



**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 MARCH 2020**

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020****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	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	142,728	209,769	142,728	209,769
Cost of sales	(54,713)	(113,001)	(54,713)	(113,001)
<b>Gross profit</b>	<b>88,015</b>	<b>96,768</b>	<b>88,015</b>	<b>96,768</b>
Other income	11,411	5,771	11,411	5,771
Selling and marketing expenses	(5,386)	(4,131)	(5,386)	(4,131)
Administrative expenses	(65,721)	(63,307)	(65,721)	(63,307)
Other expenses	(1,416)	(4,232)	(1,416)	(4,232)
<b>Operating profit</b>	<b>26,903</b>	<b>30,869</b>	<b>26,903</b>	<b>30,869</b>
Finance income	4,719	5,965	4,719	5,965
Finance costs	(28,860)	(17,011)	(28,860)	(17,011)
Share of results of joint ventures	3,633	967	3,633	967
Share of results of an associate	1,457	206	1,457	206
<b>Profit before tax</b>	<b>7,852</b>	<b>20,996</b>	<b>7,852</b>	<b>20,996</b>
Income tax	(2,493)	20,593	(2,493)	20,593
<b>Profit for the period</b>	<b>5,359</b>	<b>41,589</b>	<b>5,359</b>	<b>41,589</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent period:</b>				
Foreign currency translation	7	14	7	14
<b>Total comprehensive income</b>	<b>5,366</b>	<b>41,603</b>	<b>5,366</b>	<b>41,603</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	5,158	46,064	5,158	46,064
Holder of perpetual bond	4,281	-	4,281	-
Non-controlling interests	(4,080)	(4,475)	(4,080)	(4,475)
	<b>5,359</b>	<b>41,589</b>	<b>5,359</b>	<b>41,589</b>

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	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	Date	Corresponding
Note	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income/(loss)</b>				
<b>attributable to:</b>				
Owners of the parent	5,165	46,078	5,165	46,078
Holders of perpetual bond	4,281	-	4,281	-
Non-controlling interests	(4,080)	(4,475)	(4,080)	(4,475)
	<b>5,366</b>	<b>41,603</b>	<b>5,366</b>	<b>41,603</b>
<b>Earnings per share attributable</b>				
<b>to owners of the parent:</b>				
<b>(sen per share)</b>				
- Basic	B10 0.36	3.21	0.36	3.21
- Diluted	B10 0.21	3.21	0.21	3.21

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At <u>31/03/2020</u> RM'000	As At <u>31/12/2019</u> RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		770,548	764,954
Inventories		6,453,649	6,154,933
Investment properties		1,387,836	1,377,034
Right-of-use assets		137,508	138,952
Investment in an associate		91,295	90,565
Investments in joint ventures		268,893	264,985
Other investments		312	312
Intangible assets		3,320	1,037
Deferred tax assets		117,210	111,348
Trade and other receivables		10,417	10,294
Contract assets		18,949	18,675
		<u>9,259,937</u>	<u>8,933,089</u>
<b>Current assets</b>			
Inventories		785,070	749,513
Trade and other receivables		599,766	442,755
Contract cost assets		19,518	20,552
Contract assets		179,092	285,036
Tax recoverable		29,307	28,391
Cash and bank balances		547,966	754,949
		<u>2,160,719</u>	<u>2,281,196</u>
Assets classified as held for sale		<u>75,700</u>	<u>75,700</u>
<b>Total assets</b>		<u>11,496,356</u>	<u>11,289,985</u>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 31/03/2020 RM'000	As At 31/12/2019 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		2,044,322	2,044,322
Irredeemable convertible preference shares		1,004,593	1,004,593
Treasury shares		(28,085)	(13,648)
Other reserves		1,631,880	1,626,715
		<u>4,652,710</u>	<u>4,661,982</u>
Perpetual bond		248,285	252,661
Non-controlling interests		729,874	734,045
<b>Total equity</b>		<u>5,630,869</u>	<u>5,648,688</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		504,840	505,055
Borrowings	B7	1,991,645	1,576,912
Trade and other payables		486,052	501,190
Irredeemable convertible preference shares		163,355	163,355
Contract liabilities		139,134	135,524
Tax payable		850	3,400
Lease liabilities		3,624	3,650
		<u>3,289,500</u>	<u>2,889,086</u>
<b>Current liabilities</b>			
Borrowings	B7	871,129	942,203
Trade and other payables		1,504,079	1,599,617
Irredeemable convertible preference shares		10,915	10,915
Contract liabilities		171,996	174,806
Tax payable		15,604	21,465
Lease liabilities		2,264	3,205
		<u>2,575,987</u>	<u>2,752,211</u>
<b>Total liabilities</b>		<u>5,865,487</u>	<u>5,641,297</u>
<b>Total equity and liabilities</b>		<u>11,496,356</u>	<u>11,289,985</u>
<b>Net assets per share (RM)</b>		<u>3.24</u>	<u>3.20</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent										
	<-----Non-distributable----->										
	Share Capital	Irredeemable Convertible Preference Shares	Treasury Shares	Translation Reserve	Warrants 2009/2019 Reserve	Retained Earnings	Total Reserves	Total	Perpetual Bond	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<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>	-	-	-	14	-	46,064	46,078	46,078	-	(4,475)	41,603
<b>Transactions with owners</b>											
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	-	4,327	4,327
Purchase of treasury shares	-	-	(6,732)	-	-	-	-	(6,732)	-	-	(6,732)
Dividend paid via:											
- cash	-	-	-	-	-	(39,963)	(39,963)	(39,963)	-	-	(39,963)
Total transaction with owners	-	-	(6,732)	-	-	(39,963)	(39,963)	(46,695)	-	4,327	(42,368)
<b>As at 31 March 2019</b>	2,044,314	-	(31,826)	(115)	45,960	1,344,720	1,390,565	3,403,053	-	409,057	3,812,110
<b>As at 1 January 2020</b>	2,044,322	1,004,593	(13,648)	(64)	-	1,626,779	1,626,715	4,661,982	252,661	734,045	5,648,688
<b>Total comprehensive income/(loss)</b>	-	-	-	7	-	5,158	5,165	5,165	-	(4,080)	1,085
Distribution for the period	-	-	-	-	-	-	-	-	4,281	-	4,281
Distribution paid for the period	-	-	-	-	-	-	-	-	(8,657)	-	(8,657)
<b>Transactions with owners</b>											
Issuance of ordinary shares to non-controlling interests	-	-	-	-	-	-	-	-	-	(91)	(91)
Purchase of treasury shares	-	-	(14,437)	-	-	-	-	(14,437)	-	-	(14,437)
Total transaction with owners	-	-	(14,437)	-	-	-	-	(14,437)	-	(91)	(14,528)
<b>As at 31 March 2020</b>	2,044,322	1,004,593	(28,085)	(57)	-	1,631,937	1,631,880	4,652,710	248,285	729,874	5,630,869

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31/03/2020	31/03/2019
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	7,852	20,996
Adjustments for:		
Depreciation of property, plant and equipment	7,440	9,514
Depreciation of right-of-use assets	1,802	-
Amortisation of intangible assets	71	-
Finance income	(4,719)	(5,965)
Finance costs	28,860	17,011
Share of results of an associate	(1,457)	(206)
Share of results of joint ventures	(3,633)	(967)
Net (gain)/loss on disposal of property, plant and equipment	(2)	14
Property, plant and equipment written off	-	14
Amortisation of deferred license fees	(1,129)	(1,106)
Amortisation of security retainers accumulation fund	3	3
Impairment loss on trade and other receivables	-	223
Unrealised returns on security retainers accumulation fund	(44)	(54)
<b>Operating profit before working capital changes</b>	<b>35,044</b>	<b>39,477</b>
Changes in working capital:		
Trade and other receivables	(156,455)	(68,476)
Contract assets	105,670	166,508
Inventories	(366,344)	(106,415)
Contract cost assets	32,228	21,201
Contract liabilities	4,957	4,133
Trade and other payables	(114,994)	(94,921)
Cash used in operations	(459,894)	(38,493)
Finance costs paid	(36,407)	(28,923)
Net taxes paid	(17,898)	(38,906)
<b>Net cash used in operating activities</b>	<b>(514,199)</b>	<b>(106,322)</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	31/03/2020 RM'000	31/03/2019 RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,625)	(13,916)
Purchase of investment properties	(2,071)	(265)
Acquisition of intangible assets	(2,353)	-
Proceeds from disposal of property, plant and equipment	7	-
Subscription of shares in joint venture	-	(2,700)
Advances to a joint venture	(275)	-
Finance income received	4,719	5,965
<b>Net cash used in investing activities</b>	<b>(9,598)</b>	<b>(10,916)</b>
<b>Cash flows from financing activities</b>		
Payment of borrowing costs	(8,699)	(76)
Drawdown from borrowings	534,062	89,075
Repayment of borrowings	(214,586)	(83,259)
Repayment of hire purchase	(135)	(398)
Repayment of principal portion of lease liabilities	(1,326)	-
(Placement)/uplift of debt service reserve, escrow accounts and deposits with licensed banks not available for use	(1,205)	65,628
Proceeds from issuance of shares to non-controlling interests	-	4,327
Purchase of treasury shares	(14,437)	(6,732)
Dividends paid to shareholders of the Company	-	(39,963)
Perpetual bond distribution paid	(8,656)	-
<b>Net cash from financing activities</b>	<b>285,018</b>	<b>28,602</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(238,779)</b>	<b>(88,636)</b>
Effects of foreign exchange rate changes	7	14
<b>Cash and cash equivalents at beginning of financial period</b>	<b>591,338</b>	<b>721,583</b>
<b>Cash and cash equivalents at end of financial period*</b>	<b>352,566</b>	<b>632,961</b>

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

	31/03/2020 RM'000	31/03/2019 RM'000
Cash and bank balances	547,966	821,018
Less: Bank overdrafts	(30,584)	(4,399)
Less: Cash and cash equivalents not available for use	(164,816)	(183,658)
<b>Total cash and cash equivalents at end of financial period</b>	<b>352,566</b>	<b>632,961</b>