



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2018



丽阳机构

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Year to Date	
	Current Year Quarter	(Restated) Preceding Year Corresponding Quarter	Current Year to Date	(Restated) Preceding Year Corresponding Period
Note	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	593,931	543,998	1,635,471	1,814,774
Cost of sales	(438,505)	(334,324)	(1,134,589)	(1,363,059)
Gross profit	155,426	209,674	500,882	451,715
Other income	50,396	13,368	103,943	63,497
Administrative expenses	(50,405)	(84,670)	(231,046)	(210,701)
Other expenses	(14,567)	(12,445)	(15,450)	(13,632)
Operating profit	140,850	125,927	358,329	290,879
Finance income	6,758	11,419	27,792	26,190
Finance costs	(18,332)	(28,034)	(66,855)	(62,478)
Share of results of joint ventures	23	9,896	419	24,958
Share of results of an associate	1,896	(1,056)	546	(1,121)
Profit before tax	131,195	118,152	320,231	278,428
Income tax expense	(75,480)	(37,068)	(140,400)	(88,704)
Profit for the period	55,715	81,084	179,831	189,724
Other comprehensive loss to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	(3)	(35)	(19)	(35)
Total comprehensive income	55,712	81,049	179,812	189,689
Profit attributable to:				
Owners of the Parent	51,475	76,440	170,029	180,887
Non-controlling interests	4,240	4,644	9,802	8,837
	55,715	81,084	179,831	189,724

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2018**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter		Year to Date	
	Current Year Quarter	(Restated) Preceding Year Corresponding Quarter	Current Year to Date	(Restated) Preceding Year Corresponding Period
Note	<u>31/12/2018</u>	<u>31/12/2017</u>	<u>31/12/2018</u>	<u>31/12/2017</u>
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:				
Owners of the Parent	51,472	76,405	170,010	180,852
Non-controlling interests	4,240	4,644	9,802	8,837
	55,712	81,049	179,812	189,689
Earnings per share attributable to owners of the Parent:				
(sen per share)				
- Basic	B10 3.55	5.23	11.65	12.44
- Diluted	B10 3.55	5.23	11.65	12.44

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 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At	(Restated) As At	(Restated) As At
Note	<u>31/12/2018</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	888,496	820,193	741,864
Land held for property development	2,680,280	2,117,416	2,236,335
Investment properties	574,731	560,099	447,519
Investment in an associate	52,569	37,023	38,144
Investments in joint ventures	240,343	426,642	401,684
Other investments	312	312	312
Intangible assets	-	1,475	1,475
Deferred tax assets	84,545	48,955	23,720
Trade and other receivables	32,294	27,941	39,138
	<u>4,553,570</u>	<u>4,040,056</u>	<u>3,930,191</u>
Current assets			
Property development costs	1,613,599	1,556,443	1,622,003
Inventories	129,270	31,893	34,931
Trade and other receivables	783,818	992,214	906,149
Tax recoverable	30,789	39,979	47,328
Cash and bank balances	975,774	941,410	841,265
Assets of disposal group classified as held for sale	59,100	-	-
	<u>3,592,350</u>	<u>3,561,939</u>	<u>3,451,676</u>
Total assets	<u>8,145,920</u>	<u>7,601,995</u>	<u>7,381,867</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		(Restated)	(Restated)
	As At	As At	As At
Note	31/12/2018	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	(25,094)	(6,692)	(23,648)
Share premium	-	-	577,984
Other reserves	1,384,450	1,237,860	1,103,541
	<u>3,403,670</u>	<u>3,275,482</u>	<u>3,105,343</u>
Non-controlling interests	409,205	311,996	292,019
Total equity	<u>3,812,875</u>	<u>3,587,478</u>	<u>3,397,362</u>
Non-current liabilities			
Provision for liabilities	86,443	133,658	218,192
Deferred tax liabilities	192,434	56,924	59,634
Borrowings	B7 1,333,070	1,166,038	1,261,505
Trade and other payables	845,537	982,715	1,046,764
	<u>2,457,484</u>	<u>2,339,335</u>	<u>2,586,095</u>
Current liabilities			
Borrowings	B7 623,114	681,736	551,759
Trade and other payables	1,178,439	959,963	833,826
Tax payable	74,008	33,483	12,825
	<u>1,875,561</u>	<u>1,675,182</u>	<u>1,398,410</u>
Total liabilities	<u>4,333,045</u>	<u>4,014,517</u>	<u>3,984,505</u>
Total equity and liabilities	<u>8,145,920</u>	<u>7,601,995</u>	<u>7,381,867</u>
Net assets per share (RM)	<u>2.36</u>	<u>2.24</u>	<u>2.18</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 31 DECEMBER 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	-	-	-	-	-	(21,557)	(21,557)	2,935	(18,622)
As at 1 January 2017 (Restated)	1,447,466	(23,648)	577,984	(75)	45,960	1,057,656	3,105,343	292,019	3,397,362
Total comprehensive (loss)/income	-	-	-	(35)	-	180,887	180,852	8,837	189,689
Transactions with owners									
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	11,140	11,140
Purchase of treasury shares	-	(3,683)	-	-	-	-	(3,683)	-	(3,683)
Dividends paid via:									
- issuance of ordinary shares pursuant to Dividend Reinvestment Scheme	22,159	-	-	-	-	(3,864)	18,295	-	18,295
- distribution of treasury shares	-	20,639	(3,295)	-	-	(17,344)	-	-	-
- cash	-	-	-	-	-	(25,325)	(25,325)	-	(25,325)
Transition to no par value regime ¹	574,689	-	(574,689)	-	-	-	-	-	-
Total transaction with owners	596,848	16,956	(577,984)	-	-	(46,533)	(10,713)	11,140	427
As at 31 December 2017 (Restated)	2,044,314	(6,692)	-	(110)	45,960	1,192,010	3,275,482	311,996	3,587,478
As at 1 January 2018	2,044,314	(6,692)	-	(110)	45,960	1,192,010	3,275,482	311,996	3,587,478
Total comprehensive (loss)/income	-	-	-	(19)	-	170,029	170,010	9,802	179,812
Transactions with owners									
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	23,366	23,366
Acquisition of non-controlling interests	-	-	-	-	-	-	-	64,689	64,689
Purchase of treasury shares	-	(18,402)	-	-	-	-	(18,402)	-	(18,402)
Dividends paid via:									
- cash	-	-	-	-	-	(23,420)	(23,420)	(648)	(24,068)
Total transaction with owners	-	(18,402)	-	-	-	(23,420)	(41,822)	87,407	45,585
As at 31 December 2018	2,044,314	(25,094)	-	(129)	45,960	1,338,619	3,403,670	409,205	3,812,875

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 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2018	(Restated) 31/12/2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	320,231	278,428
Adjustments for:		
Depreciation of property, plant and equipment	23,910	23,715
Finance income	(27,792)	(26,190)
Finance costs	66,855	62,478
Fair value gain of investment property	(31,752)	(36,291)
Share of results of an associate	(546)	1,121
Share of results of joint ventures	(419)	(24,958)
Gain on disposal of joint venture	(10,755)	-
Net gain on disposal of property, plant and equipment	(10,235)	(1,957)
Net gain on disposal of investment property	(14,963)	(1,444)
Property, plant and equipment written off	-	1,358
Bad debts written off	-	432
Reversal of impairment loss on trade and other receivables	(325)	(180)
Amortisation of deferred license fees	(4,402)	(2,543)
Impairment loss on goodwill	1,475	-
Amortisation of security retainers accumulation fund	10	12
Impairment loss on trade and other receivables	361	5,256
Unrealised returns on security retainers accumulation fund	(281)	(216)
Unrealised foreign exchange loss	-	117
Operating profit before working capital changes	311,372	279,138
Changes in working capital:		
Trade and other receivables	207,825	(154,976)
Inventories	(143,720)	20,615
Property development costs	13,361	78,667
Land held for property development	(550,597)	169,300
Provision for liabilities	(47,215)	(84,534)
Trade and other payables	189,284	96,552
Cash (used in)/generated from operations	(19,690)	404,762
Finance costs paid	(128,466)	(128,722)
Net taxes paid	(94,511)	(88,642)
Net cash (used in)/from operating activities	(242,667)	187,398

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2018	(Restated) 31/12/2017
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(78,978)	(126,106)
Purchase of investment properties	-	(1,454)
Proceeds from disposal of property, plant and equipment	2,901	2,797
Proceeds from disposal of investment properties	-	22,490
Proceeds from disposal of a joint venture	192,525	-
Acquisition of shares in non-controlling interest	64,689	-
Finance income received	27,792	26,190
Additional investment in an associate	(15,000)	-
Net cash from/(used in) investing activities	193,929	(76,083)
Cash flows from financing activities		
Payment of borrowing costs	(9,811)	(2,852)
Drawdown from borrowings	1,004,966	531,783
Repayment of borrowings	(896,988)	(499,912)
Repayment of hire purchase	(964)	(1,675)
Placements of debt service reserve, escrow accounts and deposits with licensed banks not available for use	124,184	(150,894)
Proceeds from issuance of equity to non-controlling interests	28,744	10,540
Purchase of treasury shares	(18,402)	(3,683)
Dividends paid to shareholders of the Company	(23,420)	(42,716)
Dividends paid to minority shareholder of a subsidiary	(648)	-
Net cash from/(used in) financing activities	207,661	(159,409)
Net increase/(decrease) in cash and cash equivalents	158,923	(48,094)
Effects of foreign exchange rate changes	(16)	21
Cash and cash equivalents at beginning of financial year	561,563	609,636
Cash and cash equivalents at end of financial year*	720,470	561,563

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

	31/12/2018	31/12/2017
	RM'000	RM'000
Cash and bank balances	975,774	941,410
Less: Bank overdrafts	(940)	(1,299)
	974,834	940,111
Less: Cash and cash equivalents not available for use	(254,364)	(378,548)
Total cash and cash equivalents at end of financial year	720,470	561,563

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.