[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2022

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Individual Quarter		Year to Date	
		Current Year Quarter	Preceding Year Corresponding Quarter	**Current Year to Date**	Preceding Year Corresponding Period
	Note	**30/09/2022**	30/09/2021	**30/09/2022**	30/09/2021
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**321,639**	170,455	**756,364**	605,963
Cost of sales		**(202,108)**	(84,324)	**(454,581)**	(341,528)
Gross profit		**119,531**	86,131	**301,783**	264,435
Other income		**5,061**	7,495	**28,125**	45,362
Selling and marketing expenses		**(9,245)**	(5,433)	**(26,678)**	(15,874)
Administrative expenses		**(90,568)**	(64,141)	**(228,497)**	(199,268)
Other expenses		**37,198**	(10,383)	**(28,227)**	(28,447)
Operating profit		**61,977**	13,669	**46,506**	66,208
Finance income		**1,296**	1,219	**4,227**	5,277
Finance costs		**(49,618)**	(52,090)	**(143,395)**	(149,127)
Share of results of joint ventures		**(1,127)**	2,554	**4,145**	7,600
Share of results of an associate		**(7,534)**	3,243	**(3,452)**	14,490
Profit/(loss) before tax		**4,994**	(31,405)	**(91,969)**	(55,552)
Income tax	B5	**(22,635)**	(6,372)	**(2,717)**	10,726
Loss for the period		**(17,641)**	(37,777)	**(94,686)**	(44,826)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:					
Foreign currency translation		**(77)**	4	**(13)**	128
Total comprehensive loss		**(17,718)**	(37,773)	**(94,699)**	(44,698)
(Loss)/profit attributable to:					
Owners of the parent		**(26,267)**	(37,409)	**(121,214)**	(60,110)
Holders of perpetual bond		**11,243**	5,156	**30,809**	13,765
Non-controlling interests		**(2,617)**	(5,524)	**(4,281)**	1,519
		(17,641)	(37,777)	**(94,686)**	(44,826)

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Individual Quarter		Year to Date	
	Note	**Current Year Quarter**	Preceding Year Corresponding Quarter	**Current Year to Date**	Preceding Year Corresponding Period
		30/09/2022	30/09/2021	**30/09/2022**	30/09/2021
		RM'000	RM'000	**RM'000**	RM'000
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(26,344)**	(37,405)	**(121,227)**	(59,982)
Holders of perpetual bond		**11,243**	5,156	**30,809**	13,765
Non-controlling interests		**(2,617)**	(5,524)	**(4,281)**	1,519
		(17,718)	(37,773)	**(94,699)**	(44,698)
Loss per share attributable to owners of the parent: (sen per share)					
- Basic	B10	**(1.20)**	(2.59)	**(7.17)**	(4.15)
- Diluted	B10	**(1.08)**	(1.54)	**(5.00)**	(2.47)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

TROPICANA
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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 30/09/2022 RM'000	As At 31/12/2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment		**745,439**	756,666
Biological assets		**2,864**	1,469
Inventories		**7,150,261**	7,071,745
Investment properties		**1,511,906**	1,505,658
Right-of-use assets		**139,513**	141,079
Investment in an associate		**111,020**	114,471
Investments in joint ventures		**290,639**	300,825
Other investments		**887**	887
Intangible assets		**6,080**	6,424
Deferred tax assets		**233,108**	150,665
Trade and other receivables		**5,375**	5,223
		10,197,092	10,055,112
Current assets			
Biological assets		**-**	17
Inventories		**529,995**	566,007
Trade and other receivables		**520,480**	485,324
Contract cost assets		**136,254**	120,399
Contract assets		**294,630**	230,152
Tax recoverable		**24,405**	15,927
Other investments		**155,581**	166,700
Cash and bank balances		**584,285**	638,603
		2,245,630	2,223,129
Asset classified as held for sale		**-**	17,500
		2,245,630	2,240,629
Total assets		**12,442,722**	12,295,741

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 30/09/2022 RM'000	As At 31/12/2021 RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		**2,677,890**	2,046,168
Irredeemable convertible preference shares		**466,257**	1,004,593
Treasury shares		**(28,440)**	(26,103)
Other reserves		**1,467,525**	1,611,486
		4,583,232	4,636,144
Perpetual bond		**653,467**	527,791
Non-controlling interests		**833,735**	820,182
Total equity		**6,070,434**	5,984,117
Non-current liabilities			
Deferred tax liabilities		**574,108**	507,147
Borrowings	B7	**2,658,199**	3,371,167
Trade and other payables		**510,941**	516,818
Irredeemable convertible preference shares		**71,605**	164,193
Contract liabilities		**130,212**	133,206
Lease liabilities		**7,746**	5,609
		3,952,811	4,698,140
Current liabilities			
Borrowings	B7	**1,137,358**	544,636
Trade and other payables		**1,158,452**	1,000,254
Irredeemable convertible preference shares		**4,828**	9,814
Contract liabilities		**113,125**	47,216
Tax payable		**1,638**	8,340
Lease liabilities		**4,076**	3,224
		2,419,477	1,613,484
Total liabilities		**6,372,288**	6,311,624
Total equity and liabilities		**12,442,722**	12,295,741
Net assets per share (RM)		**2.33**	3.21

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-------- Attributable to owners of the parent -------->									
	<--------Non-distributable-------->				Distributable					
	Share Capital RM'000	Irredeemable Convertible Preference Shares RM'000	Treasury Shares RM'000	Foreign Currency Translation 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
As at 1 January 2021	2,044,322	1,004,593	(6,882)	(109)	1,664,257	1,664,148	4,706,181	252,613	800,512	5,759,306
Total comprehensive income/(loss)	-	-	-	128	(60,110)	(59,982)	(59,982)	-	1,519	(58,463)
Distribution for the financial period	-	-	-	-	-	-	-	13,765	-	13,765
Distribution paid for the financial period	-	-	-	-	-	-	-	(17,454)	-	(17,454)
Transaction with owners:										
Acquisition of non-controlling interests	-	-	-	-	(757)	(757)	(757)	-	803	46
Issuance of perpetual bond	-	-	-	-	-	-	-	270,000	-	270,000
Issuance of ordinary shares to non-controlling interests	-	-	-	-	-	-	-	-	3	3
Purchase of treasury shares	-	-	(17,897)	-	-	-	(17,897)	-	-	(17,897)
Total transaction with owners	-	-	(17,897)	-	(757)	(757)	(18,654)	270,000	806	252,152
As at 30 September 2021	2,044,322	1,004,593	(24,779)	19	1,603,390	1,603,409	4,627,545	518,924	802,837	5,949,306
As at 1 January 2022	**2,046,168**	**1,004,593**	**(26,103)**	**156**	**1,611,330**	**1,611,486**	**4,636,144**	**527,791**	**820,182**	**5,984,117**
Total comprehensive (loss)/income	**-**	**-**	**-**	**(13)**	**(121,214)**	**(121,227)**	**(121,227)**	**-**	**(4,281)**	**(125,508)**
Distribution for the financial period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30,809**	**-**	**30,809**
Distribution paid for the financial period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(35,133)**	**-**	**(35,133)**
Transactions with owners:										
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**(22,734)**	**(22,734)**	**(22,734)**	**-**	**17,834**	**(4,900)**
Issuance of perpetual bond	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**130,000**	**-**	**130,000**
Conversion of irredeemable convertible preference shares to ordinary shares	**631,722**	**(538,336)**	**-**	**-**	**-**	**-**	**93,386**	**-**	**-**	**93,386**
Purchase of treasury shares	**-**	**-**	**(2,337)**	**-**	**-**	**-**	**(2,337)**	**-**	**-**	**(2,337)**
Total transactions with owners	**631,722**	**(538,336)**	**(2,337)**	**-**	**(22,734)**	**(22,734)**	**68,315**	**130,000**	**17,834**	**216,149**
As at 30 September 2022	**2,677,890**	**466,257**	**(28,440)**	**143**	**1,467,382**	**1,467,525**	**4,583,232**	**653,467**	**833,735**	**6,070,434**

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/09/2022	30/09/2021
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	**(91,969)**	(55,552)
Adjustments for:		
Depreciation of property, plant and equipment	**24,782**	24,442
Depreciation of right-of-use assets	**4,284**	3,598
Amortisation of intangible assets	**344**	344
Finance income	**(4,227)**	(5,277)
Finance costs	**143,395**	149,127
Net gain from fair value of investment properties	**(5,959)**	(3,153)
Share of results of an associate	**3,452**	(14,490)
Share of results of joint ventures	**(4,145)**	(7,600)
Net loss on disposal of asset classified as held for sale	**459**	-
Net gain on disposal of property, plant and equipment	**(146)**	(760)
Net gain on disposal of quoted shares	**(38,770)**	(11,524)
Fair value loss on quoted shares	**23,950**	23,504
Dividend income on quoted shares	**(855)**	(8,592)
Property, plant and equipment written off	**22**	129
Right-of-use assets written off	**369**	-
Amortisation of deferred license fees	**(4,231)**	(3,425)
Amortisation of security retainers accumulation fund	**9**	9
Fair value loss on biological assets	**17**	40
Inventories written down	**-**	2,930
Net unrealised foreign exchange loss	**1,819**	-
Unrealised returns on security retainers accumulation fund	**(162)**	220
Operating profit before working capital changes	**52,438**	93,970
Changes in working capital:		
Trade and other receivables	**(35,337)**	(32,076)
Contract assets	**(64,478)**	110,630
Inventories	**51,430**	(467,478)
Contract cost assets	**(110,975)**	49,312
Contract liabilities	**(427)**	(4,308)
Biological assets	**(1,395)**	-
Trade and other payables	**135,786**	(20,329)
Cash generated/(used in) from operations	**27,042**	(270,279)
Finance costs paid	**(133,426)**	(155,842)
Net taxes paid	**(33,377)**	(46,625)
Net cash used in operating activities	**(139,761)**	(472,746)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/09/2022	30/09/2021
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(9,462)**	(8,979)
Purchase of investment properties	**(4,489)**	(18,446)
Proceeds from disposal of quoted shares	**90,937**	61,133
Proceeds from disposal of property, plant and equipment	**189**	763
Proceeds from disposal of asset held for sale	**17,042**	-
Acquisition of quoted shares	**(64,998)**	(41,592)
Dividend income received	**855**	8,592
Dividend income received from joint venture	**15,466**	-
Finance income received	**4,227**	5,277
Net cash generated from investing activities	**49,767**	6,748
Cash flows from financing activities		
Payment of borrowing costs	**(5,130)**	(9,085)
Drawdown from borrowings	**287,967**	596,967
Repayment of borrowings	**(416,881)**	(532,021)
Repayment of principal portion of lease liabilities	**(3,094)**	(2,429)
Placement of debt service reserve, escrow accounts and deposits with licensed banks not available for use	**(142,464)**	(20,073)
Proceeds from issuance of perpetual bond	**130,000**	270,000
Proceeds from issuance of Islamic Medium Term Notes	**-**	293,000
Proceeds from issuance of share capital	**93,387**	-
Acquisition of non-controlling interests	**(4,900)**	49
Purchase of treasury shares	**(2,336)**	(17,896)
Perpetual bond distribution paid	**(35,133)**	(17,455)
Net cash (used in)/generated from financing activities	**(98,584)**	561,057
Net (decrease)/increase in cash and cash equivalents	**(188,578)**	95,059
Effects of foreign exchange rate changes	**(11)**	132
Cash and cash equivalents at beginning of financial period	**436,394**	404,092
Cash and cash equivalents at end of financial period*	**247,805**	499,283

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

Cash and bank balances	**584,285**	717,544
Less: Cash and cash equivalents not available for use	**(326,459)**	(218,261)
Less: Bank overdrafts	**(20,815)**	-
Total cash and cash equivalents at end of financial period	**237,011**	499,283

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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.

The interim financial statements should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2021. 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 2021.

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 2021 except for the adoption of the following new amendments to MFRSs:

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 1	First-time Adoption of MFRS-Subsidiary as a First-time Adopter
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments-Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture-Taxation in Fair Value Measurements

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group.

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 2023:

MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9-Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

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

*These standards are not relevant and applicable to the Group.

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 30 September 2022.

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

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 except as follows:

1) The Company has repurchased its equity securities of 2,255,300 ordinary shares at an average price of RM1.04 per share. As at 30 September 2022, the number of treasury shares held was 31,600,043 ordinary shares.

2) On 3 August 2022, there was an issuance of 216,435,499 ordinary shares of RM1.20 each pursuant to the conversion of 216,435,499 irredeemable convertible preference shares ("ICPS") to 216,435,499 new ordinary shares by the conversion ratio of 1 unit ICPS to 1 new ordinary share.

A7. Dividends

No dividend was paid during the current quarter under review.

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:

Business Segments	Property development and property management RM'000	Property investment, recreation and resort RM'000	Investment holding and others RM'000	Total RM'000
Individual Quarter 30 September 2022				
Revenue	**203,880**	**51,203**	**66,556**	**321,639**
Results from operations	**12,215**	**15,331**	**34,431**	**61,977**
Net finance costs	**(16,458)**	**(12,978)**	**(18,886)**	**(48,322)**
Share of results of an associate	**(7,534)**	**-**	**-**	**(7,534)**
Share of results of joint ventures	**(1,127)**	**-**	**-**	**(1,127)**
(Loss)/profit before tax	**(12,904)**	**2,353**	**15,545**	**4,994**
30 September 2021				
Revenue	138,673	13,313	18,469	170,455
Results from operations	32,069	(8,749)	(9,651)	13,669
Net finance costs	(18,250)	(13,578)	(19,043)	(50,871)
Share of results of an associate	3,243	-	-	3,243
Share of results of joint ventures	2,554	-	-	2,554
Profit/(loss) before tax	19,616	(22,327)	(28,694)	(31,405)

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

A8. Segmental information

Business segment analysis for the quarter and financial period ended (cont'd):

Business Segments	Property development and property management RM'000	Property investment, recreation and resort RM'000	Investment holding and others RM'000	Total RM'000
Year To Date 30 September 2022				
Revenue	**488,041**	**134,059**	**134,264**	**756,364**
Results from operations	**7,647**	**30,113**	**8,746**	**46,506**
Net finance cost	**(47,338)**	**(38,138)**	**(53,692)**	**(139,168)**
Share of results of an associate	**(3,452)**	**-**	**-**	**(3,452)**
Share of results of joint ventures	**4,145**	**-**	**-**	**4,145**
Loss before tax	**(38,998)**	**(8,025)**	**(44,946)**	**(91,969)**
30 September 2021				
Revenue	484,767	56,544	64,652	605,963
Results from operations	103,949	(16,899)	(20,842)	66,208
Net finance cost	(50,857)	(40,258)	(52,735)	(143,850)
Share of results of an associate	14,490	-	-	14,490
Share of results of joint ventures	7,600	-	-	7,600
Profit/(loss) before tax	75,182	(57,157)	(73,577)	(55,552)

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 under review.

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

A10. Changes in composition of the Group

1) On 15 August 2022, the Company had incorporated a wholly-owned subsidiary, Island Sands Property Management Sdn Bhd (formerly known as Paradise Entertainment Hub Sdn Bhd) with 100 ordinary share representing 100% of the total paid-up capital, for a total consideration of RM100.

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

A11. Changes in contingent liabilities or contingent assets

Since the last annual audited position as at 31 December 2021, the Group's contingent liabilities have changed due to the decrease of RM131.9million 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.

A12. Capital commitments

The amount of commitments for capital expenditure as at 30 September 2022 is as follows:

	As at 30/09/2022 RM'000	As at 31/12/2021 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	**21,085**	18,746
- Investment properties	**8,900**	14,329
	29,985	33,075
Approved and not contracted for:		
- Investment properties	**3,842**	2,533
	33,827	35,608

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

Quarterly Results

For the current quarter under review, the Group recorded revenue of RM321.6 million (Q3 2021: RM170.5 million) which was RM151.2 million or 88.7% higher when compared to the corresponding quarter in the preceding year. The Group recorded a profit before tax ("PBT") of RM5.0 million as compared to a loss before tax ("LBT") of RM31.4 million in the corresponding quarter in the preceding year.

The increase in revenue and PBT in the current quarter is mainly contributed by higher progress billings across key projects in the Klang Valley and Southern Region as compared to the corresponding quarter in the preceding year. Besides that, the improvement in the Group's property investment, recreation and resort operations on the back of reopening of borders accelerated the return of international travellers which also contributed to the higher revenue and profit in the current quarter.

Year to date Results

For the financial period ended 30 September 2022, the Group recorded revenue of RM756.4 million, which was RM150.4 million or 24.8% higher when compared to the corresponding period in the preceding year. The increase in the revenue was mainly attributed by higher progress billings across key projects in the Klang Valley and Southern Region as well as higher sales achieved during the financial period ended 30 September 2022.

The Group's LBT was recorded at RM92.0 million as compared to LBT of RM55.6 million in the corresponding period in the preceding year mainly due to higher general and administrative expenses incurred by the Group. Despite the loss for the period, the Group's property investment, recreation and resort operations have shown a significant improvement in their performance as a result of the reopening of borders for travellers from all countries effective 1 April 2022.

B2. Variation of results against preceding quarter

The Group's revenue of RM321.6 million in the current quarter was RM110.2 million or 52.1% higher when compared to the preceding quarter ended 30 June 2022. Higher revenue in the current quarter was mainly due to higher progress billings across some of the Group's key on-going projects.

The Group recorded a PBT of RM5.0 million in the current quarter as compared to a LBT of RM61.5 million in the preceding quarter ended 30 June 2022 which was mainly attributed to the higher revenue recognised during the current quarter as well as the improvement in the Group's property investment, recreation and resort operations.

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

B3. Prospects

The domestic economy continues to face persistent challenges caused by labor shortages, raw material price increases, inflationary pressures and supply-chain disruptions resulting from lockdowns in China's major cities and military tension between Russia and Ukraine. On a side note, Bank Negara Malaysia has raised the Overnight Policy Rate a few times over the past 6 months from 1.75% to 2.75% to curb global inflationary pressures.

Amidst the current challenging economic environment, the Group believes that the demand for properties in prime locations in Tropicana's established, mature and developing townships will persist, with attractive pricing and various promotional packages. Premised on the expected demand, the Group will continue to launch its properties at strategic locations across the Klang Valley, Genting Highlands, Northern Regions and Southern Regions. Moving forward, the Group will also continue to launch new phases in its established development sites, namely Tropicana Aman, Tropicana Metropark and Tropicana Danga Cove.

The Group will continue to leverage on its various sales initiatives and marketing campaigns to secure more sales and therefore remaining positive and confident on the long-term prospects of its property development business. In addition, the Group will continue to develop and market its properties located at various strategic locations, which will in turn, translates to higher sales and positive contributions to the future earnings of the Group.

B4. Profit forecast or profit guarantee

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

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

	Individual Quarter		Year to Date	
	30/09/2022	30/09/2021	**30/09/2022**	30/09/2021
	RM'000	RM'000	**RM'000**	RM'000
Tax expense for the period	**(7,253)**	(16,902)	**(28,844)**	(57,822)
Under/over provision of tax for previous financial period	**(1,529)**	552	**10,936**	1,031
Real property gain tax	**-**	-	**(47)**	(10)
Deferred tax transfers	**(13,853)**	9,978	**15,238**	67,527
Total Group's tax (expense)/benefit	**(22,635)**	(6,372)	**(2,717)**	10,726

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

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

B6. Corporate Proposals

Status of corporate proposals

The following corporate proposals announced by the Company has not been completed as at 17 November 2022, 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 1,172.26 acres 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 19 sub-divided parcels. The acquisitions for 18 sub-divided parcels are completed and TASB is in the midst of completing the transfer process for 1 sub-divided parcel. There are remaining 10 parcels of land to be paid.

2) On 1 November 2021 and 5 November 2021, the Company has announced that Tropicana Alam Sdn Bhd, a wholly-owned subsidiary of the Company, have on 1 November 2021, entered into a joint venture agreement with Puncak Alam Housing Sdn Bhd, a non-related party, to form an unincorporated joint venture for the purpose of developing three parcels of leasehold land, all situated in Mukim of Ijok, District of Kuala Selangor, State of Selangor, having an aggregate area of approximately 362.74 acres.

B7. Borrowings

	As at 30/09/2022 RM'000	As at 31/12/2021 RM'000
Secured short term borrowings	**1,137,358**	544,636
Secured long term borrowings	**2,658,199**	3,371,167
	3,795,557	3,915,803

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

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

There was no dividend proposed for the quarter under review.

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

B10. Loss per share

a) Basic loss per share

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

	Individual Quarter		Year to Date	
	30/09/2022	30/09/2021	**30/09/2022**	30/09/2021
Loss attributable to owners of the parent (RM'000)	**(26,267)**	(37,409)	**(121,214)**	(60,110)
Weighted average number of ordinary shares ('000)	**2,190,295**	1,446,321	**1,690,942**	1,452,293
Basic loss per share (sen)	**(1.20)**	(2.59)	**(7.17)**	(4.15)

b) Diluted loss per share

For the purpose of calculating diluted loss per share, the net loss for the period attributable to owners of the parent and the weighted average number of ordinary shares and ICPS outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares.

	Individual Quarter		Year to Date	
	30/09/2022	30/09/2021	**30/09/2022**	30/09/2021
Loss attributable to owners of the parent (RM'000)	**(26,267)**	(37,409)	**(121,214)**	(60,110)
Weighted average number of ordinary shares ('000) for the purpose of diluted earnings per share	**1,890,295**	1,446,321	**1,690,942**	1,452,293
Effect of conversion of ICPS to ordinary shares	**533,585**	982,386	**733,860**	982,386
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	**2,423,880**	2,428,707	**2,424,802**	2,434,679
Diluted loss per share (sen)	**(1.08)**	(1.54)	**(5.00)**	(2.47)

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

B11. Notes to the statements of comprehensive income

	Individual Quarter 30/09/2022 RM'000	Year to Date 30/09/2022 RM'000
Profit for the period/year is arrived at after (crediting)/charging:-		
Finance income	(1,296)	(4,227)
Finance costs	49,618	143,395
Amortisation of intangible assets	114	344
Depreciation of property, plant and equipment	8,139	24,782
Depreciation of right-of-use assets	1,439	4,284

B12. Auditors' report on preceding annual financial statements

The auditors' report of the financial statements for the financial year ended 31 December 2021 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 24 November 2022.