



**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 MARCH 2018**

**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

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

|  | Individual Quarter      |  | Year to Date            |   |
|--|-------------------------|--|-------------------------|---|
|  | Current Year<br>Quarter | (Restated)<br>Preceding Year<br>Corresponding<br>Quarter | Current Year to<br>Date | (Restated)<br>Preceding Year<br>Corresponding<br>Period |
| Note   | 31/03/2018              | 31/03/2017   | 31/03/2018              | 31/03/2017  |
|  | RM'000                  | RM'000   | RM'000                  | RM'000  |
| Revenue  | 453,005                 | 373,682  | 453,005                 | 373,682   |
| Cost of sales  | (308,379)               | (284,978)  | (308,379)               | (284,978)   |
| <b>Gross profit</b>  | <b>144,626</b>          | <b>88,704</b>  | <b>144,626</b>          | <b>88,704</b>   |
| Other income   | 6,415                   | 3,840  | 6,415                   | 3,840   |
| Administrative expenses  | (54,894)                | (51,995)   | (54,894)                | (51,995)  |
| Other expenses   | (288)                   | (499)  | (288)                   | (499)   |
| <b>Operating profit</b>  | <b>95,859</b>           | <b>40,050</b>  | <b>95,859</b>           | <b>40,050</b>   |
| Finance income   | 5,860                   | 5,402  | 5,860                   | 5,402   |
| Finance costs  | (16,472)                | (11,552)   | (16,472)                | (11,552)  |
| Share of results of joint ventures   | 773                     | 6,634  | 773                     | 6,634   |
| Share of results of an associate   | (578)                   | 14   | (578)                   | 14  |
| <b>Profit before tax</b>   | <b>85,442</b>           | <b>40,548</b>  | <b>85,442</b>           | <b>40,548</b>   |
| Income tax expense   | (33,234)                | (12,272)   | (33,234)                | (12,272)  |
| <b>Profit for the period</b>   | <b>52,208</b>           | <b>28,276</b>  | <b>52,208</b>           | <b>28,276</b>   |
| <b>Other comprehensive loss<br/>to be reclassified to profit or<br/>loss in subsequent period:</b> |                         |  |                         |   |
| Foreign currency translation   | (8)                     | (1)  | (8)                     | (1)   |
| <b>Total comprehensive income</b>  | <b>52,200</b>           | <b>28,275</b>  | <b>52,200</b>           | <b>28,275</b>   |
| <b>Profit attributable to:</b>   |                         |  |                         |   |
| Owners of the Parent   | 46,403                  | 27,058   | 46,403                  | 27,058  |
| Non-controlling interests  | 5,805                   | 1,218  | 5,805                   | 1,218   |
|  | <b>52,208</b>           | <b>28,276</b>  | <b>52,208</b>           | <b>28,276</b>   |



**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|   | Individual Quarter      |                              | Year to Date            |                              |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
|   |                         | (Restated)<br>Preceding Year |                         | (Restated)<br>Preceding Year |
|   | Current Year<br>Quarter | Corresponding<br>Quarter     | Current Year to<br>Date | Corresponding<br>Period      |
| Note  | <u>31/03/2018</u>       | <u>31/03/2017</u>            | <u>31/03/2018</u>       | <u>31/03/2017</u>            |
|   | RM'000                  | RM'000                       | RM'000                  | RM'000                       |
| <b>Total comprehensive income attributable to:</b>              |                         |                              |                         |                              |
| Owners of the Parent  | <b>46,395</b>           | 27,057                       | <b>46,395</b>           | 27,057                       |
| Non-controlling interests                                       | <b>5,805</b>            | 1,218                        | <b>5,805</b>            | 1,218                        |
|   | <b>52,200</b>           | 28,275                       | <b>52,200</b>           | 28,275                       |
| <b>Earnings per share attributable to owners of the Parent:</b> |                         |                              |                         |                              |
| <b>(sen per share)</b>  |                         |                              |                         |                              |
| - Basic   | B10 <b>3.17</b>         | 1.89                         | <b>3.17</b>             | 1.89                         |
| - Diluted   | B10 <b>3.17</b>         | 1.89                         | <b>3.17</b>             | 1.89                         |

*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 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|                                    | Note | As At<br>31/03/2018<br>RM'000 | (Restated)<br>As At<br>31/12/2017<br>RM'000 | (Restated)<br>As At<br>01/01/2017<br>RM'000 |
|------------------------------------|------|-------------------------------|---|---|
| <b>Assets</b>                      |      |                               |   |   |
| <b>Non-current assets</b>          |      |                               |   |   |
| Property, plant and equipment      |      | 849,452                       | 820,193                                     | 741,864                                     |
| Land held for property development |      | 2,059,293                     | 2,035,390                                   | 2,236,335                                   |
| Investment properties              |      | 556,834                       | 560,099                                     | 447,519                                     |
| Investment in an associate         |      | 36,445                        | 37,023                                      | 38,144                                      |
| Investments in joint ventures      |      | 422,657                       | 421,884                                     | 401,684                                     |
| Other investments                  |      | 312                           | 312   | 312   |
| Intangible assets                  |      | 3,948                         | 1,475                                       | 1,475                                       |
| Deferred tax assets                |      | 49,313                        | 48,955                                      | 23,720                                      |
| Other receivables                  |      | 32,383                        | 27,941                                      | 39,138                                      |
|                                    |      | <u>4,010,637</u>              | <u>3,953,272</u>                            | <u>3,930,191</u>                            |
| <b>Current assets</b>              |      |                               |   |   |
| Property development costs         |      | 1,507,661                     | 1,556,443                                   | 1,622,004                                   |
| Inventories                        |      | 31,573                        | 31,893                                      | 34,931                                      |
| Trade and other receivables        |      | 941,923                       | 1,053,367                                   | 906,149                                     |
| Tax recoverable                    |      | 33,435                        | 39,979                                      | 47,328                                      |
| Cash and bank balances             |      | 1,095,654                     | 941,410                                     | 841,265                                     |
|                                    |      | <u>3,610,246</u>              | <u>3,623,092</u>                            | <u>3,451,677</u>                            |
| <b>Total assets</b>                |      | <u>7,620,883</u>              | <u>7,576,364</u>                            | <u>7,381,868</u>                            |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|  | Note | As At<br>31/03/2018<br>RM'000 | (Restated)<br>As At<br>31/12/2017<br>RM'000 | (Restated)<br>As At<br>01/01/2017<br>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                                    |      | (6,692)                       | (6,692)                                     | (23,648)                                    |
| Share premium                                      |      | -                             | -   | 577,984                                     |
| Other reserves                                     |      | 1,297,817                     | 1,274,842                                   | 1,166,139                                   |
|  |      | <u>3,335,439</u>              | <u>3,312,464</u>                            | <u>3,167,941</u>                            |
| Non-controlling interests                          |      | 317,177                       | 309,854                                     | 290,489                                     |
| <b>Total equity</b>                                |      | <u>3,652,616</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                           |      | 41,695                        | 56,924                                      | 59,634                                      |
| Borrowings   | B7   | 1,230,615                     | 1,166,038                                   | 1,261,505                                   |
| Trade and other payables                           |      | 932,155                       | 924,022                                     | 987,442                                     |
|  |      | <u>2,338,123</u>              | <u>2,280,642</u>                            | <u>2,526,773</u>                            |
| <b>Current liabilities</b>                         |      |                               |   |   |
| Borrowings   | B7   | 668,161                       | 681,736                                     | 551,759                                     |
| Trade and other payables                           |      | 927,819                       | 958,185                                     | 832,081                                     |
| Tax payable  |      | 34,164                        | 33,483                                      | 12,825                                      |
|  |      | <u>1,630,144</u>              | <u>1,673,404</u>                            | <u>1,396,665</u>                            |
| <b>Total liabilities</b>                           |      | <u>3,968,267</u>              | <u>3,954,046</u>                            | <u>3,923,438</u>                            |
| <b>Total equity and liabilities</b>                |      | <u>7,620,883</u>              | <u>7,576,364</u>                            | <u>7,381,868</u>                            |
| <b>Net assets per share (RM)</b>                   |      | <u>2.28</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 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

-----> Attributable to owners of the Parent <----->  
<-----> Non-distributable <----->

|  | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Share<br>Premium<br>RM'000 | Translation<br>Reserve<br>RM'000 | Warrants<br>2009/2019<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000 | Non-controlling<br>Interests<br>RM'000 | Total<br>Equity<br>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 (loss)/income</b>                             | -                          | -                            | -                          | (1)                              | -  | 27,058                         | 27,057          | 1,218                                  | 28,275                    |
| <b>Transactions with owners</b>                                      |                            |                              |                            |                                  |  |                                |                 |  |                           |
| Issuance of ordinary shares pursuant to Dividend Reinvestment Scheme | 18,295                     | -                            | -                          | -                                | -  | -                              | 18,295          | -                                      | 18,295                    |
| Issuance of equity to non-controlling interests                      | -                          | -                            | -                          | -                                | -  | -                              | -               | 1,469                                  | 1,469                     |
| Purchase of treasury shares  | -                          | (5)                          | -                          | -                                | -  | -                              | (5)             | -                                      | (5)                       |
| Transition to no par value regime <sup>1</sup>                       | 577,984                    | -                            | (577,984)                  | -                                | -  | -                              | -               | -                                      | -                         |
| Total transaction with owners  | 596,279                    | (5)                          | (577,984)                  | -                                | -  | -                              | 18,290          | 1,469                                  | 19,759                    |
| <b>As at 31 March 2017 (Restated)</b>                                | 2,043,745                  | (23,653)                     | -                          | (76)                             | 45,960                                     | 1,147,312                      | 3,213,288       | 293,176                                | 3,506,464                 |
| <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>                             | -                          | -                            | -                          | (8)                              | -  | 46,403                         | 46,395          | 5,805                                  | 52,200                    |
| <b>Transactions with owners</b>                                      |                            |                              |                            |                                  |  |                                |                 |  |                           |
| Issuance of equities to non-controlling interests                    | -                          | -                            | -                          | -                                | -  | -                              | -               | 1,518                                  | 1,518                     |
| Dividends paid via:<br>- cash  | -                          | -                            | -                          | -                                | -  | (23,420)                       | (23,420)        | -                                      | (23,420)                  |
| Total transaction with owners  | -                          | -                            | -                          | -                                | -  | (23,420)                       | (23,420)        | 1,518                                  | (21,902)                  |
| <b>As at 31 March 2018</b>   | 2,044,314                  | (6,692)                      | -                          | (118)                            | 45,960                                     | 1,251,975                      | 3,335,439       | 317,177                                | 3,652,616                 |

**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 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  | 31/03/2018     | (Restated)<br>31/03/2017 |
|--|----------------|--------------------------|
|  | RM'000         | RM'000                   |
| <b>Cash flows from operating activities</b>                |                |                          |
| Profit before tax  | 85,442         | 41,299                   |
| Adjustments for:   |                |                          |
| Depreciation of property, plant and equipment              | 5,575          | 6,866                    |
| Finance income   | (5,860)        | (5,402)                  |
| Finance costs  | 16,472         | 11,552                   |
| Share of results of an associate                           | 578            | (14)                     |
| Share of results of joint ventures                         | (773)          | (6,634)                  |
| Reversal of impairment loss on trade and other receivables | (325)          | -                        |
| Amortisation of deferred license fees                      | (632)          | (620)                    |
| Amortisation of security retainers accumulation fund       | 2              | 3                        |
| Impairment loss on trade and other receivables             | 254            | -                        |
| Unrealised returns on security retainers accumulation fund | (83)           | (54)                     |
| <b>Operating profit before working capital changes</b>     | <b>100,650</b> | <b>46,996</b>            |
| Changes in working capital:                                |                |                          |
| Trade and other receivables                                | 110,703        | 56,728                   |
| Inventories  | 320            | 3,134                    |
| Property development costs                                 | 56,897         | 34,490                   |
| Land held for property development                         | (9,082)        | (14,009)                 |
| Provision for liabilities                                  | -              | 4,649                    |
| Trade and other payables                                   | (21,644)       | (96,132)                 |
| Cash generated from operations                             | <b>237,844</b> | <b>35,856</b>            |
| Finance costs paid   | (36,742)       | (19,666)                 |
| Net taxes paid   | (41,596)       | (22,575)                 |
| <b>Net cash from/(used in) operating activities</b>        | <b>159,506</b> | <b>(6,385)</b>           |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | 31/03/2018      | (Restated)<br>31/03/2017 |
|---|-----------------|--------------------------|
|   | RM'000          | RM'000                   |
| <b>Cash flows from investing activities</b>   |                 |                          |
| Purchase of property, plant and equipment   | (34,227)        | (10,415)                 |
| Purchase of investment properties   | (202)           | (178)                    |
| Finance income received   | 5,860           | 5,402                    |
| Net cash outflow on acquisition of subsidiaries   | (2,474)         | -                        |
| <b>Net cash used in investing activities</b>  | <u>(31,043)</u> | <u>(5,191)</u>           |
| <b>Cash flows from financing activities</b>   |                 |                          |
| Payment of borrowing costs  | (4,809)         | -                        |
| Drawdown from borrowings  | 283,179         | 100,342                  |
| Repayment of borrowings   | (230,626)       | (95,065)                 |
| Repayment of hire purchase  | (360)           | (425)                    |
| Placements of debt service reserve, escrow accounts and deposits<br>with licensed banks not available for use | 12,634          | (1,183)                  |
| Proceeds from issuance of shares to non-controlling interests   | 1,518           | 1,469                    |
| Purchase of treasury shares   | -               | (5)                      |
| Dividends paid to shareholders of the Company   | (23,420)        | (17,389)                 |
| <b>Net cash from/(used in) financing activities</b>   | <u>38,116</u>   | <u>(12,256)</u>          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>166,579</b>  | <b>(23,832)</b>          |
| Effects of foreign exchange rate changes  | (8)             | (1)                      |
| <b>Cash and cash equivalents at beginning of financial year</b>   | <u>561,563</u>  | <u>727,469</u>           |
| <b>Cash and cash equivalents at end of financial period *</b>   | <u>728,134</u>  | <u>703,636</u>           |

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

|   | 31/03/2018       | 31/03/2017     |
|---|------------------|----------------|
|   | RM'000           | RM'000         |
| Cash and bank balances  | 1,095,654        | 853,092        |
| Less: Bank overdrafts   | (1,606)          | (38,452)       |
|   | <u>1,094,048</u> | <u>814,640</u> |
| Less: Cash and cash equivalents not available for use             | (365,914)        | (111,004)      |
| <b>Total cash and cash equivalents at end of financial period</b> | <u>728,134</u>   | <u>703,636</u> |

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.



**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and other MFRSs issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad before taking into consideration the effects of Addendum to FRSIC Consensus 17 - Clarification on the use of FRSIC Consensus 17 Development of Affordable Housing issued on 7 March 2018 (Addendum). This Addendum has rendered the FRSIC Consensus 17 no longer applicable upon the adoption of MFRS 15 – Revenue from Customers (“MFRS 15”) in conjunction with the adoption of the MFRS Framework as explained below, hence the upfront recognition of provision for foreseeable losses on the development of affordable housing on an involuntary basis may no longer be required. As it is understood that post-issuance of this Addendum, there would be further official clarification on the accounting for the development of affordable housing in the near future, the Group expects and intends to fully comply with the requirement of this Addendum when the clarification has been made.

The interim financial statements should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations**

The accounting policies adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2017 except for the adoption of the following new amendments to MFRSs:

**Effective for financial periods beginning on or after 1 January 2018:**

|                        |   |
|------------------------|---|
| MFRS 15                | Revenue from Contracts with Customers   |
| Amendments to MFRS 15  | Clarifications to MFRS 15   |
| MFRS 9                 | Financial Instruments   |
| Amendments to MFRS 1   | First-Time Adoption of MFRS 1 (Annual Improvements to MFRSs 2014 - 2016 Cycle)              |
| Amendments to MFRS 140 | Transfers of Investment Property  |
| IC Interpretation 22   | Foreign Currency Translations and Advance Consideration                                     |
| Amendments to MFRS 2   | Classification and Measurement of Share-based Payment Transactions                          |
| Amendments to MFRS 4   | Applying MFRS 9 – Financial Instruments with MFRS 4 – Insurance Contracts                   |
| Amendments to MFRS 128 | Investments in Associates and Joint Ventures (Annual Improvements to MFRSs 2014-2016 Cycle) |



**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)**

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group except for the adoption of MFRS 15 where the impact is shown below.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

Reconciliation of statements of comprehensive income

|                                    | Individual Quarter     |                   |                   | Year to Date           |                   |                   |
|------------------------------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
|                                    | As previously reported | Effect of MFRS15  | Restated          | As previously reported | Effect of MFRS15  | Restated          |
|                                    | <u>31/03/2017</u>      | <u>31/03/2017</u> | <u>31/03/2017</u> | <u>31/03/2017</u>      | <u>31/03/2017</u> | <u>31/03/2017</u> |
|                                    | RM'000                 | RM'000            | RM'000            | RM'000                 | RM'000            | RM'000            |
| Revenue                            | 381,868                | (8,186)           | 373,682           | 381,868                | (8,186)           | 373,682           |
| Cost of sales                      | (282,635)              | (2,343)           | (284,978)         | (282,635)              | (2,343)           | (284,978)         |
| <b>Gross profit</b>                | 99,233                 | (10,529)          | 88,704            | 99,233                 | (10,529)          | 88,704            |
| Other income                       | 3,840                  | -                 | 3,840             | 3,840                  | -                 | 3,840             |
| Administrative expenses            | (57,347)               | 5,352             | (51,995)          | (57,347)               | 5,352             | (51,995)          |
| Other expenses                     | (499)                  | -                 | (499)             | (499)                  | -                 | (499)             |
| <b>Operating profit</b>            | 45,227                 | (5,177)           | 40,050            | 45,227                 | (5,177)           | 40,050            |
| Finance income                     | 5,402                  | -                 | 5,402             | 5,402                  | -                 | 5,402             |
| Finance costs                      | (11,552)               | -                 | (11,552)          | (11,552)               | -                 | (11,552)          |
| Share of results of joint ventures | 7,312                  | (678)             | 6,634             | 7,312                  | (678)             | 6,634             |
| Share of results of an associate   | 14                     | -                 | 14                | 14                     | -                 | 14                |
| <b>Profit before tax</b>           | 46,403                 | (5,855)           | 40,548            | 46,403                 | (5,855)           | 40,548            |
| Income tax expense                 | (12,429)               | 157               | (12,272)          | (12,429)               | 157               | (12,272)          |
| <b>Profit for the period</b>       | 33,974                 | (5,698)           | 28,276            | 33,974                 | (5,698)           | 28,276            |

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables: (cont’d.)

Reconciliation of statements of comprehensive income (cont’d.)

|  | Individual Quarter                                    |   |   | Year to Date  |   |   |
|--|---|---|---|---|---|---|
|  | As previously reported<br><u>31/03/2017</u><br>RM'000 | Effect of MFRS15<br><u>31/03/2017</u><br>RM'000 | Restated<br><u>31/03/2017</u><br>RM'000 | As previously reported<br><u>31/03/2017</u><br>RM'000 | Effect of MFRS15<br><u>31/03/2017</u><br>RM'000 | Restated<br><u>31/03/2017</u><br>RM'000 |
| <b>Other comprehensive loss to be reclassified to profit or loss in subsequent period:</b> |   |   |   |   |   |   |
| Foreign currency translation   | (1)   | -   | (1)                                     | (1)   | -   | (1)                                     |
| <b>Total comprehensive income</b>  | <u>33,973</u>   | <u>(5,698)</u>                                  | <u>28,275</u>                           | <u>33,973</u>   | <u>(5,698)</u>                                  | <u>28,275</u>                           |
| <b>Profit attributable to:</b>   |   |   |   |   |   |   |
| Owners of the Parent   | 32,517  | (5,459)   | 27,058                                  | 32,517  | (5,459)   | 27,058                                  |
| Non-controlling interests  | 1,457   | (239)   | 1,218                                   | 1,457   | (239)   | 1,218                                   |
|  | <u>33,974</u>   | <u>(5,698)</u>                                  | <u>28,276</u>                           | <u>33,974</u>   | <u>(5,698)</u>                                  | <u>28,276</u>                           |

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables: (cont’d.)

Reconciliation of statements of comprehensive income (cont’d.)

|   | Individual Quarter     |                   |                   | Year to Date           |                   |                   |
|---|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|
|   | As previously reported | Effect of MFRS15  | Restated          | As previously reported | Effect of MFRS15  | Restated          |
|   | <u>31/03/2017</u>      | <u>31/03/2017</u> | <u>31/03/2017</u> | <u>31/03/2017</u>      | <u>31/03/2017</u> | <u>31/03/2017</u> |
|   | RM'000                 | RM'000            | RM'000            | RM'000                 | RM'000            | RM'000            |
| <b>Total comprehensive income attributable to:</b>              |                        |                   |                   |                        |                   |                   |
| Owners of the Parent  | 32,516                 | (5,459)           | 27,057            | 32,516                 | (5,459)           | 27,057            |
| Non-controlling interests                                       | 1,457                  | (239)             | 1,218             | 1,457                  | (239)             | 1,218             |
|   | <u>33,973</u>          | <u>(5,698)</u>    | <u>28,275</u>     | <u>33,973</u>          | <u>(5,698)</u>    | <u>28,275</u>     |
| <b>Earnings per share attributable to owners of the Parent:</b> |                        |                   |                   |                        |                   |                   |
| <b>(sen per share)</b>  |                        |                   |                   |                        |                   |                   |
| - Basic   | 2.27                   | -                 | 1.89              | 2.27                   | -                 | 1.89              |
| - Diluted   | 2.27                   | -                 | 1.89              | 2.27                   | -                 | 1.89              |

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

Reconciliation of statements of financial position

|                                    | Audited as at<br><u>31/12/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>31/12/2017</u><br>RM'000 | Audited as at<br><u>01/01/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>01/01/2017</u><br>RM'000 |
|------------------------------------|--|-------------------------------|---|--|-------------------------------|---|
| <b>Assets</b>                      |  |                               |   |  |                               |   |
| <b>Non-current assets</b>          |  |                               |   |  |                               |   |
| Property, plant and equipment      | 820,193                                      | -                             | 820,193                                       | 741,864                                      | -                             | 741,864                                       |
| Land held for property development | 2,035,390                                    | -                             | 2,035,390                                     | 2,236,335                                    | -                             | 2,236,335                                     |
| Investment properties              | 560,099                                      | -                             | 560,099                                       | 447,519                                      | -                             | 447,519                                       |
| Investment in an associate         | 37,023                                       | -                             | 37,023  | 38,144                                       | -                             | 38,144  |
| Investments in joint ventures      | 426,577                                      | (4,693)                       | 421,884                                       | 396,926                                      | 4,758                         | 401,684                                       |
| Other investments                  | 312  | -                             | 312   | 312  | -                             | 312   |
| Intangible assets                  | 1,475  | -                             | 1,475   | 1,475  | -                             | 1,475   |
| Deferred tax assets                | 52,783                                       | (3,828)                       | 48,955  | 26,468                                       | (2,748)                       | 23,720  |
| Other receivables                  | 27,941                                       | -                             | 27,941  | 39,138                                       | -                             | 39,138  |
|                                    | <u>3,961,793</u>                             | <u>(8,521)</u>                | <u>3,953,272</u>                              | <u>3,928,181</u>                             | <u>2,010</u>                  | <u>3,930,191</u>                              |

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables: (cont’d.)

Reconciliation of statements of financial position (cont’d.)

|                             | Audited as at<br><u>31/12/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>31/12/2017</u><br>RM'000 | Audited as at<br><u>01/01/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>01/01/2017</u><br>RM'000 |
|-----------------------------|--|-------------------------------|---|--|-------------------------------|---|
| <b>Current assets</b>       |  |                               |   |  |                               |   |
| Property development costs  | 1,537,428                                    | 19,015                        | 1,556,443                                     | 1,593,795                                    | 28,209                        | 1,622,004                                     |
| Inventories                 | 31,893                                       | -                             | 31,893  | 34,931                                       | -                             | 34,931  |
| Trade and other receivables | 1,040,875                                    | 12,492                        | 1,053,367                                     | 880,006                                      | 26,143                        | 906,149                                       |
| Tax recoverable             | 39,979                                       | -                             | 39,979  | 47,328                                       | -                             | 47,328  |
| Cash and bank balances      | 941,410                                      | -                             | 941,410                                       | 841,265                                      | -                             | 841,265                                       |
|                             | <u>3,591,585</u>                             | <u>31,507</u>                 | <u>3,623,092</u>                              | <u>3,397,325</u>                             | <u>54,352</u>                 | <u>3,451,677</u>                              |
| <b>Total assets</b>         | <u>7,553,378</u>                             | <u>22,986</u>                 | <u>7,576,364</u>                              | <u>7,325,506</u>                             | <u>56,362</u>                 | <u>7,381,868</u>                              |

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables: (cont’d.)

Reconciliation of statements of financial position (cont’d.)

|  | Audited as at<br><u>31/12/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>31/12/2017</u><br>RM'000 | Audited as at<br><u>01/01/2017</u><br>RM'000 | Effect of<br>MFRS15<br>RM'000 | Restated as at<br><u>01/01/2017</u><br>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                                    | -                             | 1,447,466                                     |
| Treasury shares                                    | (6,692)                                      | -                             | (6,692)                                       | (23,648)                                     | -                             | (23,648)                                      |
| Share premium                                      | -  | -                             | -   | 577,984                                      | -                             | 577,984                                       |
| Other reserves                                     | 1,266,006                                    | 8,836                         | 1,274,842                                     | 1,125,098                                    | 41,041                        | 1,166,139                                     |
|  | <u>3,303,628</u>                             | <u>8,836</u>                  | <u>3,312,464</u>                              | <u>3,126,900</u>                             | <u>41,041</u>                 | <u>3,167,941</u>                              |
| Non-controlling interests                          | 309,737                                      | 117                           | 309,854                                       | 289,084                                      | 1,405                         | 290,489                                       |
| <b>Total equity</b>                                | <u>3,613,365</u>                             | <u>8,953</u>                  | <u>3,622,318</u>                              | <u>3,415,984</u>                             | <u>42,446</u>                 | <u>3,458,430</u>                              |



INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables: (cont’d.)

Reconciliation of statements of financial position (cont’d.)

|                                     | <b>Audited as at</b><br><b>31/12/2017</b><br><b>RM'000</b> | <b>Effect of</b><br><b>MFRS15</b><br><b>RM'000</b> | <b>Restated as at</b><br><b>31/12/2017</b><br><b>RM'000</b> | <b>Audited as at</b><br><b>01/01/2017</b><br><b>RM'000</b> | <b>Effect of</b><br><b>MFRS15</b><br><b>RM'000</b> | <b>Restated as at</b><br><b>01/01/2017</b><br><b>RM'000</b> |
|-------------------------------------|--|--|---|--|--|---|
| <b>Non-current liabilities</b>      |  |  |   |  |  |   |
| Provision for liabilities           | 133,658  | -  | 133,658   | 218,192  | -  | 218,192   |
| Deferred tax liabilities            | 55,935   | 989  | 56,924  | 54,491   | 5,143  | 59,634  |
| Borrowings                          | 1,166,038  | -  | 1,166,038   | 1,261,505  | -  | 1,261,505   |
| Trade and other payables            | 923,015  | 1,007  | 924,022   | 987,442  | -  | 987,442   |
|                                     | <u>2,278,646</u>   | <u>1,996</u>                                       | <u>2,280,642</u>  | <u>2,521,630</u>   | <u>5,143</u>                                       | <u>2,526,773</u>  |
| <b>Current liabilities</b>          |  |  |   |  |  |   |
| Borrowings                          | 681,736  | -  | 681,736   | 551,759  | -  | 551,759   |
| Trade and other payables            | 946,148  | 12,037   | 958,185   | 823,308  | 8,773  | 832,081   |
| Tax payable                         | 33,483   | -  | 33,483  | 12,825   | -  | 12,825  |
|                                     | <u>1,661,367</u>   | <u>12,037</u>                                      | <u>1,673,404</u>  | <u>1,387,892</u>   | <u>8,773</u>                                       | <u>1,396,665</u>  |
| <b>Total liabilities</b>            | <u>3,940,013</u>   | <u>14,033</u>                                      | <u>3,954,046</u>  | <u>3,909,522</u>   | <u>13,916</u>                                      | <u>3,923,438</u>  |
| <b>Total equity and liabilities</b> | <u>7,553,378</u>   | <u>22,986</u>                                      | <u>7,576,364</u>  | <u>7,325,506</u>   | <u>56,362</u>                                      | <u>7,381,868</u>  |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)**

The followings are new standards, amendments and interpretations that have been issued by the MASB but have not been early adopted by the Group:

**Effective for financial periods beginning on or after 1 January 2019:**

|                                 |  |
|---------------------------------|--|
| MFRS 16                         | Leases   |
| IC Interpretation 23            | Uncertainty over Income Tax Treatments   |
| Amendment to MFRS 9             | Prepayment Features with Negative Compensation   |
| Amendments to MFRS 128          | Long-term Interest in Joint Ventures and Associates  |
| Amendment to MFRS 3 and MFRS 11 | Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)                                       |
| Amendment to MFRS 112           | Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle) |
| Amendments to MFRS 119          | Plan Amendment, Curtailment or Settlement  |
| Amendment to MFRS 123           | Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015-2017 Cycle)   |

**Effective for financial periods beginning on or after 1 January 2021:**

|         |                     |
|---------|---------------------|
| MFRS 17 | Insurance Contracts |
|---------|---------------------|

This standard is not relevant and applicable to the Group.

**Effective date deferred to a date to be determined by MASB:**

|                                    |   |
|------------------------------------|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
|------------------------------------|---|

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017. Subsequently on 28 October 2015, Transitioning Entities are allowed to defer adoption of MFRS Framework for an additional one year. Consequently, adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134**

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)**

**Malaysian Financial Reporting Standards (MFRS Framework) (cont'd.)**

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 December 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained earnings.

**A3. Comments about seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**A4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**A5. Material changes in estimates**

There were no material changes in estimates for the financial period ended 31 March 2018.

**A6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

**A7. Dividends paid**

On 22 January 2018, a first interim single-tier dividend of 1.6 sen per ordinary share for the financial year ending 31 December 2018 was declared and paid on 22 February 2018 during the current quarter under review.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A8. Segmental information**

Segmental information is presented in respect of the Group's principal business segments - property development, property management, property investment, recreation and resort and investment holding and others. The geographical information is not presented as the Group's activities are carried out predominantly in Malaysia.

Business segment analysis for the quarter and financial period ended:

| <b>Business Segments</b>   | <b>Property development and property management<br/>RM'000</b> | <b>Property investment, recreation and resort<br/>RM'000</b> | <b>Investment holding and others<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|--|---|-------------------------|
| <b>Individual Quarter/ Year to Date<br/>31 March 2018</b>              |  |  |   |                         |
| <b>Revenue</b>   | <b>411,061</b>   | <b>20,087</b>  | <b>21,857</b>                                   | <b>453,005</b>          |
| Results from operations  | 92,983   | 7,150  | (4,274)   | 95,859                  |
| Net finance costs  | (3,960)  | (4,261)  | (2,391)   | (10,612)                |
| Share of results of an associate                                       | (578)  | -  | -   | (578)                   |
| Share of results of joint ventures                                     | 773  | -  | -   | 773                     |
| <b>Profit/(Loss) before tax</b>  | <b>89,218</b>  | <b>2,889</b>   | <b>(6,665)</b>                                  | <b>85,442</b>           |
| <b>Individual Quarter/ Year to Date<br/>Restated<br/>31 March 2017</b> |  |  |   |                         |
| <b>Revenue</b>   | <b>330,928</b>   | <b>16,900</b>  | <b>25,854</b>                                   | <b>373,682</b>          |
| Results from operations  | 45,141   | 4,050  | (9,141)   | 40,050                  |
| Net finance costs  | (199)  | (1,437)  | (4,514)   | (6,150)                 |
| Share of results of an associate                                       | 14   | -  | -   | 14                      |
| Share of results of joint ventures                                     | 6,634  | -  | -   | 6,634                   |
| <b>Profit/(Loss) before tax</b>  | <b>51,590</b>  | <b>2,613</b>   | <b>(13,655)</b>                                 | <b>40,548</b>           |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134**

**A9. Material events subsequent to the end of interim period**

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements except for the acquisition of 560,000 ordinary shares representing 100% of the issued and paid-up share capital of Marivaux Holdings Sdn Bhd ("**Marivaux**") for a total cash consideration of RM78,254,668 on 27 February 2018 by Tropicana Mentari Development Sdn Bhd ("**TMDSB**"). The acquisition has been completed on 8 May 2018. Following the completion of the acquisition, Marivaux has become a wholly-owned subsidiary of TMDSB, which in turn is a wholly-owned subsidiary of the Company.

**A10. Changes in composition of the Group**

- 1) On 11 January 2018, the Company acquired 1,000,000 ordinary shares representing 100% of the issued and paid-up share capital of Myxon (M) Sdn Bhd ("**Myxon**") for a total cash consideration of RM2,500,000.00. Following the completion of the acquisition, Myxon has become a wholly-owned subsidiary of the Company.
- 2) On 27 February 2018, Tropicana Mentari Development Sdn Bhd ("**TMDSB**"), a wholly-owned subsidiary of the Company entered into a conditional Shares Sale Agreement to acquire 560,000 ordinary shares representing 100% of the issued and paid-up share capital of Marivaux Holdings Sdn Bhd ("**Marivaux**") for a total cash consideration of RM78,254,668. Following the completion of the acquisition, Marivaux has become a wholly-owned subsidiary of TMDSB, which in turn is a wholly-owned subsidiary of the Company.

**A11. Changes in contingent liabilities or contingent assets**

Since the last annual audited position as at 31 December 2017, the Group's contingent liabilities have changed due to the decrease of RM41.10million in corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

Save as disclosed above, there were no other changes in contingent liabilities of the Group.



**TROPICANA**

CORPORATION BERHAD

丽阳机构

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134**

**A12. Capital commitments**

The amount of commitments for capital expenditure as at 31 March 2018 is as follows:

|  | <b>As at<br/>31/03/2018<br/>RM'000</b> | <b>As at<br/>31/12/2017<br/>RM'000</b> |
|--|--|--|
| Capital expenditure:                         |  |  |
| Approved and contracted for:                 |  |  |
| - Land held for property development         | <b>10,200</b>                          | 10,200                                 |
| - Property, plant and equipment              | <b>708,374</b>                         | 654,900                                |
|  | <b>718,574</b>                         | 665,100                                |
| Approved and not contracted for:             |  |  |
| - Property, plant and equipment              | <b>75,200</b>                          | 75,200                                 |
| Share of joint venture's capital commitment: |  |  |
| - Land held for property development         | <b>84,464</b>                          | 84,464                                 |
|  | <b>878,238</b>                         | 824,764                                |

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B1. Performance review**

For the current quarter under review, the Group recorded revenue of RM453.0 million which is RM79.3 million or 21.2% higher when compared to the corresponding quarter in the preceding year. The increase in revenue in the current quarter reflects higher progress billings from advanced stages of construction work for many of the Group's on-going projects.

Profit before tax ("PBT") was higher by RM44.9 million or 110.7% for the current quarter under review as compared to the corresponding quarter in the preceding year. This is mainly due to cost savings and advanced progress of projects.

**B2. Variation of results against preceding quarter**

The Group's revenue of RM453.0 million in the current quarter is RM166.0 million or 26.8% lower when compared to the preceding quarter ended 31 December 2017. The lower revenue in the current quarter was mainly contributed by land disposals in the preceding quarter and lower revenue across key projects in the Northern and Southern Regions.

The current quarter PBT was RM28.8 million or 25.2% lower than the preceding quarter ended 31 December 2017 mainly attributed to the lower revenue recognised during the current quarter.

**B3. Prospects**

Whilst the overall short-term prospects for the industry are expected to remain challenging, the Group believes that there will still be demand for properties in prime locations with attractive pricing. The Group will continue to focus on being market-driven and unlock the value of its landbank, at strategic locations across the Klang Valley, Northern and Southern Regions.

With this in mind, Tropicana will continue to focus on the introduction of new phases across its signature developments, namely at Tropicana Heights, Tropicana Aman, Tropicana Metropark and Tropicana Danga Cove, which are expected to continue to contribute positively to the Group's earnings.

Tropicana is also confident of registering steady recurring income stream from its property investment portfolio that includes International schools namely St. Joseph's Institution International School Malaysia, GEMS International School and the latest addition, Tenby International School which is expected to have its first intake of students in September 2018. We are also expecting positive contribution from the 150-room W Hotel at Kuala Lumpur City Centre which is targeted to be operational in second half of 2018.

**B4. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued for the financial period.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B5. Income tax expense**

|  | Individual quarter |                        | Year to date    |                        |
|--|--------------------|------------------------|-----------------|------------------------|
|  | 31/03/2018         | Restated<br>31/03/2017 | 31/03/2018      | Restated<br>31/03/2017 |
|  | RM'000             | RM'000                 | RM'000          | RM'000                 |
| Tax expense for the period                                 | <b>48,923</b>      | 13,055                 | <b>48,923</b>   | 13,055                 |
| Overprovision of tax for<br>previous financial period/year | <b>(102)</b>       | (34)                   | <b>(102)</b>    | (34)                   |
| Real property gain tax                                     | -                  | (2,651)                | -               | (2,651)                |
| Deferred tax transfers                                     | <b>(15,587)</b>    | 1,902                  | <b>(15,587)</b> | 1,902                  |
| <b>Total Group's tax expense</b>                           | <b>33,234</b>      | 12,272                 | <b>33,234</b>   | 12,272                 |

The Group's effective tax rate was higher than the statutory tax rate mainly due to non-allowable expenses for tax deduction.

**B6. Corporate Proposals**

**Status of corporate proposals**

The following corporate proposals announced by the Company have not been completed as at 15 May 2018, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

- 1) On 15 April 2013, Tropicana Aman Sdn Bhd ("TASB"), a wholly-owned subsidiary of the Company, entered into a sale and purchase cum development agreement with Menteri Besar Selangor (Pemerbadanan) ("MBI") and Permodalan Negeri Selangor Berhad ("PNSB") for the proposed acquisition cum development of 11 parcels of leasehold land, all in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor measuring approximately 4,743,986.21 square metres (51,063,794 square feet) for a total cash consideration of RM1,297,259,264 ("Proposed Acquisition").

MBI, PNSB and TASB had entered into supplementary agreements in respect of the Proposed Acquisition on 7 August 2014 and 12 March 2015 respectively. As at the date of this report, TASB has paid for two sub-divided parcels measuring 41.11 acres and 34.42 acres respectively and the acquisitions of these sub-divided parcels are completed. The remaining 24 sub-divided parcels are pending completion.



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**B6. Corporate Proposals (cont'd.)**

- 2) On 1 July 2016, Tropicana Desa Mentari Sdn. Bhd. (“TDMSB”), a wholly-owned subsidiary of Tropicana Golf & Country Resort Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA”) with Tiarn Oversea Group Sdn. Bhd. (“TIARN”) for the disposal of freehold lands in the Mukim of Pulai, District of Johor Bahru, Negeri Johor (“Land”) with developable area measuring in aggregate of approximately 251.5855 acres in area for a cash consideration of RM569,871,328 (“Disposal”).

Upon expiry of the Extended CP Period on 29 December 2017, TDMSB and Tiarn agreed to a further extension of one month from 30 December 2017 until 30 January 2018. On 30 January 2018, TDMSB and Tiarn had entered into a supplemental agreement (“Supplemental Agreement”) to amend, vary and replace some provisions of the SPA. As at the date of this report, the Disposal is pending fulfillment of the conditions precedent in accordance with the terms of the Supplemental Agreement.

- 3) On 13 April 2018, Tropicana Metropark Sdn. Bhd. (“TMSB”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA”) with Next Delta Sdn. Bhd. (“NDSB”), a wholly-owned subsidiary of MCT Berhad, for the disposal of freehold land with an area measuring in aggregate approximately 9.12 acres in Pekan Country Height, District of Petaling, Negeri Selangor (“Land”) for a cash consideration of RM143,000,000 (“Proposed Disposal”).

The completion of the Proposed Disposal is conditional upon the following conditions precedent being fulfilled/ obtained within three months from the date of the SPA:

- i) the State Authority’s Consent; and
- ii) confirmation from the Economic Planning Unit, Prime Minister’s Department (that its approval is not required) to facilitate the application for the State Authority’s Consent, if required.

**B7. Borrowings**

|                               | As at<br>31/03/2018<br>RM'000 | As at<br>31/12/2017<br>RM'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Secured short term borrowings | <b>668,161</b>                | 681,736                       |
| Secured long term borrowings  | <b>1,230,615</b>              | 1,166,038                     |
|                               | <b>1,898,776</b>              | 1,847,774                     |

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**B8. Material litigation**

On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited (“DMML”), Dijaya-Malind Properties (India) Private Limited (“DMPPL”) and Starlite Global Enterprise (India) Limited (“SGEIL”) (“Order”).

The arbitration proceedings were previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel is in the opinion that the Order is erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh and is pending a hearing date to be set.

**B9. Dividend payable**

On 22 January 2018, a first interim single-tier dividend of 1.6 sen per ordinary share for the financial year ending 31 December 2018 was declared and paid on 22 February 2018 during the current quarter under review.

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**B10. Earnings per share**

a) Basic earnings per share

Basic earnings per ordinary share were calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

|  | Individual quarter |                        | Year to date     |                        |
|--|--------------------|------------------------|------------------|------------------------|
|  | 31/03/2018         | Restated<br>31/03/2017 | 31/03/2018       | Restated<br>31/03/2017 |
| Profit attributable to owners of the Parent (RM'000) | <b>46,403</b>      | 27,058                 | <b>46,403</b>    | 27,058                 |
| Weighted average number of ordinary shares ('000)    | <b>1,463,771</b>   | 1,433,874              | <b>1,463,771</b> | 1,433,874              |
| Basic earnings per share (sen)                       | <b>3.17</b>        | 1.89                   | <b>3.17</b>      | 1.89                   |

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of the Warrants.

|   | Individual quarter |                        | Year to date     |                        |
|---|--------------------|------------------------|------------------|------------------------|
|   | 31/03/2018         | Restated<br>31/03/2017 | 31/03/2018       | Restated<br>31/03/2017 |
| Profit attributable to owners of the Parent (RM'000)  | <b>46,403</b>      | 27,058                 | <b>46,403</b>    | 27,058                 |
| Weighted average number of ordinary shares ('000) for the purpose of diluted earnings per share | <b>1,463,771</b>   | 1,433,874              | <b>1,463,771</b> | 1,433,874              |
| Diluted earnings per share (sen)  | <b>3.17</b>        | 1.89                   | <b>3.17</b>      | 1.89                   |

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**B11. Notes to the statement of comprehensive income**

|   | <b>Individual<br/>quarter<br/>31/03/2018<br/>RM'000</b> | <b>Year to<br/>date<br/>31/03/2018<br/>RM'000</b> |
|---|---|---|
| Profit for the period/year is arrived at after (crediting)/charging:- |   |   |
| Finance income  | (5,860)   | (5,860)   |
| Other income  | (6,090)   | (6,090)   |
| Finance costs   | 16,472  | 16,472  |
| Depreciation of property, plant and equipment                         | 5,575   | 5,575   |
| Impairment loss on trade and other receivables                        | 254   | 254   |
| Reversal of impairment loss on trade and other receivables            | (325)   | (325)   |
| Net foreign exchange loss (realised/unrealised)                       | 30  | 30  |

**B12. Auditors' report on preceding annual financial statements**

The auditors' report of the financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

**B13. Authorisation for issue**

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 22 May 2018.