



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2019

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter		Year to Date	
	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	Date	Corresponding
Note	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	299,454	281,428	509,223	734,433
Cost of sales	(174,305)	(183,291)	(287,306)	(491,670)
Gross profit	125,149	98,137	221,917	242,763
Other income	4,069	35,186	9,840	41,601
Selling and marketing expenses	(4,627)	(4,026)	(8,758)	(9,410)
Administrative expenses	(57,687)	(55,353)	(120,994)	(104,863)
Other expenses	(1,014)	(190)	(5,246)	(478)
Operating profit	65,890	73,754	96,759	169,613
Finance income	5,637	7,672	11,602	13,532
Finance costs	(17,035)	(15,448)	(34,046)	(31,920)
Share of results of joint ventures	1,777	(1,224)	2,744	(451)
Share of results of an associate	346	211	552	(367)
Profit before tax	56,615	64,965	77,611	150,407
Income tax	(18,776)	(22,477)	1,817	(55,711)
Profit for the period	37,839	42,488	79,428	94,696
Other comprehensive income/(loss)				
to be reclassified to profit or				
loss in subsequent period:				
Foreign currency translation	52	(2)	66	(10)
Total comprehensive income	37,891	42,486	79,494	94,686
Profit/(loss) attributable to:				
Owners of the parent	39,022	38,000	85,086	84,403
Non-controlling interests	(1,183)	4,488	(5,658)	10,293
	37,839	42,488	79,428	94,696

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	Individual Quarter		Year to Date	
	Current Year	Preceding Year	Current Year to	Preceding Year
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Note	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income/(loss) attributable to:				
Owners of the parent	39,074	37,998	85,152	84,393
Non-controlling interests	(1,183)	4,488	(5,658)	10,293
	37,891	42,486	79,494	94,686
Earnings per share attributable to owners of the parent:				
(sen per share)				
- Basic	B10 2.72	2.60	5.93	5.77
- Diluted	B10 2.72	2.60	5.93	5.77

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At <u>30/06/2019</u> RM'000	As At <u>31/12/2018</u> RM'000
Assets			
Non-current assets			
Property, plant and equipment		849,880	887,009
Inventories		2,666,513	2,639,007
Investment properties		574,996	574,732
Investment in an associate		53,121	52,569
Investments in joint ventures		239,769	240,343
Other investments		312	312
Intangible assets		26,971	27,130
Deferred tax assets		114,335	84,545
Trade and other receivables		15,146	14,676
Contract assets		18,139	17,618
		<u>4,559,182</u>	<u>4,537,941</u>
Current assets			
Inventories		1,838,279	1,667,036
Trade and other receivables		525,170	488,705
Contract cost assets		24,985	46,516
Contract assets		263,743	288,955
Tax recoverable		30,196	30,789
Cash and bank balances		657,308	975,774
		<u>3,339,681</u>	<u>3,497,775</u>
Assets classified as held for sale		<u>36,300</u>	<u>59,100</u>
Total assets		<u>7,935,163</u>	<u>8,094,816</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At <u>30/06/2019</u> RM'000	As At <u>31/12/2018</u> RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		2,044,314	2,044,314
Treasury shares		(35,667)	(25,094)
Other reserves		1,429,639	1,384,450
		<u>3,438,286</u>	<u>3,403,670</u>
Non-controlling interests		409,396	409,205
Total equity		<u>3,847,682</u>	<u>3,812,875</u>
Non-current liabilities			
Deferred tax liabilities		180,233	192,434
Borrowings	B7	1,288,075	1,333,071
Trade and other payables		752,352	733,467
Contract liabilities		138,091	137,621
		<u>2,358,751</u>	<u>2,396,593</u>
Current liabilities			
Borrowings	B7	636,886	623,114
Trade and other payables		998,853	1,168,523
Contract liabilities		35,656	19,703
Tax payable		57,335	74,008
		<u>1,728,730</u>	<u>1,885,348</u>
Total liabilities		<u>4,087,481</u>	<u>4,281,941</u>
Total equity and liabilities		<u>7,935,163</u>	<u>8,094,816</u>
Net assets per share (RM)		<u>2.40</u>	<u>2.36</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent								
	Non-distributable							Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Translation Reserve	Warrants 2009/2019 Reserve	Retained Earnings	Total Reserves	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2018	2,044,314	(6,692)	(110)	45,960	1,192,010	1,237,860	3,275,482	311,996	3,587,478
Total comprehensive (loss)/income	-	-	(10)	-	84,403	84,393	84,393	10,293	94,686
Transactions with owners									
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	3,033	3,033
Purchase of treasury shares	-	(2,792)	-	-	-	-	(2,792)	-	(2,792)
Dividend paid via:									
- cash	-	-	-	-	(23,420)	(23,420)	(23,420)	-	(23,420)
Total transaction with owners	-	(2,792)	-	-	(23,420)	(23,420)	(26,212)	3,033	(23,179)
As at 30 June 2018	2,044,314	(9,484)	(120)	45,960	1,252,993	1,298,833	3,333,663	325,322	3,658,985
As at 1 January 2019	2,044,314	(25,094)	(129)	45,960	1,338,619	1,384,450	3,403,670	409,205	3,812,875
Total comprehensive income/(loss)	-	-	66	-	85,086	85,152	85,152	(5,658)	79,494
Transactions with owners									
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	5,849	5,849
Purchase of treasury shares	-	(10,573)	-	-	-	-	(10,573)	-	(10,573)
Dividend paid via:									
- cash	-	-	-	-	(39,963)	(39,963)	(39,963)	-	(39,963)
Total transaction with owners	-	(10,573)	-	-	(39,963)	(39,963)	(50,536)	5,849	(44,687)
As at 30 June 2019	2,044,314	(35,667)	(63)	45,960	1,383,742	1,429,639	3,438,286	409,396	3,847,682

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/06/2019 RM'000	30/06/2018 RM'000
Cash flows from operating activities		
Profit before tax	77,611	150,407
Adjustments for:		
Depreciation of property, plant and equipment	17,101	11,027
Finance income	(11,602)	(13,532)
Finance costs	34,046	31,920
Fair value gain of investment property	-	(30,189)
Share of results of an associate	(552)	367
Share of results of joint ventures	(2,744)	451
Net loss/(gain) on disposal of property, plant and equipment	86	(218)
Net loss/(gain) on disposal of investment property	522	(14)
Property, plant and equipment written off	17	2
Gain on disposal of assets held for sale	580	-
Reversal of impairment loss on trade and other receivables	-	(325)
Amortisation of deferred license fees	(2,212)	(1,266)
Amortisation of security retainers accumulation fund	6	5
Impairment loss on trade and other receivables	330	361
Unrealised returns on security retainers accumulation fund	(108)	(137)
Operating profit before working capital changes	113,081	148,859
Changes in working capital:		
Trade and other receivables	(37,164)	100,812
Contract assets	24,692	123,994
Inventories	(168,375)	(200,419)
Contract cost assets	23,003	54,528
Contract liabilities	9,816	7,154
Trade and other payables	(97,372)	14,316
Cash (used in)/from operations	(132,319)	249,244
Finance costs paid	(60,632)	(81,408)
Net taxes paid	(56,255)	(43,943)
Net cash (used in)/from operating activities	(249,206)	123,893

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/06/2019 RM'000	30/06/2018 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,624)	(36,772)
Purchase of investment properties	(787)	(377)
Proceeds from disposal of property, plant and equipment	122	-
Proceeds from disposal of assets held for sale	22,800	-
Subscription of shares in joint venture	(2,700)	-
Finance income received	11,602	13,532
Net cash outflow on acquisition of subsidiaries	-	(17,551)
Net cash from/(used in) investing activities	12,413	(41,168)
Cash flows from financing activities		
Payment of borrowing costs	(2,144)	(7,155)
Drawdown from borrowings	252,607	525,669
Repayment of borrowings	(286,616)	(326,518)
Repayment of hire purchase	(709)	(772)
Placements of debt service reserve, escrow accounts and deposits with licensed banks not available for use	81,767	5,816
Proceeds from issuance of shares to non-controlling interests	5,847	3,033
Purchase of treasury shares	(10,573)	(2,792)
Dividends paid to shareholders of the Company	(39,963)	(23,420)
Net cash (used in)/from financing activities	216	173,861
Net (decrease)/increase in cash and cash equivalents	(236,577)	256,586
Effects of foreign exchange rate changes	66	(10)
Cash and cash equivalents at beginning of financial year	721,583	561,563
Cash and cash equivalents at end of financial period*	485,072	818,139

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

	30/06/2019 RM'000	30/06/2018 RM'000
Cash and bank balances	657,308	1,190,871
Less: Bank overdrafts	(4,717)	-
	652,591	1,190,871
Less: Cash and cash equivalents not available for use	(167,519)	(372,732)
Total cash and cash equivalents at end of financial period	485,072	818,139

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.