



**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

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

	Individual Quarter		Year to Date	
		(Restated) Preceding Year		(Restated) Preceding Year
	Current Year	Corresponding	Current Year to	Corresponding
	Quarter	Quarter	Date	Period
Note	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	307,107	458,032	1,041,540	1,270,776
Cost of sales	(204,414)	(399,682)	(696,084)	(1,028,735)
<b>Gross profit</b>	<b>102,693</b>	<b>58,350</b>	<b>345,456</b>	<b>242,041</b>
Other income	11,946	10,699	53,547	50,129
Administrative expenses	(66,368)	(27,345)	(180,641)	(126,031)
Other expenses	(405)	(434)	(883)	(1,187)
<b>Operating profit</b>	<b>47,866</b>	<b>41,270</b>	<b>217,479</b>	<b>164,952</b>
Finance income	7,502	5,273	21,034	14,771
Finance costs	(16,603)	(6,527)	(48,523)	(34,444)
Share of results of joint ventures	846	4,119	395	15,062
Share of results of an associate	(983)	(66)	(1,350)	(65)
<b>Profit before tax</b>	<b>38,628</b>	<b>44,069</b>	<b>189,035</b>	<b>160,276</b>
Income tax expense	(9,209)	(12,813)	(64,920)	(51,636)
<b>Profit for the period</b>	<b>29,419</b>	<b>31,256</b>	<b>124,115</b>	<b>108,640</b>
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:</b>				
Foreign currency translation	(6)	2	(16)	-
<b>Total comprehensive income</b>	<b>29,413</b>	<b>31,258</b>	<b>124,099</b>	<b>108,640</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the Parent	34,150	30,914	118,553	104,447
Non-controlling interests	(4,731)	342	5,562	4,193
	<b>29,419</b>	<b>31,256</b>	<b>124,115</b>	<b>108,640</b>

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	Individual Quarter		Year to Date	
	Current Year Quarter	(Restated) Preceding Year Corresponding Quarter	Current Year to Date	(Restated) Preceding Year Corresponding Period
Note	<u>30/09/2018</u>	<u>30/09/2017</u>	<u>30/09/2018</u>	<u>30/09/2017</u>
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income/(loss)</b>				
<b>attributable to:</b>				
Owners of the Parent	<b>34,144</b>	30,916	<b>118,537</b>	104,447
Non-controlling interests	<b>(4,731)</b>	342	<b>5,562</b>	4,193
	<b>29,413</b>	31,258	<b>124,099</b>	108,640
<b>Earnings per share attributable</b>				
<b>to owners of the Parent:</b>				
<b>(sen per share)</b>				
- Basic	B10 <b>2.34</b>	2.11	<b>8.11</b>	7.20
- Diluted	B10 <b>2.34</b>	2.11	<b>8.11</b>	7.20

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 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/09/2018 RM'000	(Restated) As At 31/12/2017 RM'000	(Restated) As At 01/01/2017 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		859,716	820,193	741,864
Land held for property development		2,214,416	2,035,390	2,236,335
Investment properties		634,253	560,099	447,519
Investment in an associate		52,569	37,023	38,144
Investments in joint ventures		279,334	421,884	401,684
Other investments		312	312	312
Intangible assets		19,026	1,475	1,475
Deferred tax assets		48,021	48,955	23,720
Other receivables		32,615	27,941	39,138
		<u>4,140,262</u>	<u>3,953,272</u>	<u>3,930,191</u>
<b>Current assets</b>				
Property development costs		1,572,594	1,556,443	1,622,004
Inventories		112,651	31,893	34,931
Trade and other receivables		792,730	1,053,367	906,149
Tax recoverable		40,811	39,979	47,328
Cash and bank balances		1,150,340	941,410	841,265
		<u>3,669,126</u>	<u>3,623,092</u>	<u>3,451,677</u>
<b>Total assets</b>		<u>7,809,388</u>	<u>7,576,364</u>	<u>7,381,868</u>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		(Restated)	(Restated)
	As At	As At	As At
Note	30/09/2018	31/12/2017	01/01/2017
	RM'000	RM'000	RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital	2,044,314	2,044,314	1,447,466
Treasury shares	(13,269)	(6,692)	(23,648)
Share premium	-	-	577,984
Other reserves	1,369,959	1,274,842	1,166,139
	<u>3,401,004</u>	<u>3,312,464</u>	<u>3,167,941</u>
Non-controlling interests	340,668	309,854	290,489
<b>Total equity</b>	<u>3,741,672</u>	<u>3,622,318</u>	<u>3,458,430</u>
<b>Non-current liabilities</b>			
Provision for liabilities	133,658	133,658	218,192
Deferred tax liabilities	63,794	56,924	59,634
Borrowings	B7 1,347,333	1,166,038	1,261,505
Trade and other payables	905,637	924,022	987,442
	<u>2,450,422</u>	<u>2,280,642</u>	<u>2,526,773</u>
<b>Current liabilities</b>			
Borrowings	B7 648,112	681,736	551,759
Trade and other payables	941,359	958,185	832,081
Tax payable	27,823	33,483	12,825
	<u>1,617,294</u>	<u>1,673,404</u>	<u>1,396,665</u>
<b>Total liabilities</b>	<u>4,067,716</u>	<u>3,954,046</u>	<u>3,923,438</u>
<b>Total equity and liabilities</b>	<u>7,809,388</u>	<u>7,576,364</u>	<u>7,381,868</u>
<b>Net assets per share (RM)</b>	<u>2.34</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 SEPTEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----> Attributable to owners of the Parent <----->									
	-----> Non-distributable <----->								Non-controlling Interests	Total Equity
	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	RM'000		
<b>As at 1 January 2017</b>	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	
<b>As at 1 January 2017 (Restated)</b>	1,447,466	(23,648)	577,984	(75)	45,960	1,120,254	3,167,941	290,489	3,458,430	
<b>Total comprehensive income</b>	-	-	-	-	-	104,447	104,447	4,193	108,640	
<b>Transactions with owners</b>										
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	9,671	9,671	
Purchase of treasury shares	-	(2,887)	-	-	-	-	(2,887)	-	(2,887)	
Dividends paid via:										
- issuance of ordinary shares pursuant to Dividend Reinvestment Scheme	18,295	-	-	-	-	(3,864)	14,431	-	14,431	
- distribution of treasury shares	-	20,639	(3,295)	-	-	(17,344)	-	-	-	
- cash	-	-	-	-	-	(25,325)	(25,325)	-	(25,325)	
Transition to no par value regime <sup>1</sup>	574,689	-	(574,689)	-	-	-	-	-	-	
<b>Total transaction with owners</b>	592,984	17,752	(577,984)	-	-	(46,533)	(13,781)	9,671	(4,110)	
<b>As at 30 September 2017 (Restated)</b>	2,040,450	(5,896)	-	(75)	45,960	1,178,168	3,258,607	304,353	3,562,960	
<b>As at 1 January 2018</b>	2,044,314	(6,692)	-	(110)	45,960	1,228,992	3,312,464	309,854	3,622,318	
<b>Total comprehensive (loss)/income</b>	-	-	-	(16)	-	118,553	118,537	5,562	124,099	
<b>Transactions with owners</b>										
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	25,252	25,252	
Purchase of treasury shares	-	(6,577)	-	-	-	-	(6,577)	-	(6,577)	
Dividends paid via:										
- cash	-	-	-	-	-	(23,420)	(23,420)	-	(23,420)	
<b>Total transaction with owners</b>	-	(6,577)	-	-	-	(23,420)	(29,997)	25,252	(4,745)	
<b>As at 30 September 2018</b>	2,044,314	(13,269)	-	(126)	45,960	1,324,125	3,401,004	340,668	3,741,672	

**Note**

<sup>1</sup> 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 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2018	(Restated) 30/09/2017
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	189,035	160,276
Adjustments for:		
Depreciation of property, plant and equipment	16,275	20,332
Finance income	(21,034)	(14,771)
Finance costs	48,523	34,444
Fair value gain of investment property	(30,464)	(31,415)
Share of results of an associate	1,350	65
Share of results of joint ventures	(395)	(15,062)
Net gain on disposal of property, plant and equipment	(323)	-
Net gain on disposal of investment property	(14)	-
Property, plant and equipment written off	14	-
Reversal of impairment loss on trade and other receivables	(325)	-
Amortisation of deferred license fees	(1,900)	(1,869)
Amortisation of security retainers accumulation fund	8	9
Impairment loss on trade and other receivables	599	-
Unrealised returns on security retainers accumulation fund	(191)	(162)
<b>Operating profit before working capital changes</b>	<b>201,158</b>	<b>151,847</b>
Changes in working capital:		
Trade and other receivables	259,418	(9,936)
Inventories	(4,187)	88,059
Property development costs	(107,644)	(56,719)
Land held for property development	(129,195)	12,075
Provision for liabilities	-	15,360
Trade and other payables	109,510	89,745
Cash generated from operations	<b>329,060</b>	<b>290,431</b>
Finance costs paid	(128,691)	(75,057)
Net taxes paid	(63,608)	(52,859)
<b>Net cash from operating activities</b>	<b>136,761</b>	<b>162,515</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2018	(Restated) 30/09/2017
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(52,261)	(73,566)
Purchase of investment properties	(510)	(827)
Proceeds from disposal of property, plant and equipment	372	-
Finance income received	21,034	14,771
Additional investment in an associate	(15,000)	-
Net cash outflow on acquisition of subsidiaries	(17,551)	-
<b>Net cash used in investing activities</b>	<b>(63,916)</b>	<b>(59,622)</b>
<b>Cash flows from financing activities</b>		
Payment of borrowing costs	(7,415)	-
Drawdown from borrowings	629,611	328,567
Repayment of borrowings	(479,301)	(360,552)
Repayment of hire purchase	(752)	(1,226)
Placements of debt service reserve, escrow accounts and deposits with licensed banks not available for use	71,123	(11,958)
Proceeds from issuance of equity to non-controlling interests	25,252	9,671
Purchase of treasury shares	(6,577)	(2,887)
Dividends paid to shareholders of the Company	(23,420)	(46,578)
<b>Net cash from/(used in) financing activities</b>	<b>208,521</b>	<b>(84,963)</b>
<b>Net increase in cash and cash equivalents</b>	<b>281,366</b>	<b>17,930</b>
Effects of foreign exchange rate changes	(14)	-
<b>Cash and cash equivalents at beginning of financial year</b>	<b>561,563</b>	<b>727,469</b>
<b>Cash and cash equivalents at end of financial period *</b>	<b>842,915</b>	<b>745,399</b>

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

	30/09/2018	30/09/2017
	RM'000	RM'000
Cash and bank balances	1,150,340	904,151
Less: Bank overdrafts	-	(36,973)
	<b>1,150,340</b>	<b>867,178</b>
Less: Cash and cash equivalents not available for use	(307,425)	(121,779)
<b>Total cash and cash equivalents at end of financial period</b>	<b>842,915</b>	<b>745,399</b>

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.