisable value.

Our response:

Our audit procedures included, among others:
- reviewing the Group's assessment of the net realisable value of the identified inventories with their comparison to independent valuation reports;
- evaluating the competence, capabilities and objectivity of the external valuer which include consideration of their qualifications an experiences;
- reading the valuation reports and discussing with the external valuer on their valuation approach and the significant judgements they made; and
- assessing the valuation approach used and the key assumptions based on our knowledge of the property industry.

Right-of-Use assets and Lease Liabilities (Notes 4(h), 5(b) and 20 to the financial statements)

As disclosed in Note 5(b)(ii) of the financial statements, the Group recognised right-of-use ("ROU") assets and lease liabilities arising from the hotel units leased by the Group for business operations which amounts to RM31,173,805 and RM31,236,880 respectively. We focused on this area because in measuring ROU assets and lease liabilities, significant judgement is required in determining the lease term, lease payments and incremental borrowing rate. Any changes in the estimates may have significant effect on the Group's performance and financial position.

Our response:

Our audit procedures included, among others:
- reading the salient terms of lease contracts;
- understanding the judgement and estimates made by the directors on key inputs in the computation of ROU assets and lease liabilities; and
- testing the mathematical computation of the ROU assets and lease liabilities.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)
(Incorporated in Malaysia)

Key Audit Matters (Continued)

Company

Investments in subsidiaries (Notes 4(b) and 7 to the financial statements)

The Company has significant investments in subsidiaries. At the end of the financial year, the Company determined there was an indication of impairment on its investments in subsidiaries. We focused on this area because the Company's assessment of the recoverable amount involved significant judgement and estimates. The recoverable amount of the identified investments in the subsidiaries was determined based on fair value less costs of disposal of the subsidiaries' assets.

Our response:

Our audit procedures included, among others:
- evaluating the competence, capabilities and objectivity of the external valuer which include consideration of their qualifications and experiences;
- reading the valuation reports and discussing with external valuer on their valuation approach and significant judgements they made;
- testing the mathematical accuracy of the impairment assessment prepared by management; and
- assessing the valuation approach used and the key assumptions based on our knowledge of the property industry.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TANCO HOLDINGS BERHAD (Continued)

(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Continued):

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Andrew Choong Tuck Kuan
No. 03264/04/2025 J
Chartered Accountant

Kuala Lumpur

Date: 22 October 2024

LIST OF PROPERTIES
AS AT 30 JUNE 2024

Location	Tenure	Area (acres)	Description and Existing Use	Year of Acquisition/ Revaluation	Age of Properties	Net Book Value RM'000
13th mile of Port Dickson Pasir Panjang main road Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus Lot No. / P.T. No. 2677-2679, 2790, 5839-5841, 5848-5858, 5927-29, 5932-5943, 5945, 5948, 5955-5957, 5959-5961, 5964, 5965, 5968-5975, 5977-5979, 6002-6007, 6009, 6011-6014, 6016, 6022, 6027, 6029, 6030, 6034, 6035, 6036, 6037, 6050, 6054, 8075, 20125-20130, 20175, 20176, Lot No. 5810 : Geran 75569/M1/3&4/5, Lot No. 5812 : Geran 75567/M1/3&4/6, 75567/M1/3&4/5, Lot No. 5813 : Geran 75566/M1/3&4/5, Lot No. 5814 : Geran 75565/M1/2/3, 75565/M1/3&4/5, 75565/M1/3&4/6, 75565/M1/1/1, Lot No. 5815 : Geran 75563/M1/3&4/6, 75563/M1/1/1, 75563/M1/2/3, Lot No. 5816 : Geran 75562/M1/3&4/5, Lot No. 5817 : Geran 75561/M1/3&4/5, Lot No. 5821 : Geran 75557/M1/2/3, 75557/M1/1/2, Lot No. 5822 : Geran 75556/M1/2/4, Lot No. 5823 : Geran 75555/M1/2/4, Lot No. 5826 : Geran 75552/M1/3&4/5, 75552/M1/3&4/6, Lot No. 5827 : Geran 75551/M1/3&4/5, 75551/M1/3&4/6, Lot No. 5828 : Geran 75550/M1/2/3, 75550/M1/3&4/5, 75550/M1/3&4/6, 75550/M1/2/4, Lot No. 5829 : Geran 75549/M1/2/3, 75549/M1/3&4/5, 75549/M1/3&4/6, 75549/M1/1/2, Lot 5830 : Geran 82000/M1/1/2, 82000/M1/2/4, Lot No. 5831 : Geran 81999/M1/1/2, 81999/M1/2/3, 81999/M1/2/4 Lot No. 5834 : Geran 81996/M1/1/1, 81996/M1/2/3, 81996/M1/3&4/5, 81996/M1/1/2, 81996/M1/2/4, 81996/M1/3&4/6, Lot 5835 : Geran 81995/M1/1/2, Lot No. 5836 : Geran 81994/M1/1/1, 81994/M1/3&4/5, 81994/M1/1/2, 81994/M1/3&4/6, Lot No. 5837 : Geran 81993/M1/2/3, 81993/M1/3&4/5, Lot No. 5838 : Geran 81992/M1/2/3, 81992/M1/1/2, Lot No. 5842 : Geran 81991/M1/1/1, 81991/M1/2/3, 81991/M1/3&4/5, 81991/M1/2/4, 81991/M1/3&4/6, Lot No. 5843 : Geran 81990/M1/1/1, 81990/M1/3&4/5, 81990/M1/3&4/6, 81990/M1/1/2,	Freehold with the exception of the golf course held under Lot No. 5960 and 8075 which is leasehold for 97 and 99 years to expire in the year 2093 and 2100	349.02	Comprising townhouse units, bungalow lots, golf course and other land parcels designated for various residential and resort type developments/ use located within an integrated resort development known as Dickson Bay	1993	-	217,584

LIST OF PROPERTIES
AS AT 30 JUNE 2024 (Continued)

Location	Tenure	Area (acres)	Description and Existing Use	Year of Acquisition/ Revaluation	Age of Properties	Net Book Value RM'000
13th mile of Port Dickson Pasir Panjang main road Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus (Continued) Lot No. 5844 : Geran 81989/M1/1/2, 81989/M1/2/3, 81989/M1/3&4/5, 81989/M1/3&4/6, Lot No. 5845 : Geran 81988/M1/3&4/5, 81988/M1/3&4/6, Lot No. 5846 : Geran 81987/M1/3&4/5, 81987/M1/3&4/6, Lot No. 5847 : Geran 81986/M1/1/1, 81986/M1/3&4/5, 81986/M1/1/2, 81986/M1/2/4, 81986/M1/3&4/6, Lot No. 5859 : Geran 81974/M1/3&4/5, Lot No. 5860 : Geran 81973/M1/3&4/5, 81973/M1/3&4/6 Lot No. 5861 : Geran 81972/M1/3&4/6, 81972/M1/2/3, Lot No. 5862 : Geran 81971/M1/3&4/5, Lot No. 5863 : Geran 81970/M1/3&4/6, Lot No. 5865 : Geran 81968/M1/2/4, Lot No. 5866 : Geran 81967/M1/2/3, 81967/M1/3&4/5, Lot No. 5867 : Geran 81966/M1/2/3, 81966/M1/3&4/6, Lot No. 5870 : Geran 81963/M1/2/3, Lot No. 5872 : Geran 81961/M1/2/4, Lot No. 5874 : Geran 81959/M1/3&4/6, Lot No. 5877 : Geran 81956/M1/2/4, 81956/M1/3&4/5, 81956/M1/3&4/6, Lot No. 5878 : Geran 81955/M1/1/1, 81955/M1/3&4/5, 81955/M1/1/2, 81955/M1/2/4, 81955/M1/3&4/6, Lot No. 5879 : Geran 81954/M1/2/4, 81954/M1/2/3, 81954/M1/3&4/5, 81954/M1/3&4/6, Lot No. 5880 : Geran 81953/M1/3&4/5, 81953/M1/3&4/6, Lot No. 5881 : Geran 81952/M1/3&4/5, 81952/M1/3&4/6, Lot No. 5882 : Geran 81951/M1/3&4/5, 81951/M1/3&4/6, 81951/M1/2/3, Lot No. 5883 : Geran 81950/M1/3&4/5, 81950/M1/3&4/6, 81950/M1/2/3, Lot No. 5884 : Geran 81949/M1/1/1, 81949/M1/3&4/5, 81949/M1/3&4/6, Lot No. 5885 : Geran 81948/M1/2/3, 81948/M1/3&4/5, 81948/M1/1/2, 81948/M1/3&4/6, 81948/M1/1/1, 81948/M1/2/4, Lot No. 5886 : Geran 81947/M1/1/1, 81947/M1/3&4/5, 81947/M1/2/4, 81947/M1/3&4/6, Lot No. 5887 : Geran 81946/M1/1/1, 81946/M1/1/2, 81946/M1/2/3, 81946/M1/2/4, 81946/M1/3&4/5, Lot No. 5888 : Geran 81945/M1/1/2, 81945/M1/3&4/5, 81945/M1/1/1, 81945/M1/3&4/6, 81945/M1/2/3, 81945/M1/2/4,						

LIST OF PROPERTIES
AS AT 30 JUNE 2024 (Continued)

Location	Tenure	Area (acres)	Description and Existing Use	Year of Acquisition/ Revaluation	Age of Properties	Net Book Value RM'000
13th mile of Port Dickson Pasir Panjang main road Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus (Continued) Lot No. 5889 : Geran 81944/M1/1/1-81944/M1/2/3-81944/M1/3&4/5-81944/M1/1/2-81944/M1/2/4-81944/M1/3&4/6, Lot No. 5890 : Geran 81943/M1/2/3-81943/M1/3&4/5-81943/M1/1/2-81943/M1/2/4-81943/M1/3&4/6, Lot No. 5891 : Geran 81942/M1/2/3-81942/M1/3&4/5-81942/M1/1/2-81942/M1/2/4-81942/M1/3&4/6,						
Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus H.S.(D) No. 138578 Lot No. 7941	Freehold	11.03	Land for future development located in Dickson Bay	2000	-	11,818
Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus Lot No. 5908-5913 : Geran 81920-81925, Lot No. 5914-5917 : Geran 81916-81919, Lot No. 5918-5922 : Geran 81911-81915	Freehold	1.82	Comprising various blocks of resort townhouses for resort type development/ use located in Dickson Bay	2002	27 years	12,353
Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus H.S.(D) No. 24397 P.T. No. 5483	Leasehold for 99 years to expire in the year 2101	7.99	Land designated for institution development located in Dickson Bay	2002	-	2,508
Pekan of Kinrara District of Petaling Negeri Selangor Darul Ehsan No Hakmilik 71214 Lot No. 53489	Freehold	0.11	Land and building(s) for office use	2017	27 years	7,639

LIST OF PROPERTIES
AS AT 30 JUNE 2024 (Continued)

Location	Tenure	Area (acres)	Description and Existing Use	Year of Acquisition/ Revaluation	Age of Properties	Net Book Value RM'000
Mukim of Beserah District of Kuantan Pahang Darul Makmur H.S.(M) No. 1238-1243 P.T. No. 2125-2130	Freehold	1.12	Land and building(s) for resort type development/ use	1998	30 years	3,213
H.S.(M) No. 5580 P.T. No. 8080	Leasehold for 99 years to expire in the year 2117	0.93		2017	-	471
Mukim and District of Hulu Terengganu Terengganu Darul Iman H.S.(D) No. 717-719 P.T. No. 35-37	Leasehold for 60 years to expire in the year 2054	172.88	Land for resort type development	1998	30 years	1,724
Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus H.S.(D) No. 13101 P.T. No. 2787	Freehold	10.60	Land for future development located in Dickson Bay	2019	-	5,500
Mukim of Rawang District of Gombak Negeri Selangor Darul Ehsan Lot No. 1037: Geran 44268/M1/5/64 & 44268/M1/5/74 No Hakmilik 104304 Lot No. 18419 (Phase 56) P56A/A-4-04, P56A/A-4-09, P56A/B-G-03, P56A-G-05	Freehold	0.08	Buildings for staff quarter/ accommodation	2023	16 & 17 years	672
Mukim of Bandar Petaling Jaya District of Petaling Negeri Selangor Darul Ehsan Master Title No. PN 100252 Lot No. 72702 (Lot 49-1 & Lot 49-2) - pending for transfer	Leasehold for 99 years to expire in the year 2089	0.07	Building for office use	2018	13 years	862
Mukim and District of Bandar Kuala Lumpur Wilayah Persekutuan Kuala Lumpur Master Title No. 80739 Lot No. 20002 Geran 80739/M1B/21/310 (T2B-20-12) - pending for transfer Geran 80739/M1C/24/718 (T3-23-18) - pending for transfer	Freehold	0.05	Buildings held for investments	2019	8 years	2,265

ANALYSIS OF SHAREHOLDINGS
AS AT 8 OCTOBER 2024

SHARE CAPITAL

No. of Issued Shares	:	2,169,339,649
Type of Securities	:	Ordinary Shares
No. of Shareholders	:	6,385
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholders	No. of Ordinary Shares Held	Percentage (%) of Ordinary Shares
Less than 100	1,105	17.30	36,530	0.00
100 – 1,000	1,439	22.54	1,044,796	0.05
1,001 – 10,000	2,807	43.96	12,160,032	0.56
10,001 – 100,000	696	10.90	20,135,306	0.93
100,001 to 108,466,982*	337	5.28	1,955,962,985	90.16
108,466,983 and above**	1	0.02	180,000,000	8.30
Total	6,385	100.00	2,169,339,649	100.00

Note:
* Denote less than 5% of the total number of issued shares
** Denote 5% and above of the total number of issued shares

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS

No.	Name of Shareholders	No. of Ordinary Shares Held	Percentage (%) of Ordinary Shares
1.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd. (ED)	180,000,000	8.30
2.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan	87,653,900	4.04
3.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	82,559,064	3.81
4.	CitiGroup Nominees (Asing) Sdn. Bhd. UBS AG	72,956,200	3.36
5.	CGS International Securities Malaysia Sdn. Bhd. IVT for EDIA	70,000,000	3.23
6.	Kejaya Kaya Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	70,000,000	3.23
7.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	67,500,000	3.11
8.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	65,000,000	2.99
9.	APEX Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (Margin)	62,301,200	2.87

ANALYSIS OF SHAREHOLDINGS
AS AT 8 OCTOBER 2024 (Continued)

TOP THIRTY (30) SECURITIES ACCOUNTS HOLDERS (Continued)

No.	Name of Shareholders	No. of Ordinary Shares Held	Percentage (%) of Ordinary Shares
10.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd. (M1868A)	60,000,000	2.77
11.	HSBC Nominees (Asing) Sdn. Bhd. Societe Generale Paris	50,990,000	2.35
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	50,000,000	2.30
13.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (MY1868)	49,374,600	2.28
14.	TJN Capital Sdn. Bhd.	48,000,000	2.21
15.	Hui One Capital Sdn. Bhd.	45,000,000	2.07
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Exempt AN for Octowill Trustees Berhad	43,330,000	1.99
17.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd. (7005751)	42,000,000	1.94
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Kerjaya Riang Sdn. Bhd. for TJN Capital Sdn. Bhd.	37,000,000	1.71
19.	RHB Nominees (Tempatan) Sdn. Bhd. Cher Lee Kiat	30,733,300	1.42
20.	TJN Capital Sdn. Bhd.	30,377,273	1.40
21.	Hui One Capital Sdn. Bhd.	27,499,400	1.27
22.	Kejaya Kaya Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan	26,355,800	1.21
23.	Tee Tiam Lee	19,700,000	0.91
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	19,000,000	0.88
25.	HSBC Nominees (Asing) Sdn. Bhd. Morgan Stanley & Co. International PLC (Firm A/C)	18,887,700	0.87
26.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	18,800,000	0.87
27.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chiau Haw Choon	18,050,200	0.83
28.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liang Tian Kiat (MGN-LTK0006M)	17,484,700	0.80
29.	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (M&A)	17,000,000	0.78
30.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan	16,660,000	0.77
		1,444,213,337	66.57

SUBSTANTIAL SHAREHOLDERS
AS AT 8 OCTOBER 2024

	No. of Ordinary Shares Held			
Name of Shareholders	**Direct**	**Percentage (%)^**	**Indirect**	**Percentage (%)^**
Dato' Sri Andrew Tan Jun Suan	300,445,500	13.85	804,059,064*	37.06
TJN Capital Sdn. Bhd.	804,059,064	37.06	-	-

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Based on the total number of 2,169,339,649 issued shares.

ANALYSIS OF WARRANT HOLDINGS
AS AT 8 OCTOBER 2024

Total No. of Unexercised Warrants	:	579,495,757
Type of Securities	:	Warrants 2022/2025 (“Warrants”)
No. of Warrant Holders	:	5,539

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	Percentage (%) of Warrant Holders	No. of Warrants Held	Percentage (%) of Warrants
Less than 100	1,453	26.23	38,144	0.01
100 – 1,000	1,912	34.52	1,233,681	0.21
1,001 – 10,000	1,764	31.85	6,125,696	1.06
10,001 – 100,000	259	4.68	7,250,454	1.25
100,001 to 28,974,787*	146	2.63	364,454,900	62.89
28,974,788 and above**	5	0.09	200,392,882	34.58
Total	5,539	100.00	579,495,757	100.00

Note:
* Denote less than 5% of the total number of unexercised warrants
** Denote 5% and above of the total number of unexercised warrants

TOP THIRTY (30) WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants Held	Percentage (%) of Warrants
1.	ECYY Trading Sdn. Bhd.	74,163,350	12.80
2.	Andrew Tan Jun Suan	35,700,000	6.16
3.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	30,529,532	5.27
4.	Hui One Capital Sdn. Bhd.	30,000,000	5.18
5.	Tee Tiam Lee	30,000,000	5.18
6.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chia Yoong Yoong	24,000,000	4.14
7.	Hui One Capital Sdn. Bhd.	23,577,228	4.07
8.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato’)	23,000,000	3.97
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd. (M1868A)	20,000,000	3.45
10.	Hui One Capital Sdn. Bhd.	20,000,000	3.45
11.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Sri Gan Chow Tee	19,067,700	3.29
12.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Wee Terk (E-TJJ)	17,317,000	2.99
13.	Liang Tian Kiat	16,000,000	2.76

ANALYSIS OF WARRANT HOLDINGS
AS AT 8 OCTOBER 2024 (Continued)

TOP THIRTY (30) WARRANT HOLDERS (Continued)

No.	Name of Warrant Holders	No. of Warrants Held	Percentage (%) of Warrants
14.	Chia Yoong Yoong	12,798,050	2.21
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khoo Chee Siang	12,560,000	2.17
16.	Kejaya Kaya Sdn. Bhd. Pledged Securities Account for Chan Yok Peng	12,190,600	2.10
17.	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (M&A)	8,000,000	1.38
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lo Ngen Loi	7,752,000	1.34
19.	Chan Kin Keong	6,150,000	1.06
20.	Lee Ai Yeen	5,622,800	0.97
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for TJN Capital Sdn. Bhd.	5,000,000	0.86
22.	APEX Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (Margin)	5,000,000	0.86
23.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (MY1868)	5,000,000	0.86
24.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pee Lu Ying	4,722,500	0.82
25.	Seni Jaya Ooh Sdn. Bhd.	4,300,000	0.74
26.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Sen Loon	4,214,000	0.73
27.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Charlie Ching Wee Chun	4,200,000	0.72
28.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sia Chee Huat	4,050,000	0.70
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ngoo Kah Kian	4,050,000	0.70
30.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chee Tiong	3,894,000	0.67
		472,858,760	81.60

STATEMENT OF DIRECTORS' INTERESTS
IN THE COMPANY AND ITS RELATED CORPORATIONS AS AT 8 OCTOBER 2024 (AS PER THE REGISTER OF DIRECTORS' SECURITIES HOLDINGS)

Directors' Shareholdings in the Holding Company:-
- TJN Capital Sdn. Bhd.

Ordinary Shares

	No. of Ordinary Shares Held			
Name of Directors	**Direct**	**Percentage (%)**	**Indirect**	**Percentage (%)**
Dato' Sri Andrew Tan Jun Suan	7,025	70.25	-	-
Christopher Tan Khoon Suan	585	5.85	-	-

Directors' Shareholdings in the Company:-

Ordinary Shares

	No. of Ordinary Shares Held			
Name of Directors	**Direct**	**Percentage (%)^**	**Indirect**	**Percentage (%)^**
Dato' Sri Andrew Tan Jun Suan	300,445,500	13.85	804,059,064*	37.06

Directors' Warrant Holdings in the Company:-

Warrants 2022/2025

	No. of Warrants 2022/2025 Held			
Name of Directors	**Direct**	**Percentage (%)#**	**Indirect**	**Percentage (%)#**
Dato' Sri Andrew Tan Jun Suan	56,450,000	9.74	56,452,304*	9.74

Notes:

* Deemed interested by virtue of his interest in TJN Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Based on the total number of 2,169,339,649 issued shares.

Based on the total number of 579,495,757 outstanding warrants.

Dato' Sri Andrew Tan Jun Suan is deemed to have an interest in the ordinary shares of all the subsidiaries to the extent the Company has an interest by virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016.

Save as disclosed, none of the other Directors of the Company has any interest in the ordinary shares or warrants of the Company and its related corporations as at 8 October 2024.

TANCO HOLDINGS BERHAD

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