

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

**A2. Changes in accounting policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014 except for the adoption of the following new/revised FRSs and Interpretations:

**Effective for financial periods beginning on or after 1 July 2014:**

|                       |  |
|-----------------------|--|
| Amendments to FRS 2   | Share-based Payment  |
| Amendments to FRS 3   | Business Combinations  |
| Amendments to FRS 8   | Operating Segments   |
| Amendments to FRS 13  | Fair Value Measurement   |
| Amendments to FRS 116 | Property, plant and equipment ( <i>Annual Improvements to FRSs 2010 – 2013 Cycle</i> ) |
| Amendments to FRS 119 | Defined Benefit Plans: Employee Contributions  |
| Amendments to FRS 124 | Related Party Disclosures ( <i>Annual Improvements to FRSs 2010-2013 Cycle</i> )       |
| Amendments to FRS 138 | Intangible Assets  |
| Amendments to FRS 140 | Investment Property ( <i>Annual Improvements to FRSs 2011-2013 Cycle</i> )             |

Adoption of the above standards and interpretations did not have any effect on the financial performance or position and policy of the Group.

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The following revised FRSs and Amendments to FRSs applicable to the Group have been issued by the MASB but not yet effective and have not been adopted by the Group:

**Effective for financial periods beginning on or after 1 January 2016:**

|   |  |
|---|--|
| Amendments to FRS 5                     | Non-current Assets held for sales and Discontinued Operations ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> ) |
| Amendments to FRS 7                     | Financial Instruments: Disclosure ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )                             |
| Amendments to FRS 10 and FRS 128        | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture                                |
| Amendment to FRS 10, FRS 12 and FRS 128 | Investment Entities: Applying the Consolidation Exception  |
| Amendments to FRS 11                    | Accounting for Acquisitions of Interests in Joint Operations   |
| FRS 14                                  | Regulatory Deferral Accounts   |
| Amendments to FRS 101                   | Disclosure Initiatives   |
| Amendments to FRS 116 and FRS 138       | Clarification of Acceptable Methods of Depreciation and Amortisation   |
| Amendments to FRS 119                   | Employee Benefits ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )   |
| Amendments to FRS 127                   | Equity Method in Separate Financial Statements   |
| Amendments to FRS 134                   | Annual Improvements to FRSs 2012-2014 Cycle  |

**Effective for financial periods beginning on or after 1 January 2018:**

|         |                                       |
|---------|---------------------------------------|
| FRS 9   | Financial Instruments                 |
| MFRS 15 | Revenue from Contracts with Customers |

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects of the differences between the currently applied FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

**A3. Auditors' report on preceding annual financial statements**

The auditors' report of the financial statements for the year ended 31 December 2014 was not subject to any qualification.

**A4. Comments about seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

**A5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**A6. Changes in estimates**

There were no material changes in estimates for the financial period ended 30 September 2015.

**A7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review save and except as follows:

- 1) Issuance of 50,854,290 new ordinary shares of RM1.00 each arising from conversion of RM76,281,435 of 10-year 3% Redeemable Convertible Unsecured Loan Stocks (“RCULS”) at conversion price of RM1.50 per share;
- 2) Issuance of 343,800 new ordinary shares of RM1.00 each arising from exercise of 343,800 options pursuant to the Employee Share Option Scheme of the Company; and
- 3) The Company has repurchased its equity securities of 771,200 ordinary shares at an average price of RM0.90 per share. As at 30 September 2015, the number of treasury shares held were 5,068,435 ordinary shares of RM1.00 each.

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**A8. Dividends paid**

On 15 July 2015, the single tier Share Dividend was credited into the entitled depositors' securities accounts via a distribution of Treasury Shares on the basis of 1.3 Treasury Shares for every 100 existing ordinary shares of RM1.00 each held in the Company, in respect of the financial year ended 31 December 2014, which was approved by the shareholders during the 36<sup>th</sup> Annual General Meeting held on 18 June 2015.

**A9. Segmental information**

Segmental information is presented in respect of the Group's principal business segments - property development, property investment and resort operations and investment holding.

The geographically information is not presented as the Group's activities are carried out predominantly in Malaysia.

Business segment analysis for the period:

| Individual Quarter                 | <-----Continuing operations -----> |   |   |                 | Discontinued Operations                 |                 |
|------------------------------------|------------------------------------|---|---|-----------------|---|-----------------|
|                                    | Property development<br>RM'000     | Property investment and resort operations<br>RM'000 | Investment holding and others<br>RM'000 | Total<br>RM'000 | Investment holding and others<br>RM'000 | TOTAL<br>RM'000 |
| <b>30 September 2015</b>           |                                    |   |   |                 |   |                 |
| Revenue                            | 210,161                            | 21,772  | 12,643                                  | <b>244,576</b>  | -                                       | <b>244,576</b>  |
| Results from operations            | 25,385                             | 132,348   | 21,577                                  | <b>179,310</b>  | -                                       | <b>179,310</b>  |
| Net finance costs                  | (6,675)                            | 2,806   | (3,944)                                 | <b>(7,813)</b>  | -                                       | <b>(7,813)</b>  |
| Share of results of joint ventures | -                                  | -   | 3,883                                   | <b>3,883</b>    | -                                       | <b>3,883</b>    |
| Profit before tax                  | <b>18,710</b>                      | <b>135,154</b>                                      | <b>21,516</b>                           | <b>175,380</b>  | -                                       | <b>175,380</b>  |
| <b>30 September 2014</b>           |                                    |   |   |                 |   |                 |
| Revenue                            | 250,228                            | 36,743  | 13,755                                  | <b>300,726</b>  | <b>52,331</b>                           | <b>353,057</b>  |
| Results from operations            | 36,191                             | 21,798  | (711)                                   | <b>57,278</b>   | <b>9,172</b>                            | <b>66,450</b>   |
| Net finance costs                  | (4,555)                            | (6,245)   | (5,139)                                 | <b>(15,939)</b> | <b>(53)</b>                             | <b>(15,992)</b> |
| Share of results of associates     | -                                  | -   | -                                       | -               | <b>673</b>                              | <b>673</b>      |
| Share of results of joint ventures | -                                  | -   | (932)                                   | <b>(932)</b>    | <b>745</b>                              | <b>(187)</b>    |
| Profit/(loss) before tax           | <b>31,636</b>                      | <b>15,553</b>                                       | <b>(6,782)</b>                          | <b>40,407</b>   | <b>10,537</b>                           | <b>50,944</b>   |

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| Year To Date                       | <-----Continuing operations -----> |   |   |                 | Discontinued Operations                 | TOTAL<br>RM'000 |
|------------------------------------|------------------------------------|---|---|-----------------|---|-----------------|
|                                    | Property development<br>RM'000     | Property investment and resort operations<br>RM'000 | Investment holding and others<br>RM'000 | Total<br>RM'000 | Investment holding and others<br>RM'000 |                 |
| <b>30 September 2015</b>           |                                    |   |   |                 |   |                 |
| Revenue                            | 811,871                            | 90,679  | 45,282                                  | 947,832         | 98,990                                  | 1,046,822       |
| Results from operations            | 101,838                            | 152,086   | 18,150                                  | 272,074         | 14,389                                  | 286,463         |
| Net finance cost                   | (8,275)                            | (13,885)  | (16,352)                                | (38,512)        | (303)                                   | (38,815)        |
| Share of results of associates     | -                                  | -   | -                                       | -               | (17)                                    | (17)            |
| Share of results of joint ventures | -                                  | -   | 8,859                                   | 8,859           | 1,673                                   | 10,532          |
| Profit before tax                  | <b>93,563</b>                      | <b>138,201</b>                                      | <b>10,657</b>                           | <b>242,421</b>  | <b>15,742</b>                           | <b>258,163</b>  |
| <b>30 September 2014</b>           |                                    |   |   |                 |   |                 |
| Revenue                            | 718,322                            | 108,702   | 27,860                                  | 854,884         | 153,180                                 | 1,008,064       |
| Results from operations            | 107,335                            | 111,305   | (15,268)                                | 203,372         | 25,281                                  | 228,653         |
| Net finance cost                   | (16,863)                           | (13,289)  | (16,458)                                | (46,610)        | (191)                                   | (46,801)        |
| Share of results of associates     | -                                  | -   | -                                       | -               | 927                                     | 927             |
| Share of results of joint ventures | -                                  | -   | 11,923                                  | 11,923          | 2,064                                   | 13,987          |
| Profit/ (loss) before tax          | <b>90,472</b>                      | <b>98,016</b>                                       | <b>(19,803)</b>                         | <b>168,685</b>  | <b>28,081</b>                           | <b>196,766</b>  |

**A10. Valuations of property, plant and equipment**

Valuations of property, plant and equipment remain unchanged from the audited financial statements for the year ended 31 December 2014.

**A11. Material events subsequent to the end of interim period**

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

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**A12. Changes in composition of the Group**

During the current quarter under review, Tropicana Saujana Sdn Bhd (formerly known as Tropicana Tenaga Kimia Sdn Bhd), a wholly-owned subsidiary of Sumber Saujana Sdn Bhd (“SSSB”), which in turn is a subsidiary of the Company, has disposed its entire 73% ordinary shareholding in Tenaga Kimia Sdn Bhd (“TKSB”) to Austin Powder Asia Pacific on 2 July 2015. Accordingly, TKSB has ceased to be a subsidiary of SSSB.

Save as disclosed above, there were no other changes in the composition of the Group.

**A13. Changes in contingent liabilities or contingent assets**

Since the last annual audited position at 31 December 2014, the Group’s contingent liabilities have changed due to the decrease in corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to the subsidiaries of the Group amounting to RM154.3million.

Save as disclosed above, there were no other changes in contingent liabilities of the Group.

**A14. Capital commitments**

The amount of commitments for capital expenditures as at 30 September 2015 is as follows:

|   | <b>As at<br/>30/09/15<br/>RM’000</b> | <b>As at<br/>30/09/14<br/>RM’000</b> |
|---|--------------------------------------|--------------------------------------|
| Capital expenditure:  |                                      |                                      |
| Approved and contracted for   | 522,500                              | 948,800                              |
| Approved but not contracted for   | 539,800                              | 728,300                              |
| Share of joint venture’s capital commitment<br>in relation to land held for development | 221,500                              | 351,000                              |
|   | <b>1,283,800</b>                     | <b>2,028,100</b>                     |

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**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B1. Performance review**

**Quarterly results**

For the current quarter under review, the Group recorded revenue of RM244.6million which is lower by RM56.1million in comparison to the corresponding quarter last year. The revenue in the corresponding quarter last year was boosted by the higher contribution from projects that were near completion.

Profit before tax (“PBT”) was higher by RM134.9million for current quarter under review as compared to the corresponding quarter last year. The higher PBT this quarter was contributed by the one off gain of RM161.0million from the disposals of investment properties and a subsidiary.

**Year-to-date results**

For the period ended 30 September 2015, the Group recorded revenue of RM947.8million, which was 10.9% higher in comparison to the corresponding period of last year.

The Group’s PBT increased by 43.7% to RM242.4million against the corresponding period of last year. The increase was contributed mainly from the one off gain in disposals of investment properties and a subsidiary during the current period.

**B2. Variation of results against preceding quarter**

The Group’s reported revenue of RM244.6million in the current quarter is 21.7% or RM67.8million lower compared to the preceding quarter ended 30 June 2015. The lower revenue was contributed by lower work progress in property development segment and lower contribution from property investment segment upon the disposal of investment properties in the current quarter.

The Group’s current quarter PBT increased by RM149.5million against RM25.9million in preceding quarter ended 30 June 2015. The higher PBT was mainly due to the one off gain in disposals of investment properties and a subsidiary amounted to RM161.0million.

**B3. Prospects**

Near term prospects is expected to remain challenging due to the lacklustre property market as a results of the cooling measures by the Government, the introduction of GST and the stringent lending policies by end financing banks. In spite of this, the Group has achieved a total sale of RM1.3billion as at 30 September 2015 and is on track to exceed last year’s total sales. In addition, the Group has achieved a record unbilled sales of RM3.1billion which places it in a position to deliver sustainable performance in the coming years.

The Group’s strategy for 2016 will continue to be market driven and adapt to market demand while focusing to unlock value of its land bank in Klang Valley, as well as those in the Northern Region. The Group possesses a sizeable landbank of more than 1,600 acres across Malaysia with future GDV of over RM50.0billion.

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**B4. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued for the financial period.

**B5. Taxation**

|   | Individual quarter |                    | Year to date       |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 30/09/15<br>RM'000 | 30/09/14<br>RM'000 | 30/09/15<br>RM'000 | 30/09/14<br>RM'000 |
| Tax expense for the period                                      | 11,062             | 25,773             | 59,828             | 51,680             |
| Under/(Over) provision of tax for the previous financial period | 505                | (12,831)           | 505                | (12,831)           |
| Real property gain tax  | 28,660             | -                  | 30,188             | -                  |
| Deferred tax transfers  | (21,557)           | 421                | (47,494)           | (4,463)            |
| <b>Total Group's tax expense</b>                                | <b>18,670</b>      | <b>13,363</b>      | <b>43,027</b>      | <b>34,386</b>      |
| <b>Represented by:</b>  |                    |                    |                    |                    |
| - From continuing operations                                    | 18,670             | 11,009             | 39,432             | 29,019             |
| - From discontinued operations                                  | -                  | 2,354              | 3,595              | 5,367              |
|   | <b>18,670</b>      | <b>13,363</b>      | <b>43,027</b>      | <b>34,386</b>      |

The Group's effective tax rate was slightly lower than the statutory tax rate principally due to recognition of deferred tax assets and liabilities, as well as non-allowable expenses for tax deduction.

**B6. Corporate Proposals**

**Status of corporate proposals**

The following corporate proposals announced by the Company have not been completed as at 20 November 2015, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report:

- 1) The Employee Share Option Scheme ("ESOS") of the Company had expired on 20 September 2015. The ESOS was in force for a period of 10 years commenced on 21 September 2005 in accordance with the Bye-Laws of the ESOS.
- 2) On 25 May 2015, Tropicana Properties Odeon Sdn. Bhd. ("TPO"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with Glorade Sdn. Bhd. ("Glorade") for the disposal of a parcel of leasehold property held under H.S. (D) 119107, P.T. No. 26584, Mukim of Batu, District of Kuala Lumpur and State of Wilayah Persekutuan KL (formerly held under H.S.(D) 97436, Lot 2450, District of Kuala Lumpur and State of Wilayah Persekutuan KL) measuring approximately 3,399 square metres together with a two and a half storey building



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erected thereon bearing postal address Lot 2450, Jalan Ambong (Jalan 1), Taman Kepong Baru, 52100 Kuala Lumpur (“Property”) for a total cash consideration of RM12,000,000 (“Sales Consideration”) (“Disposal”).

The Disposal was completed on 14 August 2015.

- 3) On 8 May 2014, Supreme Converge Sdn. Bhd. (“SCSB”), a wholly-owned subsidiary of the Company, entered into a Subscription and Shareholders’ Agreement with Agile Real Estate Development (M) Sdn. Bhd. (formerly known as Vista Oasis Sdn. Bhd.) (“Agile”), a wholly-owned subsidiary of Agile Property Holdings Limited (“APH”) (“SSA”). SCSB and Agile have pursuant to the SSA subscribed shares in a new company known as Agile Tropicana Development Sdn. Bhd. (formerly known as Offshore Triangle Sdn. Bhd.) (“JV Co”) where SCSB’s and Agile’s equity interest in the JV Co is 30% and 70% respectively.

The JV Co had on 8 May 2014 entered into a conditional sale and purchase agreement with Tropicana Bukit Bintang Development Sdn. Bhd. (“TBBD”) (“TBBD SPA”), a wholly-owned subsidiary of the Company, whereby TBBD agreed to sell and JV Co agreed to purchase 8 parcels of freehold land, all in Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, measuring in aggregate approximately 3.138 acres (equivalent to approximately 136,719.48 square feet) in area (“TBBD Land”), for a total cash consideration of RM448,439,901.

The TBBD SPA became unconditional on 7 May 2015 and was completed on 7 October 2015.

- 4) On 12 February 2014, the Company entered into the following :
- i) Shareholders Agreement with Lasallian Asia Partnership for International Schools Pte Ltd (Company. No. 201315250G) (“LAPIS”) and Tropicana SJII Education Management Sdn. Bhd. (“TSEM”), a subsidiary of the Company (“TSEM Shareholders Agreement”); and
  - ii) Shareholders Agreement with LAPIS, Warisan Istimewa Sdn. Bhd. (“WISB”) and Tropicana Education Management Sdn. Bhd. (“TEM”), a subsidiary of the Company (“TEM Shareholders Agreement”).

(collectively referred to as “Shareholders Agreements”)

The Shareholders Agreements are for the purpose of establishing and operating an international school to be known as “St. Joseph’s Institution International School Malaysia (Tropicana PJ Campus)” or such other name as may be mutually agreed upon and approved by the relevant authorities (“International School”) in collaboration with LAPIS encompassing the following:

- i) the construction of the International School by TEM on the land held under the title H.S.(D) 296471, No. PT 12687, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor (“TEM Land”). TEM is the registered proprietor and beneficial owner of the TEM Land and had on 7 August 2014 entered into an Agreement to Lease with TSEM whereupon TEM has agreed to grant and TSEM has agreed to take a lease of the TEM Land together with the International

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School constructed thereon for three (3) fixed terms of ten (10) years each commencing from 1 September 2016 or such other date as TEM and TSEM shall mutually agree to in writing in accordance with and subject to the terms and conditions of the Agreement to Lease; and

- ii) the operation of the International School by TSEM and managed by LAPIS whereupon TSEM had on 7 August 2014 entered into a Management Agreement with LAPIS pursuant to which LAPIS is to manage the day-to-day running of the School in accordance with and subject to the terms and conditions of the Management Agreement.

On 6 May 2015, the parties to TEM Shareholders Agreement have mutually agreed to terminate the TEM Shareholders Agreement ("Termination") as LAPIS has decided not to have equity participation in TEM. The shareholders of TEM have been the Company and Warisan Istimewa Sdn Bhd. The Termination does not affect the Company's collaboration with LAPIS in relation to the construction and operation of the International School.

The TSEM Shareholders Agreement became unconditional on 1 July 2015.

- 5) On 23 December 2013, Tropicana Danga Senibong Holding Sdn. Bhd. (formerly known as Golddust United Sdn. Bhd.) ("TDSHSB"), a wholly-owned subsidiary of the Company, entered into a Shareholders Agreement with Tebrau Bay Sdn. Bhd. ("TBSB" or the "Vendor"), a wholly-owned subsidiary of Iskandar Waterfront City Berhad (formerly known as Tebrau Teguh Berhad) ("IWCB"), ("Shareholders Agreement"), to regulate their relationship as shareholders of Tropicana Danga Senibong Sdn. Bhd. (formerly known as Renown Dynamic Sdn. Bhd.) ("TDSSB" or "the Purchaser"), a special purpose vehicle used to acquire the Property (as defined below) and to develop the Property into a mixed development comprising commercial and residential components ("Proposed Joint Venture"). Pursuant to the Shareholders Agreement, TDSHSB and TBSB will hold equity interest in TDSSB in proportion of 70% and 30% respectively.

On 23 December 2013, TDSSB entered into a conditional Sale and Purchase Agreement ("SPA") with TBSB whereby the Vendor agreed to sell and the Purchaser agreed to purchase a parcel of land measuring approximately 60 acres which is presently a portion of a piece of leasehold land measuring 84.614 acres held under HS(D) 437846 PTD 194795 in the District of Johor Bahru, Mukim Plentong, State of Johor ("the Property") for a total cash consideration of RM444,312,000 ("Proposed Land Acquisition").

On 23 September 2015, TDSSB has exercised its rights to terminate the SPA in view that the conditions precedent have not been fulfilled by the Vendor in accordance with the provisions of the SPA.

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- 6) On 15 April 2013, Sapphire Index Sdn. Bhd. (“SISB”), a wholly-owned subsidiary of the Company, entered into a sale and purchase cum development agreement with Menteri Besar Selangor (Pemerbadanan) (“MBI”) and Permodalan Negeri Selangor Berhad (“PNSB”) for the proposed acquisition cum development of 11 parcels of leasehold land, all in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor, measuring approximately 4,743,986.21 square metres (51,063,794 square feet) for a total cash consideration of RM1,297,259,264 (“Proposed Acquisition”).

MBI, PNSB and SISB had entered into supplementary agreements in respect of the Proposed Acquisition on 7 August 2014 and 12 March 2015 respectively. As at the date of this report, SISB has paid for and completed a sub-divided parcel measuring 41.11 acres. The remaining 29 sub-divided parcels are pending for completion.

**B7. Interest-bearing loans and borrowings**

|                                | As at<br>30/09/15<br>RM'000 | As at<br>30/09/14<br>RM'000 |
|--------------------------------|-----------------------------|-----------------------------|
| Secured short term borrowings  | 550,350                     | 511,768                     |
| Secured long term borrowings   | 1,196,324                   | 1,884,028                   |
| Unsecured long term borrowings | -                           | 14,335                      |
|                                | 1,746,674                   | 2,410,131                   |

Included in the Group’s loans and borrowings in the current quarter under review is raised by a subsidiary and denominated in foreign currency.

|                               | As at<br>30/09/2015         |        |
|-------------------------------|-----------------------------|--------|
|                               | Foreign<br>Currency<br>'000 | RM'000 |
| United States Dollars (“USD”) | 8,000                       | 35,164 |

The USD borrowing is hedged until its maturity on 31 October 2015.

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**B8. Material litigation**

On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited (“DMML”), Dijaya-Malind Properties (India) Private Limited (“DMPPL”) and Starlite Global Enterprise (India) Limited (“SGEIL”) (“Order”).

The arbitration proceedings were previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel is in the opinion that the Order is erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh and is pending a hearing date to be set.

**B9. Dividend payable**

The Board of Directors has declared a single-tier interim dividend of 5.0 sen per share in respect of the financial year ending 31 December 2015, which will be paid on 23 December 2015. In respect of deposited securities, entitlement to dividends will be based on the record of depositors of the Company as at 11 December 2015.

**B10. Earnings per share**

a) Basic earnings per ordinary share

Basic earnings per share were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

|   | Individual quarter |               | Year to date   |                |
|---|--------------------|---------------|----------------|----------------|
|   | 30/09/15           | 30/09/14      | 30/09/15       | 30/09/14       |
| Profit attributable to ordinary equity holders of the Company (RM'000): |                    |               |                |                |
| - from continuing operation   | 151,783            | 25,294        | 187,016        | 112,485        |
| - from discontinued operation   | -                  | 4,226         | 7,210          | 14,318         |
| <b>Total</b>  | <b>151,783</b>     | <b>29,520</b> | <b>194,226</b> | <b>126,803</b> |
| Weighted average number of ordinary shares in issue ('000)              | 1,447,466          | 1,392,678     | 1,434,544      | 1,326,273      |
| Basic earnings per share (sen)  |                    |               |                |                |
| - for continuing operations   | 10.49              | 1.82          | 13.04          | 8.48           |
| - for discontinued operations   | -                  | 0.30          | 0.50           | 1.08           |
| <b>Total</b>  | <b>10.49</b>       | <b>2.12</b>   | <b>13.54</b>   | <b>9.56</b>    |

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD****(b) Diluted earnings per ordinary share**

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS, the Warrants and the RCULS.

|  | Individual quarter |                  | Year to date     |                  |
|--|--------------------|------------------|------------------|------------------|
|  | 30/09/15           | 30/09/14         | 30/09/15         | 30/09/14         |
| Profit attributable to ordinary equity holder of the Company (RM'000)  |                    |                  |                  |                  |
| - from continuing operations   | 151,783            | 25,294           | 187,016          | 112,485          |
| - from discontinued operations   | -                  | 4,226            | 7,210            | 14,318           |
| Add: Interest on RCULS (RM'000)  |                    |                  |                  |                  |
| - from continuing operations   | -                  | 280              | -                | 2,256            |
| <b>Profit attributable to ordinary equity holders of the Company including assumed conversion (RM'000)</b>               | <b>151,783</b>     | <b>29,800</b>    | <b>194,226</b>   | <b>129,059</b>   |
| <br>   |                    |                  |                  |                  |
| Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share                   | 1,447,466          | 1,392,678        | 1,434,544        | 1,326,273        |
| Add: Effects of dilution :   |                    |                  |                  |                  |
| - ESOS ('000)  | -                  | 12,535           | -                | 9,900            |
| - Warrants ('000)  | 16,243             | 45,745           | 18,775           | 45,745           |
| <b>Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share</b> | <b>1,463,709</b>   | <b>1,450,958</b> | <b>1,453,319</b> | <b>1,381,918</b> |
| <br>   |                    |                  |                  |                  |
| Diluted earnings per share (sen)   |                    |                  |                  |                  |
| - for continuing operations  | 10.37              | 1.76             | 12.86            | 8.30             |
| - for discontinued operations  | -                  | 0.29             | 0.50             | 1.04             |
| <b>Total</b>   | <b>10.37</b>       | <b>2.05</b>      | <b>13.36</b>     | <b>9.34</b>      |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B11. Realised/Unrealised Retained Profits**

|  | <b>Current<br/>quarter<br/>RM'000</b> | <b>Immediate<br/>preceding<br/>quarter<br/>RM'000</b> |
|--|---------------------------------------|---|
| Total retained profits of the Group:                 |                                       |   |
| - Realised   | 1,298,661                             | 967,540   |
| - Unrealised   | 84,331                                | 179,851   |
|  | <u>1,382,992</u>                      | <u>1,147,391</u>                                      |
| Total share of retained earnings from joint ventures |                                       |   |
| - Realised   | 94,714                                | 102,681   |
| Total share of retained earnings from associates     |                                       |   |
| - Realised   | -                                     | 2,234   |
| Consolidation adjustments                            | <u>(404,013)</u>                      | <u>(343,431)</u>                                      |
| <b>Total retained profits carried forward</b>        | <b><u>1,073,693</u></b>               | <b><u>903,875</u></b>                                 |

**B12. Notes to the Statement of Comprehensive Income**

|  | <b>Individual<br/>quarter<br/>30/09/15<br/>RM'000</b> | <b>Year to<br/>date<br/>30/09/15<br/>RM'000</b> |
|--|---|---|
| Profit for the period is arrived at after crediting/(charging):- |   |   |
| Interest income  | 10,079  | 18,325  |
| Other income   | 6,613   | 13,481  |
| Interest expense   | (17,892)  | (56,837)  |
| Depreciation of property, plant and equipment                    | (6,163)   | (18,936)  |
| Provision for and write off of receivables                       | -   | -   |
| Provision for and write off of inventories                       | -   | -   |
| Gain/(loss) on disposal of a subsidiary                          | 27,533  | 27,533  |
| Gain/(loss) on disposal of investment properties                 | 134,191   | 129,235   |
| Impairment of intangible assets                                  | (9,778)   | (9,778)   |
| Foreign exchange gain/(loss)                                     | (402)   | (229)   |
| Gain/(Loss) on derivatives                                       | -   | -   |
| Exceptional items  | <u>-</u>  | <u>-</u>  |

**B13. Authorisation for issue**

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 26 November 2015.