



[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	258,124	270,052	1,014,488	876,015
Cost of sales	(138,876)	(172,090)	(593,457)	(513,618)
Gross profit	119,248	97,962	421,031	362,397
Other income	21,583	46,829	49,708	92,191
Selling and marketing expenses	(6,089)	(7,568)	(32,767)	(23,442)
Administrative expenses	(83,343)	(86,569)	(311,840)	(285,837)
Other expenses	(322,721)	1,217	(350,948)	(27,230)
Operating (loss)/profit	(271,322)	51,871	(224,816)	118,079
Finance income	6,869	1,272	11,096	6,549
Finance costs	(50,017)	(52,324)	(193,412)	(201,451)
Share of results of joint ventures	6,537	14,654	10,682	22,254
Share of results of an associate	(976)	4,097	(4,428)	18,587
(Loss)/profit before tax	(308,909)	19,570	(400,878)	(35,982)
Income tax	8,834	(4,817)	6,117	5,909
(Loss)/profit for the period	(300,075)	14,753	(394,761)	(30,073)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	(311)	137	(324)	265
Total comprehensive (loss)/income	(300,386)	14,890	(395,085)	(29,808)
(Loss)/profit attributable to:				
Owners of the parent	(307,924)	7,939	(429,138)	(52,171)
Holders of perpetual bond	11,339	8,868	42,148	22,633
Non-controlling interests	(3,490)	(2,054)	(7,771)	(535)
	(300,075)	14,753	(394,761)	(30,073)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
	RM'000	RM'000	RM'000	RM'000
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(308,235)	8,076	(429,462)	(51,906)
Holders of perpetual bond	11,339	8,868	42,148	22,633
Non-controlling interests	(3,490)	(2,054)	(7,771)	(535)
	<u>(300,386)</u>	<u>14,890</u>	<u>(395,085)</u>	<u>(29,808)</u>
(Loss)/earnings per share attributable to owners of the parent:				
(sen per share)				
- Basic	B10 (17.20)	0.55	(24.37)	(3.60)
- Diluted	B10 (12.74)	0.33	(17.74)	(2.14)

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.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 31/12/2022 RM'000	As At 31/12/2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment		800,719	756,666
Biological assets		2,879	1,469
Inventories		6,974,555	7,071,745
Investment properties		1,502,468	1,505,658
Right-of-use assets		138,838	141,079
Investment in an associate		110,043	114,471
Investments in joint ventures		290,485	300,825
Other investments		887	887
Intangible assets		5,965	6,424
Deferred tax assets		232,252	150,665
Trade and other receivables		5,435	5,223
		<u>10,064,526</u>	<u>10,055,112</u>
Current assets			
Biological assets		-	17
Inventories		679,199	566,007
Trade and other receivables		316,589	485,324
Contract cost assets		150,380	120,399
Contract assets		286,575	230,152
Tax recoverable		46,071	15,927
Other investments		174,630	166,700
Cash and bank balances		645,223	638,603
		<u>2,298,667</u>	<u>2,223,129</u>
Asset classified as held for sale		-	17,500
		<u>2,298,667</u>	<u>2,240,629</u>
Total assets		<u>12,363,193</u>	<u>12,295,741</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 31/12/2022 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		1,159,290	1,611,486
		<u>4,274,997</u>	<u>4,636,144</u>
Perpetual bond		660,004	527,791
Non-controlling interests		835,845	820,182
Total equity		<u>5,770,846</u>	<u>5,984,117</u>
Non-current liabilities			
Deferred tax liabilities		574,553	507,147
Borrowings	B7	2,447,020	3,371,167
Trade and other payables		674,038	516,818
Irredeemable convertible preference shares		70,339	164,193
Contract liabilities		129,739	133,206
Lease liabilities		7,670	5,609
		<u>3,903,359</u>	<u>4,698,140</u>
Current liabilities			
Borrowings	B7	1,325,945	544,636
Trade and other payables		1,261,831	1,000,254
Irredeemable convertible preference shares		4,921	9,814
Contract liabilities		85,992	47,216
Tax payable		6,206	8,340
Lease liabilities		4,093	3,224
		<u>2,688,988</u>	<u>1,613,484</u>
Total liabilities		<u>6,592,347</u>	<u>6,311,624</u>
Total equity and liabilities		<u>12,363,193</u>	<u>12,295,741</u>
Net assets per share (RM)		<u>2.17</u>	<u>3.21</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to owners of the parent ----->									
	←----- Non-distributable ----->					Distributable				
	Irredeemable Convertible		Foreign Currency			Total		Perpetual Bond	Non-controlling Interests	Total Equity
	Share Capital	Preference Shares	Treasury Shares	Translation Reserve	Retained Earnings	Reserves	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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)	-	-	-	265	(52,171)	(51,906)	(51,906)	-	(535)	(52,441)
Distribution for the financial year	-	-	-	-	-	-	-	22,633	-	22,633
Distribution paid for the financial year	-	-	-	-	-	-	-	(17,455)	-	(17,455)
Transactions with owners:										
Issuance of ordinary shares	1,846	-	-	-	-	-	1,846	-	-	1,846
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	19,403	19,403
Issuance of perpetual bond	-	-	-	-	-	-	-	270,000	-	270,000
Non-controlling interests contribution	-	-	-	-	-	-	-	-	49	49
Change in stake	-	-	-	-	(804)	(804)	(804)	-	804	-
Acquisition of non-controlling interests	-	-	-	-	48	48	48	-	(51)	(3)
Purchase of treasury shares	-	-	(19,221)	-	-	-	(19,221)	-	-	(19,221)
Total transactions with owners	1,846	-	(19,221)	-	(756)	(756)	(18,131)	270,000	20,205	272,074
As at 31 December 2021	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
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	-	-	-	(324)	(429,138)	(429,462)	(429,462)	-	(7,771)	(437,233)
Distribution for the financial year	-	-	-	-	-	-	-	42,148	-	42,148
Distribution paid for the financial year	-	-	-	-	-	-	-	(39,935)	-	(39,935)
Transactions with owners:										
Acquisition of non-controlling interests	-	-	-	-	(22,734)	(22,734)	(22,734)	-	17,834	(4,900)
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	5,600	5,600
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	23,434	221,749
As at 31 December 2022	2,677,890	466,257	(28,440)	(168)	1,159,458	1,159,290	4,274,997	660,004	835,845	5,770,846

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.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2022	31/12/2021
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(400,878)	(35,982)
Adjustments for:		
Depreciation of property, plant and equipment	33,014	32,020
Depreciation of right-of-use assets	6,088	5,014
Amortisation of intangible assets	459	456
Finance income	(11,096)	(6,549)
Finance costs	193,412	201,451
Loss on disposal of investment property	-	10,000
Fair value loss/(gain) on investment properties	12,350	(19,960)
Share of results of an associate	4,428	(18,587)
Share of results of joint ventures	(10,682)	(22,254)
Gain on a bargain purchase	-	(18,219)
Impairment loss on trade and other receivables	8,076	11,514
Reversal of impairment loss on trade and other receivables	(1,778)	(3,566)
Unrealised profit arising from transaction with joint venture	-	199
Net loss on disposal of asset classified as held for sale	459	-
Net gain on disposal of property, plant and equipment	(12)	(770)
Unrealised foreign exchange gain	(1,574)	(83)
Net gain on disposal of quoted shares	(37,917)	(15,083)
Fair value loss/(gain) on quoted shares	587	(27,386)
Property, plant and equipment written off	174	82
Right-of-use assets written off	352	262
Amortisation of deferred license fees	(5,603)	(4,697)
Amortisation of security retainers accumulation fund	11	11
Fair value loss on biological assets	17	62
Impairment loss on property, plant and equipment	4,101	-
Reversal of impairment loss on property, plant and equipment	-	(2,560)
Impairment loss on intangible assets	-	2,353
Bad debt written off	884	498
Biological assets written off	-	185
Dividend income from other investments	(855)	(9,265)
Inventories written down	304,241	2,930
Fair value loss on other investments	392	-
Unrealised returns on security retainers accumulation fund	(224)	29
Operating profit before working capital changes	98,426	82,105
Changes in working capital:		
Trade and other receivables	161,374	37,503
Contract assets	(56,424)	69,405
Inventories	(159,875)	(524,339)
Contract cost assets	(169,108)	129,075
Contract liabilities	5,912	1,165
Biological assets	(1,410)	(45)
Trade and other payables	360,842	(31,352)
Cash generated/(used in) from operations	239,737	(236,483)
Finance costs paid	(203,847)	(207,745)
Net taxes paid	(40,342)	(88,998)
Net cash used in operating activities	(4,452)	(533,226)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2022 RM'000	31/12/2021 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(81,927)	(13,985)
Purchase of investment properties	(13,747)	(23,668)
Proceeds from disposal of quoted shares	101,909	68,335
Proceeds from disposal of property, plant and equipment	122	902
Proceeds from disposal of asset held for sale	17,042	-
Proceeds from disposal of investment property	-	103,000
Advances to a joint venture	-	(442)
Acquisition of non-controlling interests	(4,900)	(3)
Net cash outflow on acquisition of subsidiaries	-	(113,088)
Finance cost paid	-	(55)
Acquisition of quoted shares	(67,528)	(41,592)
Dividend income received	855	9,265
Dividend income received from joint venture	22,466	-
Finance income received	11,096	6,549
Net cash used in investing activities	(14,612)	(4,782)
Cash flows from financing activities		
Payment of borrowing costs	(5,353)	(10,904)
Drawdown from borrowings	364,963	782,370
Repayment of borrowings	(512,237)	(755,854)
Repayment of principal portion of lease liabilities	(4,433)	(3,599)
(Placement)/uplift of debt service reserve, escrow accounts and deposits with licensed banks not available for use	(187,552)	13,498
Proceeds from issuance of perpetual bond	130,000	270,000
Proceeds from issuance of Islamic Medium Term Notes	-	293,000
Proceeds from issuance of shares to non-controlling interests	5,600	19,452
Proceeds from issuance of ordinary shares	93,386	1,846
Prepaid lease	-	(3,783)
Purchase of treasury shares	(2,337)	(19,221)
Perpetual bond distribution paid	(39,935)	(17,455)
Net cash (used in)/generated from financing activities	(157,898)	569,350
Net (decrease)/increase in cash and cash equivalents	(176,962)	31,342
Effects of foreign exchange rate changes	(323)	265
Cash and cash equivalents at beginning of financial period	435,699	404,092
Cash and cash equivalents at end of financial period*	258,414	435,699
* Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	645,223	638,603
Less: Cash and cash equivalents not available for use	(366,869)	(184,690)
Less: Bank overdrafts	(19,940)	(18,214)
Total cash and cash equivalents at end of financial period	258,414	435,699

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.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

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 for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

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
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*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 31 December 2022.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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 31 December 2022, the number of treasury shares held was 31,600,043 ordinary shares.

A7. Dividends

No dividend was paid during the current quarter under review.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

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:

Business Segments	Property development and property management RM'000	Property investment, recreation and resort and resort RM'000	Investment holding and others RM'000	Total RM'000
Individual Quarter				
31 December 2022				
Revenue	160,823	68,034	29,267	258,124
Results from operations	(275,396)	6,436	(2,362)	(271,322)
Net finance costs	(9,736)	(14,052)	(19,360)	(43,148)
Share of results of an associate	(976)	-	-	(976)
Share of results of joint ventures	6,537	-	-	6,537
Loss before tax	(279,571)	(7,616)	(21,722)	(308,909)
31 December 2021				
Revenue	201,128	47,486	21,438	270,052
Results from operations	776	(15,061)	66,156	51,871
Net finance costs	(18,508)	(13,173)	(19,371)	(51,052)
Share of results of an associate	4,097	-	-	4,097
Share of results of joint ventures	14,654	-	-	14,654
Profit/(loss) before tax	1,019	(28,234)	46,785	19,570

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

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				
31 December 2022				
Revenue	648,864	202,093	163,531	1,014,488
Results from operations	(267,749)	36,549	6,384	(224,816)
Net finance cost	(57,074)	(52,190)	(73,052)	(182,316)
Share of results of an associate	(4,428)	-	-	(4,428)
Share of results of joint ventures	10,682	-	-	10,682
Loss before tax	(318,569)	(15,641)	(66,668)	(400,878)
31 December 2021				
Revenue	685,895	104,030	86,090	876,015
Results from operations	104,725	(31,960)	45,314	118,079
Net finance cost	(69,364)	(53,430)	(72,108)	(194,902)
Share of results of an associate	18,587	-	-	18,587
Share of results of joint ventures	22,254	-	-	22,254
Profit/(loss) before tax	76,202	(85,390)	(26,794)	(35,982)

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.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

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

A10. Changes in composition of the Group

- 1) On 29 November 2022, the Company had incorporated a wholly-owned subsidiary, Tropicana Aurora Property Pte Ltd in Singapore with 100 ordinary share representing 100% of the total paid-up capital, for a total consideration of SGD100.

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 RM122.1million 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 31 December 2022 is as follows:

	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	15,773	18,746
- Investment properties	9,182	14,329
	24,955	33,075
Approved and not contracted for:		
- Investment properties	3,623	2,533
	28,578	35,608

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2022

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 RM258.1 million (Q4 2021: RM270.1 million) which was RM12.0 million or 4.4% lower when compared to the corresponding quarter in the preceding year. The Group recorded a loss before tax (“LBT”) of RM308.9 million as compared to a profit before tax (“PBT”) of RM19.6 million in the corresponding quarter in the preceding year.

The decrease in revenue and PBT in the current quarter is mainly contributed by lower 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 proposed disposals of two parcels of development lands for RM244.4 million in the current quarter also caused this quarter’s result to be weaker than the corresponding quarter in the preceding year as the proposed disposals have given rise to provisions for foreseeable losses of RM298.6 million. These provisions for foreseeable losses which arose mainly due to the Group’s basis of allocation of land and infrastructure costs have been recognised in the current quarter according to the Malaysian Financial Reporting Standards. Excluding these provisions arising from the proposed lands disposals, the LBT in the current quarter would have been RM10.3 million.

However, 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 contributed to higher revenue and profit in the current quarter for this segment.

Year to date Results

For the financial period ended 31 December 2022, the Group recorded revenue of RM1,014.5 million, which was RM138.5 million or 15.8% higher when compared to 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 31 December 2022.

The Group’s LBT was recorded at RM400.9 million as compared to LBT of RM36.0 million in the preceding year mainly due to losses incurred on the proposed disposals of two parcels of development lands as mentioned above. Excluding these provisions arising from the proposed lands disposals, the LBT in the current year would have been RM102.3 million.

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.

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B2. Variation of results against preceding quarter

The Group's revenue of RM258.1 million in the current quarter was RM63.5 million or 19.7% lower when compared to the preceding quarter ended 30 September 2022. Lower revenue in the current quarter was mainly due to lower progress billings across some of the Group's key on-going projects.

The Group recorded a LBT of RM308.9 million in the current quarter as compared to a PBT of RM5.0 million in the preceding quarter ended 30 September 2022 which was mainly attributed to the losses incurred on the proposed disposals of two parcels of development lands in the current quarter. Excluding these provisions arising from the proposed lands disposals, the Group will be recording a LBT of RM10.3 million.

Despite a higher loss for the current quarter, the Group's property investment, recreation and resort operations have shown a better performance compared to the preceding quarter ended 30 September 2022.

B3. Prospects

Malaysia's economic growth will be supported by continued expansion in domestic demand, benefitting mainly from the realisation of multi-year projects and higher inbound tourism activity due to the expected increase in Chinese tourists. Despite these factors, the domestic economy is projected to moderate in 2023 due to inflationary pressures, tightening of financial conditions and spillover effects of the continued military tension between Russia and Ukraine.

With the continued price hikes of building materials and labour shortages, productivity in the property sector is severely affected. 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 Alam.

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.

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B5. Income tax

	Individual Quarter		Year to Date	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Tax benefit/(expense) for the period	7,624	(14,120)	(21,220)	(71,942)
Over/(under) provision of tax for previous financial period	2,801	(5,005)	13,737	(3,974)
Real property gain tax	-	(11,718)	(47)	(11,728)
Deferred tax transfers	(1,591)	26,026	13,647	93,553
Total Group's tax benefit/(expense)	8,834	(4,817)	6,117	5,909

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

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B6. Corporate Proposals

Status of corporate proposals

The following corporate proposals announced by the Company has not been completed as at 21 February 2023, 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 19 sub-divided parcels are completed. 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.
- 3) On 24 November 2022, the Company announced that the Company proposes to undertake a proposed private placement of up to 10% of the total number of issued ordinary shares in the Company (excluding treasury shares) (“Private Placement”). The Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016. Bursa Malaysia Securities Berhad had vide its letter dated 8 December 2022, resolved to approve the listing of and quotation for up to 196,726,100 new ordinary shares in the Company to be issued pursuant to the Private Placement.

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B6. Corporate Proposals (cont'd.)

- 4) On 3 February 2023, the Company has announced that Tropicana GP Views Sdn Bhd (“TGPVSB”), a wholly-owned subsidiary of the Company, have on 3 February 2023 entered into a sale and purchase agreement (“SPA for Disposal 3”) with KSL Medini Development Sdn Bhd (“KSL Medini”), a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 10.85 acres in area as more particularly described in the SPA for Disposal 3 (“Land 3”) forming part of the master lands held under the following titles:
- (a) H.S.(D) 15095, PTD 15196 to H.S.(D) 15097, PTD 15198, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (b) H.S.(D) 15098, PTD 15200 to H.S.(D) 15157, PTD 15259, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (c) H.S.(D) 15159, PTD 15261 to H.S.(D) 15203, PTD 15305, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (d) H.S.(D) 15229, PTD 15199, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (e) H.S.(D) 15224, PTD 15344, Mukim Jeram Batu, Daerah Pontian, Negeri Johor; and
 - (f) H.S.(D) 15211, PTD 15314, Mukim Jeram Batu, Daerah Pontian, Negeri Johor, for a purchase consideration of RM21,268,170.00 (“Proposed Disposal 3”).

As at the date of this report, the Proposed Disposal 3 is pending settlement of the purchase consideration by KSL Medini and pending completion, in accordance with the provisions of the SPA for Disposal 3.

Prior to the parties entering into the SPA for Disposal 3, the parties and/or their related companies have entered into 2 earlier transactions, as follows:

- (a) on 8 August 2022, Tropicana Desa Mentari Sdn Bhd (“TDMSB”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA for Disposal 1”) with KSL Development Sdn Bhd (“KSL Development”), a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 84.087 acres in area (which includes Zon Penampan (Lot 65682), Zon Penampan (Lot 65683) and Rizab Jalan Sediada) as more particularly described in the SPA for Disposal 1 (“Land 1”) forming part of the master lands held under the following titles :

 - (i) Geran Mukim 800, Lot 313, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (ii) Geran Mukim 801, Lot 321, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (iii) Geran Mukim 802, Lot 324, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (iv) Geran Mukim 803, Lot 325, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (v) Geran Mukim 805, Lot 327, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (vi) Geran Mukim 806, Lot 328, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (vii) Geran Mukim 1199, Lot 65678, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (viii) Geran Mukim 1200, Lot 65679, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;

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B6. Corporate Proposals (cont'd.)

- (ix) Geran Mukim 1201, Lot 65680, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
- (x) Geran Mukim 1202, Lot 65681, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
- (xi) Geran Mukim 804, Lot 326, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
- (xii) Geran Mukim 786, Lot 337, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
and
- (xiii) Geran 105314, Lot 797, Mukim Pulai, Daerah Johor Bahru, Negeri Johor,
for a purchase consideration of RM109,884,891.60 (“Proposed Disposal 1”).

The Proposed Disposal 1 is conditional upon TDMSB applying for and obtaining the SBKS Approval (as defined in the SPA for Disposal 1) and the issuance of the new individual titles to Land 1 pursuant to the SBKS Approval, as a condition precedent, to be fulfilled within 3 months from the date of the SPA for Disposal 1 subject to an automatic extension of 3 months and a further automatic extension of up to the fulfilment of the said condition precedent with TDMSB paying to KSL Development late payment interest as provided in the SPA for Disposal 1.

As at the date of this report, the said condition precedent has yet to be fulfilled and the Proposed Disposal 1 is pending settlement of the purchase consideration by KSL Development and pending completion, in accordance with the terms of the SPA for Disposal 1; and

- (b) on 12 September 2022, TGPVSB, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA for Disposal 2”) with KSL Medini, a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 53.89 acres in area (not including the Pencawang Masuk Utama (PMU) measuring approximately 5.93 acres in area and Kawasan Hijau/ Zon Penampian measuring approximately 9.04 acres in area) as more particularly described in the SPA for Disposal 2 (“Land 2”) forming part of the master lands held under the following titles :

- (i) Geran Mukim 143, Lot 981, Tempat Batu 23, Bukit Salina;
- (ii) Geran Mukim 142, Lot 982, Tempat Batu 23, Bukit Salina;
- (iii) Geran Mukim 888, Lot 983, Tempat Batu 23, Bukit Salima;
- (iv) Geran Mukim 890, Lot 984, Tempat Batu 23, Bukit Salima;
- (v) Geran Mukim 889, Lot 985, Tempat Batu 23, Pulau Bukit Seliman;
- (vi) Geran Mukim 887, Lot 986, Tempat Batu 23, Bukit Salima;
- (vii) Geran Mukim 891, Lot 987, Tempat Batu 23;
- (viii) Geran Mukim 413, Lot 994, Tempat Batu 23;
- (ix) Geran Mukim 410, Lot 995, Tempat Batu 23; and
- (x) Geran Mukim 418, Lot 996, Tempat Batu 23, Jalan Johor,

all of which are located in the Mukim Jeram Batu, Daerah Pontian, Negeri Johor for a purchase consideration of RM102,935,612.34 (“Proposed Disposal 2”).

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B6. Corporate Proposals (cont'd.)

The Proposed Disposal 2 is conditional upon the following conditions precedent being fulfilled by TGPVSB :

- (1) to apply and obtain the SBKS Approval (as defined in the SPA for Disposal 2) and the issuance of the new individual titles to Land 2 pursuant to the SBKS Approval;
- (2) to apply and obtain the Earthworks Approval (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2;
- (3) where applicable, to pay the Low-Cost Housing Exemption Penalty Fee (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2; and
- (4) to pay for the Development Charges (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2,

within 6 months from the date of the SPA for Disposal 2 subject to an automatic extension of 3 months and a further automatic extension of up to the fulfilment of the said conditions precedent with TGPVSB paying to KSL Medini late payment interest as provided in the SPA for Disposal 2.

As at the date of this report, the said conditions precedent have yet to be fulfilled and the Proposed Disposal 2 is pending settlement of the purchase consideration by KSL Medini and pending completion, in accordance with the terms of the SPA for Disposal 2.

B7. Borrowings

	As at	As at
	31/12/2022	31/12/2021
	RM'000	RM'000
Secured short term borrowings	1,325,945	544,636
Secured long term borrowings	2,447,020	3,371,167
	3,772,965	3,915,803

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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

There was no dividend proposed for the quarter under review.

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B10. (Loss)/earnings per share

a) Basic (loss)/earnings per share

Basic (loss)/earnings per ordinary share were calculated by dividing (loss)/profit 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
(Loss)/profit attributable to owners of the parent (RM'000)	(307,924)	7,939	(429,138)	(52,171)
Weighted average number of ordinary shares ('000)	1,790,261	1,443,170	1,760,590	1,449,993
Basic (loss)/profit per share (sen)	(17.20)	0.55	(24.37)	(3.60)

b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, the net (loss)/profit 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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
(Loss)/profit attributable to owners of the parent (RM'000)	(307,924)	7,939	(429,138)	(52,171)
Weighted average number of ordinary shares ('000) for the purpose of diluted earnings per share	1,967,261	1,443,170	1,760,590	1,449,993
Effect of conversion of ICPS to ordinary shares	448,951	982,386	658,231	982,386
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	2,416,212	2,425,556	2,418,821	2,432,379
Diluted (loss)/profit per share (sen)	(12.74)	0.33	(17.74)	(2.14)

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B11. Notes to the statements of comprehensive income

	Individual Quarter 31/12/2022 RM'000	Year to Date 31/12/2022 RM'000
Profit/(loss) for the period/year is arrived at after (crediting)/charging:-		
Finance income	(6,869)	(11,096)
Finance costs	50,017	193,412
Amortisation of intangible assets	115	459
Depreciation of property, plant and equipment	8,232	33,014
Depreciation of right-of-use assets	1,804	6,088

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 28 February 2023.