



**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	246,125	307,107	755,348	1,041,540
Cost of sales	(143,419)	(204,414)	(430,725)	(696,084)
<b>Gross profit</b>	<b>102,706</b>	<b>102,693</b>	<b>324,623</b>	<b>345,456</b>
Other income	25,961	11,946	35,801	53,547
Selling and marketing expenses	(10,828)	(4,689)	(19,586)	(14,099)
Administrative expenses	(73,806)	(61,679)	(194,800)	(166,542)
Other expenses	(233)	(405)	(5,479)	(883)
<b>Operating profit</b>	<b>43,800</b>	<b>47,866</b>	<b>140,559</b>	<b>217,479</b>
Finance income	2,438	7,502	14,040	21,034
Finance costs	(17,622)	(16,603)	(51,668)	(48,523)
Share of results of joint ventures	4,111	846	6,855	395
Share of results of an associate	101	(983)	653	(1,350)
<b>Profit before tax</b>	<b>32,828</b>	<b>38,628</b>	<b>110,439</b>	<b>189,035</b>
Income tax	(16,637)	(9,209)	(14,820)	(64,920)
<b>Profit for the period</b>	<b>16,191</b>	<b>29,419</b>	<b>95,619</b>	<b>124,115</b>
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:</b>				
Foreign currency translation	(8)	(6)	58	(16)
<b>Total comprehensive income</b>	<b>16,183</b>	<b>29,413</b>	<b>95,677</b>	<b>124,099</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	16,798	34,150	101,884	118,553
Holder of perpetual bond	285	-	285	-
Non-controlling interests	(892)	(4,731)	(6,550)	5,562
	<b>16,191</b>	<b>29,419</b>	<b>95,619</b>	<b>124,115</b>

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	Individual Quarter		Year to Date	
	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	Date	Corresponding
Note	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income/(loss)</b>				
<b>attributable to:</b>				
Owners of the parent	16,790	34,144	101,942	118,537
Holders of perpetual bond	285	-	285	-
Non-controlling interests	(892)	(4,731)	(6,550)	5,562
	<u>16,183</u>	<u>29,413</u>	<u>95,677</u>	<u>124,099</u>
<b>Earnings per share attributable</b>				
<b>to owners of the parent:</b>				
<b>(sen per share)</b>				
- Basic	B10 1.18	2.34	7.11	8.11
- Diluted	B10 1.18	2.34	7.11	8.11

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 SEPTEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/09/2019 RM'000	As At 31/12/2018 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		847,080	887,009
Inventories		3,123,691	2,639,007
Investment properties		575,128	574,732
Investment in an associate		53,222	52,569
Investments in joint ventures		244,430	240,343
Other investments		312	312
Intangible assets		26,751	27,130
Deferred tax assets		98,090	84,545
Trade and other receivables		15,198	14,676
Contract assets		18,405	17,618
		<u>5,002,307</u>	<u>4,537,941</u>
<b>Current assets</b>			
Inventories		1,430,502	1,667,036
Trade and other receivables		583,012	488,705
Contract cost assets		21,931	46,516
Contract assets		262,108	288,955
Tax recoverable		30,672	30,789
Cash and bank balances		847,750	975,774
		<u>3,175,975</u>	<u>3,497,775</u>
Assets classified as held for sale		-	59,100
		<u>8,178,282</u>	<u>8,094,816</u>
<b>Total assets</b>		<b>8,178,282</b>	<b>8,094,816</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/09/2019 RM'000	As At 31/12/2018 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		2,044,314	2,044,314
Treasury shares		(40,312)	(25,094)
Other reserves		1,438,464	1,384,450
		<u>3,442,466</u>	<u>3,403,670</u>
Perpetual bond		248,285	-
Non-controlling interests		411,078	409,205
<b>Total equity</b>		<u>4,101,829</u>	<u>3,812,875</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		178,709	192,434
Borrowings	B7	1,299,021	1,333,071
Trade and other payables		765,428	733,467
Contract liabilities		137,785	137,621
Tax payable		6,800	-
		<u>2,387,743</u>	<u>2,396,593</u>
<b>Current liabilities</b>			
Borrowings	B7	676,263	623,114
Trade and other payables		966,947	1,168,523
Contract liabilities		24,939	19,703
Tax payable		20,561	74,008
		<u>1,688,710</u>	<u>1,885,348</u>
<b>Total liabilities</b>		<u>4,076,453</u>	<u>4,281,941</u>
<b>Total equity and liabilities</b>		<u>8,178,282</u>	<u>8,094,816</u>
<b>Net assets per share (RM)</b>		<u>2.42</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 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	-----> Attributable to owners of the parent <----->									
	<-----Non-distributable----->									
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Warrants 2009/2019 Reserve RM'000	Retained Earnings RM'000	Total Reserves RM'000	Total RM'000	Perpetual Bond RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>As at 1 January 2018</b>	2,044,314	(6,692)	(110)	45,960	1,192,010	1,237,860	3,275,482	-	311,996	3,587,478
<b>Total comprehensive (loss)/income</b>	-	-	(16)	-	118,553	118,537	118,537	-	5,562	124,099
<b>Transactions with owners</b>										
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	25,252	25,252
Purchase of treasury shares	-	(6,577)	-	-	-	-	(6,577)	-	-	(6,577)
Dividend paid via:										
- cash	-	-	-	-	(23,420)	(23,420)	(23,420)	-	-	(23,420)
<b>Total transaction with owners</b>	-	(6,577)	-	-	(23,420)	(23,420)	(29,997)	-	25,252	(4,745)
<b>As at 30 September 2018</b>	2,044,314	(13,269)	(126)	45,960	1,287,143	1,332,977	3,364,022	-	342,810	3,706,832
<b>As at 1 January 2019</b>	2,044,314	(25,094)	(129)	45,960	1,338,619	1,384,450	3,403,670	-	409,205	3,812,875
<b>Total comprehensive income/(loss)</b>	-	-	58	-	101,884	101,942	101,942	-	(6,550)	95,392
Distribution for the period	-	-	-	-	-	-	-	285	-	285
<b>Transactions with owners</b>										
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	6,662	6,662
Issuance of perpetual bond	-	-	-	-	-	-	-	248,000	-	248,000
Acquisition of non-controlling interests	-	-	-	-	(7,965)	(7,965)	(7,965)	-	1,761	(6,204)
Purchase of treasury shares	-	(15,218)	-	-	-	-	(15,218)	-	-	(15,218)
Dividend paid via:										
- cash	-	-	-	-	(39,963)	(39,963)	(39,963)	-	-	(39,963)
<b>Total transaction with owners</b>	-	(15,218)	-	-	(47,928)	(47,928)	(63,146)	248,000	8,423	193,277
<b>As at 30 September 2019</b>	2,044,314	(40,312)	(71)	45,960	1,392,575	1,438,464	3,442,466	248,285	411,078	4,101,829

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 SEPTEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2019	30/09/2018
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	110,439	189,035
Adjustments for:		
Depreciation of property, plant and equipment	24,249	16,275
Finance income	(14,040)	(21,034)
Finance costs	51,668	48,523
Fair value gain of investment property	-	(30,464)
Share of results of an associate	(653)	1,350
Share of results of joint ventures	(6,855)	(395)
Net gain on disposal of assets classified as held for sale	(322)	-
Net loss/(gain) on disposal of property, plant and equipment	111	(323)
Net gain on disposal of investment property	-	(14)
Property, plant and equipment written off	48	14
Reversal of impairment loss on trade and other receivables	-	(325)
Amortisation of deferred license fees	(3,329)	(1,900)
Amortisation of security retainers accumulation fund	9	8
Impairment loss on trade and other receivables	850	599
Unrealised returns on security retainers accumulation fund	(162)	(191)
<b>Operating profit before working capital changes</b>	<u>162,013</u>	<u>201,158</u>
Changes in working capital:		
Trade and other receivables	(95,525)	14,210
Contract assets	26,061	245,208
Inventories	(209,310)	(302,612)
Contract cost assets	26,302	61,586
Contract liabilities	8,201	1,703
Trade and other payables	(117,809)	107,807
Cash (used in)/from operations	<u>(200,067)</u>	<u>329,060</u>
Finance costs paid	(85,175)	(128,691)
Net taxes paid	(88,621)	(63,608)
<b>Net cash (used in)/from operating activities</b>	<u>(373,863)</u>	<u>136,761</u>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2019 RM'000	30/09/2018 RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(28,554)	(52,261)
Purchase of investment properties	(397)	(510)
Proceeds from disposal of property, plant and equipment	168	372
Proceeds from disposal of assets held for sale	59,422	-
Subscription of shares in joint venture	(3,325)	-
Finance income received	14,041	21,034
Net cash outflow on acquisition of subsidiaries	-	(17,551)
Additional investment in an associate	-	(15,000)
<b>Net cash from/(used in) investing activities</b>	<b>41,355</b>	<b>(63,916)</b>
<b>Cash flows from financing activities</b>		
Payment of borrowing costs	(4,114)	(7,415)
Drawdown from borrowings	441,685	629,611
Repayment of borrowings	(420,628)	(479,301)
Repayment of hire purchase	(886)	(752)
Placements of debt service reserve, escrow accounts and deposits with licensed banks not available for use	71,563	71,123
Proceeds from issuance of perpetual bond	248,000	-
Proceeds from issuance of shares to non-controlling interests	455	25,252
Purchase of treasury shares	(15,218)	(6,577)
Dividends paid to shareholders of the Company	(39,963)	(23,420)
<b>Net cash from financing activities</b>	<b>280,894</b>	<b>208,521</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(51,614)</b>	<b>281,366</b>
Effects of foreign exchange rate changes	58	(14)
<b>Cash and cash equivalents at beginning of financial year</b>	<b>721,583</b>	<b>561,563</b>
<b>Cash and cash equivalents at end of financial period*</b>	<b>670,027</b>	<b>842,915</b>

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

	30/09/2019 RM'000	30/09/2018 RM'000
Cash and bank balances	847,750	1,150,340
Less: Cash and cash equivalents not available for use	(177,723)	(307,425)
<b>Total cash and cash equivalents at end of financial period</b>	<b>670,027</b>	<b>842,915</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 2018 and the accompanying explanatory notes attached to the interim financial statements.