



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2018

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter		Year to Date	
		(Restated) Preceding Year Corresponding Quarter		(Restated) Preceding Year Corresponding Period
Note	Current Year Quarter 30/06/2018 RM'000	30/06/2017 RM'000	Current Year to Date 30/06/2018 RM'000	30/06/2017 RM'000
Revenue	281,428	439,062	734,433	812,744
Cost of sales	(183,291)	(344,075)	(491,670)	(629,053)
Gross profit	98,137	94,987	242,763	183,691
Other income	35,186	35,590	41,601	39,430
Administrative expenses	(59,379)	(46,690)	(114,273)	(98,686)
Other expenses	(190)	(255)	(478)	(754)
Operating profit	73,754	83,632	169,613	123,681
Finance income	7,672	4,096	13,532	9,498
Finance costs	(15,448)	(16,365)	(31,920)	(27,917)
Share of results of joint ventures	(1,224)	4,309	(451)	10,943
Share of results of an associate	211	(13)	(367)	1
Profit before tax	64,965	75,659	150,407	116,206
Income tax expense	(22,477)	(26,551)	(55,711)	(38,822)
Profit for the period	42,488	49,108	94,696	77,384
Other comprehensive loss to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	(2)	(1)	(10)	(2)
Total comprehensive income	42,486	49,107	94,686	77,382
Profit attributable to:				
Owners of the Parent	38,000	46,475	84,403	73,533
Non-controlling interests	4,488	2,633	10,293	3,851
	42,488	49,108	94,696	77,384

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	Individual Quarter		Year to Date	
		(Restated) Preceding Year Corresponding Quarter		(Restated) Preceding Year Corresponding Period
Note	Current Year Quarter 30/06/2018 RM'000	30/06/2017 RM'000	Current Year to Date 30/06/2018 RM'000	30/06/2017 RM'000
Total comprehensive income attributable to:				
Owners of the Parent	37,998	46,474	84,393	73,531
Non-controlling interests	4,488	2,633	10,293	3,851
	42,486	49,107	94,686	77,382
Earnings per share attributable to owners of the Parent:				
(sen per share)				
- Basic	B10 2.60	3.19	5.77	5.09
- Diluted	B10 2.60	3.19	5.77	5.09

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		(Restated)	(Restated)
	As At	As At	As At
Note	<u>30/06/2018</u>	<u>31/12/2017</u>	<u>01/01/2017</u>
	RM'000	RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	848,333	820,193	741,864
Land held for property development	2,175,700	2,035,390	2,236,335
Investment properties	634,090	560,099	447,519
Investment in an associate	36,656	37,023	38,144
Investments in joint ventures	368,006	421,884	401,684
Other investments	312	312	312
Intangible assets	19,026	1,475	1,475
Deferred tax assets	46,722	48,955	23,720
Other receivables	32,336	27,941	39,138
	<u>4,161,181</u>	<u>3,953,272</u>	<u>3,930,191</u>
Current assets			
Property development costs	1,492,733	1,556,443	1,622,004
Inventories	107,192	31,893	34,931
Trade and other receivables	827,809	1,053,367	906,149
Tax recoverable	40,562	39,979	47,328
Cash and bank balances	1,190,871	941,410	841,265
	<u>3,659,167</u>	<u>3,623,092</u>	<u>3,451,677</u>
Total assets	<u>7,820,348</u>	<u>7,576,364</u>	<u>7,381,868</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		(Restated)	(Restated)
	As At	As At	As At
Note	30/06/2018	31/12/2017	01/01/2017
	RM'000	RM'000	RM'000
Equity and liabilities			
Equity attributable to owners of the Parent			
Share capital	2,044,314	2,044,314	1,447,466
Treasury shares	(9,484)	(6,692)	(23,648)
Share premium	-	-	577,984
Other reserves	1,335,815	1,274,842	1,166,139
	<u>3,370,645</u>	<u>3,312,464</u>	<u>3,167,941</u>
Non-controlling interests	323,180	309,854	290,489
Total equity	<u>3,693,825</u>	<u>3,622,318</u>	<u>3,458,430</u>
Non-current liabilities			
Provision for liabilities	133,658	133,658	218,192
Deferred tax liabilities	63,598	56,924	59,634
Borrowings	B7 1,364,423	1,166,038	1,261,505
Trade and other payables	894,828	924,022	987,442
	<u>2,456,507</u>	<u>2,280,642</u>	<u>2,526,773</u>
Current liabilities			
Borrowings	B7 678,851	681,736	551,759
Trade and other payables	954,237	958,185	832,081
Tax payable	36,928	33,483	12,825
	<u>1,670,016</u>	<u>1,673,404</u>	<u>1,396,665</u>
Total liabilities	<u>4,126,523</u>	<u>3,954,046</u>	<u>3,923,438</u>
Total equity and liabilities	<u>7,820,348</u>	<u>7,576,364</u>	<u>7,381,868</u>
Net assets per share (RM)	<u>2.31</u>	<u>2.26</u>	<u>2.22</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- Attributable to owners of the Parent ----->

<----- Non-distributable ----->

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Warrants 2009/2019 Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
As at 1 January 2017	1,447,466	(23,648)	577,984	(75)	45,960	1,079,213	3,126,900	289,084	3,415,984
Effect of adoption of MFRS 15	-	-	-	-	-	41,041	41,041	1,405	42,446
As at 1 January 2017 (Restated)	1,447,466	(23,648)	577,984	(75)	45,960	1,120,254	3,167,941	290,489	3,458,430
Total comprehensive (loss)/income	-	-	-	(2)	-	73,533	73,531	3,851	77,382
Transactions with owners									
Issuance of ordinary shares pursuant to Dividend Reinvestment Scheme	18,295	-	-	-	-	-	18,295	-	18,295
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	7,551	7,551
Purchase of treasury shares	-	(140)	-	-	-	-	(140)	-	(140)
Dividends paid via:									
- distribution of treasury shares	-	20,639	(3,295)	-	-	(17,344)	-	-	-
Transition to no par value regime ¹	574,689	-	(574,689)	-	-	-	-	-	-
Total transaction with owners	592,984	20,499	(577,984)	-	-	(17,344)	18,155	7,551	25,706
As at 30 June 2017 (Restated)	2,040,450	(3,149)	-	(77)	45,960	1,176,443	3,259,627	301,891	3,561,518
As at 1 January 2018	2,044,314	(6,692)	-	(110)	45,960	1,228,992	3,312,464	309,854	3,622,318
Total comprehensive (loss)/income	-	-	-	(10)	-	84,403	84,393	10,293	94,686
Transactions with owners									
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	3,033	3,033
Purchase of treasury shares	-	(2,792)	-	-	-	-	(2,792)	-	(2,792)
Dividends paid via:									
- cash	-	-	-	-	-	(23,420)	(23,420)	-	(23,420)
Total transaction with owners	-	(2,792)	-	-	-	(23,420)	(26,212)	3,033	(23,179)
As at 30 June 2018	2,044,314	(9,484)	-	(120)	45,960	1,289,975	3,370,645	323,180	3,693,825

Note

¹ Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/06/2018	(Restated) 30/06/2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	150,407	116,206
Adjustments for:		
Depreciation of property, plant and equipment	11,027	13,687
Finance income	(13,532)	(9,498)
Finance costs	31,920	27,917
Fair value gain of investment property	(30,189)	(31,415)
Share of results of an associate	367	(1)
Share of results of joint ventures	451	(13,485)
Net gain on disposal of property, plant and equipment	(218)	-
Net gain on disposal of investment property	(14)	-
Property, plant and equipment written off	2	-
Reversal of impairment loss on trade and other receivables	(325)	-
Amortisation of deferred license fees	(1,266)	(1,241)
Amortisation of security retainers accumulation fund	5	6
Impairment loss on trade and other receivables	361	-
Unrealised returns on security retainers accumulation fund	(137)	(108)
Operating profit before working capital changes	148,859	102,068
Changes in working capital:		
Trade and other receivables	224,806	(61,919)
Inventories	3,167	88,000
Property development costs	(40,586)	(69,742)
Land held for property development	(108,472)	(36,523)
Provision for liabilities	-	10,810
Trade and other payables	21,470	(10,133)
Cash generated from operations	249,244	22,561
Finance costs paid	(81,408)	(46,457)
Net taxes paid	(43,943)	(38,388)
Net cash from/(used in) operating activities	123,893	(62,284)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/06/2018 RM'000	(Restated) 30/06/2017 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,772)	(33,150)
Purchase of investment properties	(377)	(178)
Finance income received	13,532	9,494
Net cash outflow on acquisition of subsidiaries	(17,551)	-
Net cash used in investing activities	(41,168)	(23,834)
Cash flows from financing activities		
Payment of borrowing costs	(7,155)	-
Drawdown from borrowings	525,669	192,007
Repayment of borrowings	(326,518)	(225,760)
Repayment of hire purchase	(772)	(389)
Placements of debt service reserve, escrow accounts and deposits with licensed banks not available for use	5,816	8,301
Proceeds from issuance of equity to non-controlling interests	3,033	7,550
Purchase of treasury shares	(2,792)	(140)
Dividends paid to shareholders of the Company	(23,420)	(17,389)
Net cash from/(used in) financing activities	173,861	(35,820)
Net increase/(decrease) in cash and cash equivalents	256,586	(97,378)
Effects of foreign exchange rate changes	(10)	(2)
Cash and cash equivalents at beginning of financial year	561,563	727,469
Cash and cash equivalents at end of financial period *	818,139	630,089

* Cash and cash equivalents at end of the financial period comprise the following:

	30/06/2018 RM'000	30/06/2017 RM'000
Cash and bank balances	1,190,871	769,303
Less: Bank overdrafts	-	(37,693)
	1,190,871	731,610
Less: Cash and cash equivalents not available for use	(372,732)	(101,521)
Total cash and cash equivalents at end of financial period	818,139	630,089

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.