TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2023

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

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	**30/09/2023**	30/09/2022	**30/09/2023**	30/09/2022
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**402,758**	321,639	**1,124,000**	756,364
Cost of sales		**(263,640)**	(202,108)	**(785,748)**	(454,581)
Gross profit		**139,118**	119,531	**338,252**	301,783
Other income		**94,813**	5,061	**124,255**	28,125
Selling and marketing expenses		**(7,859)**	(9,245)	**(22,314)**	(26,678)
Administrative expenses		**(75,878)**	(90,568)	**(193,100)**	(228,497)
Other expenses		**(81,431)**	37,198	**(92,190)**	(28,227)
Operating profit		**68,763**	61,977	**154,903**	46,506
Finance income		**1,789**	1,296	**4,927**	4,227
Finance costs		**(51,430)**	(49,618)	**(151,742)**	(143,395)
Share of results of joint ventures		**3,862**	(1,127)	**12,934**	4,145
Share of results of an associate		**966**	(7,534)	**5,529**	(3,452)
Profit/(loss) before tax		**23,950**	4,994	**26,551**	(91,969)
Income tax	B5	**(27,387)**	(22,635)	**(10,999)**	(2,717)
(Loss)/profit for the period		**(3,437)**	(17,641)	**15,552**	(94,686)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period:					
Foreign currency translation		**9**	(77)	**153**	(13)
Total comprehensive (loss)/income		**(3,428)**	(17,718)	**15,705**	(94,699)
(Loss)/profit attributable to:					
Owners of the parent		**(10,336)**	(26,267)	**(15,265)**	(121,214)
Holders of perpetual bond		**11,243**	11,243	**33,362**	30,809
Non-controlling interests		**(4,344)**	(2,617)	**(2,545)**	(4,281)
		(3,437)	(17,641)	**15,552**	(94,686)

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

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
		30/09/2023	30/09/2022	**30/09/2023**	30/09/2022
		RM'000	RM'000	**RM'000**	RM'000
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(10,327)**	(26,344)	**(15,112)**	(121,227)
Holders of perpetual bond		**11,243**	11,243	**33,362**	30,809
Non-controlling interests		**(4,344)**	(2,617)	**(2,545)**	(4,281)
		(3,428)	(17,718)	**15,705**	(94,699)
Loss per share attributable to owners of the parent: (sen per share)					
- Basic	B10	**(0.47)**	(1.20)	**(0.71)**	(7.17)
- Diluted	B10	**(0.42)**	(1.09)	**(0.62)**	(5.00)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 30/09/2023 RM'000	As At 31/12/2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment		**721,381**	822,208
Biological assets		**3,518**	2,879
Inventories		**6,179,570**	6,293,893
Investment properties		**1,465,456**	1,457,968
Right-of-use assets		**132,394**	161,847
Investment in an associate		**115,573**	110,043
Investments in joint ventures		**284,067**	290,487
Other investments		**887**	887
Intangible assets		**7,635**	5,965
Deferred tax assets		**316,166**	216,951
Trade and other receivables		**5,699**	5,436
		9,232,346	9,368,564
Current assets			
Inventories		**1,118,260**	1,231,325
Trade and other receivables		**408,341**	305,019
Contract cost assets		**254,595**	229,571
Contract assets		**487,635**	298,312
Tax recoverable		**12,944**	22,068
Cash and bank balances		**585,548**	649,884
Other investments		**171,821**	174,630
		3,039,144	2,910,809
Total assets		**12,271,490**	12,279,373

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 30/09/2023 RM'000	As At 31/12/2022 RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		**3,051,570**	2,677,890
Irredeemable convertible preference shares		**301,209**	466,258
Treasury shares		**(28,440)**	(28,440)
Other reserves		**1,137,729**	1,152,841
		4,462,068	4,268,549
Perpetual bond		**653,560**	660,004
Non-controlling interests		**826,679**	826,458
Total equity		**5,942,307**	5,755,011
Non-current liabilities			
Deferred tax liabilities		**546,344**	479,284
Borrowings	B7	**2,162,369**	2,420,194
Trade and other payables		**540,973**	539,467
Irredeemable convertible preference shares		**42,888**	70,339
Contract liabilities		**128,378**	129,739
Lease liabilities		**6,061**	7,925
		3,427,013	3,646,948
Current liabilities			
Borrowings	B7	**1,098,616**	1,352,771
Trade and other payables		**1,658,570**	1,392,304
Irredeemable convertible preference shares		**3,370**	4,921
Contract liabilities		**112,610**	117,054
Tax payable		**26,676**	6,526
Lease liabilities		**2,328**	3,838
		2,902,170	2,877,414
Total liabilities		**6,329,183**	6,524,362
Total equity and liabilities		**12,271,490**	12,279,373
Net assets per share (RM)		**1.97**	2.17

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

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 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	-	-	-	(13)	(121,214)	(121,227)	(121,227)	-	(4,281)	(125,508)
Distribution for the financial year	-	-	-	-	-	-	-	30,809	-	30,809
Distribution paid for the financial year	-	-	-	-	-	-	-	(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
As at 1 January 2023	**2,677,890**	**466,258**	**(28,440)**	**(168)**	**1,153,009**	**1,152,841**	**4,268,549**	**660,004**	**826,458**	**5,755,011**
Total comprehensive income/(loss)	**-**	**-**	**-**	**153**	**(15,265)**	**(15,112)**	**(15,112)**	**-**	**(2,545)**	**(17,657)**
Distribution for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33,362**	**-**	**33,362**
Distribution paid for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(39,806)**	**-**	**(39,806)**
Transactions with owners:										
Issuance of ordinary shares	**180,000**	**-**	**-**	**-**	**-**	**-**	**180,000**	**-**	**-**	**180,000**
Disposal of minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,766**	**2,766**
Conversion of irredeemable convertible preference shares to ordinary shares	**193,680**	**(165,049)**	**-**	**-**	**-**	**-**	**28,631**	**-**	**-**	**28,631**
Total transactions with owners	**373,680**	**(165,049)**	**-**	**-**	**-**	**-**	**208,631**	**-**	**2,766**	**211,397**
As at 30 September 2023	**3,051,570**	**301,209**	**(28,440)**	**(15)**	**1,137,744**	**1,137,729**	**4,462,068**	**653,560**	**826,679**	**5,942,307**

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/09/2023	30/09/2022
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax	**26,551**	(91,969)
Adjustments for:		
Depreciation of property, plant and equipment	**20,255**	24,782
Depreciation of right-of-use assets	**4,265**	4,284
Amortisation of intangible assets	**530**	344
Finance income	**(4,927)**	(4,227)
Finance costs	**151,742**	143,395
Fair value loss/(gain) on investment properties	**375**	(5,959)
Share of results of an associate	**(5,529)**	3,452
Share of results of joint ventures	**(12,933)**	(4,145)
Reversal of impairment loss on trade and other receivables	**(23)**	-
Net loss on disposal of asset classified as held for sale	**-**	459
Net gain on disposal of property, plant and equipment	**(164)**	(146)
Net unrealised foreign exchange loss	**4,511**	1,819
Loss/(gain) on disposal of quoted shares	**512**	(38,770)
Fair value (gain)/loss on quoted shares	**(8,550)**	23,950
Gain on disposal of subsidiaries	**(95,252)**	-
Dividend income on quoted shares	**-**	(855)
Property, plant and equipment written off	**30**	22
Right-of-use assets written off	**-**	369
Amortisation of deferred license fees	**(3,804)**	(4,231)
Amortisation of security retainers accumulation fund	**9**	9
Fair value loss on biological assets	**-**	17
Bad debt written off	**407**	-
Dividend income from other investments	**(503)**	-
Inventories written down	**84,874**	-
Fair value gain on other investments	**(100)**	-
Unrealised returns on security retainers accumulation fund	**(162)**	(162)
Operating profit before working capital changes	**162,114**	52,438
Changes in working capital:		
Trade and other receivables	**(110,854)**	(35,337)
Contract assets	**(189,323)**	(64,478)
Inventories	**295,421**	52,615
Contract cost assets	**(161,779)**	(110,975)
Contract liabilities	**(16,582)**	(427)
Biological assets	**(640)**	(1,395)
Trade and other payables	**488,669**	123,807
Cash generated from operations	**467,026**	16,248
Finance costs paid	**(160,534)**	(133,426)
Net taxes paid	**(24,931)**	(33,377)
Net cash generated from/(used in) operating activities	**281,561**	(150,555)

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	30/09/2023	30/09/2022
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(32,706)**	(9,462)
Purchase of investment properties	**(3,481)**	(4,489)
Proceeds from disposal of quoted shares	**59,475**	90,937
Proceeds from disposal of property, plant and equipment	**4,231**	189
Proceeds from disposal of asset held for sale	**-**	17,042
Proceeds from disposal of subsidiaries	**76,150**	-
Acquisition of quoted shares	**(48,529)**	(64,998)
Addition of right of use assets	**(52)**	-
Dividend income received from other investments	**503**	855
Dividend income received from joint venture	**18,000**	15,466
Finance income received	**4,927**	4,227
Net cash generated from investing activities	**78,518**	49,767
Cash flows from financing activities		
Payment of borrowing costs	**(13,795)**	(5,130)
Drawdown from borrowings	**562,808**	287,967
Repayment of borrowings	**(465,649)**	(416,881)
Repayment of principal portion of lease liabilities	**(2,514)**	(3,094)
Repayment of Islamic Medium Term Notes	**(465,500)**	-
Uplift/(placement) of debt service reserve, escrow accounts and deposits with licensed banks not available for use	**108,032**	(142,464)
Proceeds from issuance of perpetual bond	**-**	130,000
Proceeds from issuance of shares to non-controlling interests	**-**	(4,900)
Purchase of treasury shares	**-**	(2,336)
Proceeds from issuance of share capital	**-**	93,387
Perpetual bond distribution paid	**(39,806)**	(35,133)
Net cash used in financing activities	**(316,424)**	(98,584)
Net increase/(decrease) in cash and cash equivalents	**43,655**	(199,372)
Effects of foreign exchange rate changes	**152**	(11)
Cash and cash equivalents at beginning of financial period	**263,075**	436,394
Cash and cash equivalents at end of financial period*	**306,882**	237,011

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

Cash and bank balances	**585,548**	584,285
Less: Cash and cash equivalents not available for use	**(258,837)**	(326,459)
Less: Bank overdrafts	**(19,829)**	(20,815)
Total cash and cash equivalents at end of financial period	**306,882**	237,011

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

TROPICANA
CORPORATION BERHAD
丽阳机构

[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

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 2022. 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 2022.

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 2022 except for the adoption of the following new amendments to MFRSs:

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

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 2024:

Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangements
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

Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability

* 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 2023.

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

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 2023				
Revenue	**291,766**	**62,955**	**48,037**	**402,758**
Results from operations	**(35,249)**	**19,459**	**84,553**	**68,763**
Net finance costs	**(11,771)**	**(13,732)**	**(24,138)**	**(49,641)**
Share of results of an associate	**966**	**-**	**-**	**966**
Share of results of joint ventures	**3,862**	**-**	**-**	**3,862**
(Loss)/profit before tax	**(42,192)**	**5,727**	**60,415**	**23,950**
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

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 2023				
Revenue	**796,301**	**181,982**	**145,717**	**1,124,000**
Results from operations	**(17,023)**	**43,764**	**128,162**	**154,903**
Net finance cost	**(41,880)**	**(42,930)**	**(62,005)**	**(146,815)**
Share of results of an associate	**5,529**	**-**	**-**	**5,529**
Share of results of joint ventures	**12,934**	**-**	**-**	**12,934**
(Loss)/profit before tax	**(40,440)**	**834**	**66,157**	**26,551**
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)

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 27 September 2023, the Company has disposed its entire 4,250,000 Ordinary Shares representing 85% of the total paid-up capital in Tropicana Education Management Sdn Bhd ("TEM") for a disposal consideration of RM50,150,000.

2) On 27 September 2023, the Company has disposed its entire 10,000,000 Ordinary Shares representing 100% of the total paid-up capital in Tropicana SJII Education Management Sdn Bhd ("TSEM") for a disposal consideration of RM26,000,000.

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 2022, the Group's contingent liabilities have changed due to the increase of RM6.1million 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 30 September 2023 is as follows:

	As at 30/09/2023 RM'000	As at 31/12/2022 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	**-**	24,245
- Investment properties	**10,820**	9,182
	10,820	33,427
Approved and not contracted for:		
- Property, plant and equipment	**6,450**	14,200
- Investment properties	**6,263**	3,622
	12,713	17,822
	23,533	51,249

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 a revenue of RM402.8 million (Q3 2022: RM321.6 million) which was RM81.1 million or 25.2% higher when compared to the corresponding quarter in the preceding year. The increase in revenue in the current quarter reflected the completion of the disposals of two parcels of freehold development land in Kajang and Genting Highlands for a total consideration of RM71.1 million.

The Group recorded a profit before tax ("PBT") of RM24.0 million as compared to RM5.0 million in the corresponding quarter in the preceding year. This was primarily a result of the Group completing the divestment of equity interests held in two subsidiaries. Besides that, the Group has continued with the cost rationalisation measures resulting in a reduction in general and administrative expenses during the current quarter.

Year to date Results

For the financial period ended 30 September 2023, the Group recorded a revenue of RM1,124.0 million, which was RM367.6 million or 48.6% higher when compared to the preceding year. The significant increase in revenue was attributed by higher progress billings across key projects in the Klang Valley, Southern and Northern Regions coupled with the completion of the disposals of land in Kota Kemuning, Kajang and Genting Highlands for a total consideration of RM205.6 million.

The Group's PBT was recorded at RM26.6 million as compared to a loss before tax of RM92.0 million which was mainly due to the completion of the divestment of equity interests held in two subsidiaries. The Group's property investment, recreation and resort segment has also seen a significant improvement which is evidenced by the increase in the occupancy rates of the hotels owned by the Group.

B2. Variation of results against preceding quarter

The Group recorded a revenue of RM402.8 million for the current quarter, showing a decrease of RM61.8 million or 13.3% compared to the preceding quarter ended 30 June 2023. This decline in revenue was primarily attributed to a lower sale consideration related to the disposal of development land as compared to the preceding quarter.

The Group recorded a higher PBT of RM24.0 million in the current quarter as compared to RM1.8 million in the preceding quarter ended 30 June 2023 mainly due to the completion of the divestment of equity interests held in two subsidiaries as mentioned above.

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

B3. Prospects

Malaysia's economic growth will be supported by continued expansion in domestic demand, benefitting mainly from the realisation of multi-year projects, implementation of catalytic initatives uncer the recently announced national master plans and higher inbound tourism activity due to the expected increase in Chinese tourists, which in turn are expected to increase spending and support local businesses . Further, in September 2023, Bank Negara Malaysia announced that the Overnight Policy Rate ("OPR") will be maintained at 3% and at this current OPR level, the monetary policy stance is expected to be accommodative and remains supportive of the economy.

With the continued price hikes of building materials and labour shortage, productivity in the property sector is severely affected. Amidst the current challenging economic environment, a number of factors will have a direct and favourable impact on the real estate market in the second half of this year. The country's overhang numbers, which have decreased since the beginning of this year, show that the housing market is strengthening. The residential overhang in second quarter of 2023 was lower than three-year average of 31,000 units, owing to renewed buyer interest in property following the reopening of Malaysia's international borders. Further, the overall real estate market activity increased dramatically in terms of transaction volume and value, indicating high demand for houses, as Malaysia's total property transaction value increased 1.1% in value for the first half of 2023, compared to the same period last year. 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. Further, the Group expects improved sales especially for its properties in Johor, as a result of the Johor Bahru-Singapore Rapid Transit System Link project, as well as the implementation of higher stamp duty amounting to 60% by Singapore government on foreigners buying residential properties in Singapore. The higher stamp duty imposed by Singapore government has caused residential properties in Singapore to become more expensive to foreigners, and consequently they have shift their preference to more affordable properties in Johor. 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.

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	
	30/09/2023	30/09/2022	**30/09/2023**	30/09/2022
	RM'000	RM'000	**RM'000**	RM'000
Tax expense for the period	**(41,389)**	(7,253)	**(46,325)**	(28,844)
(Under)/over provision of tax for previous financial period	**-**	(1,529)	**-**	10,936
Real property gain tax	**-**	-	**-**	(47)
Deferred tax transfers	**14,002**	(13,853)	**35,326**	15,238
Total Group's tax expense	**(27,387)**	(22,635)	**(10,999)**	(2,717)

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 has not been completed as at 21 November 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 20 sub-divided parcels. The acquisitions for 20 sub-divided parcels are completed. There are remaining 8 parcels of land to be paid.

B6. Corporate Proposals (cont'd.)

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 has announced that the Company proposed to undertake a 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 ("Bursa Securities") 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. The Company had on 11 May 2023, made an application to Bursa Securities for an extension of time of 6 months up to 7 December 2023 for the Company to complete the implementation of the Private Placement ("Extension of Time"). Bursa had on, 17 May 2023, resolved to grant the Company the Extension of Time.

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").

B6. Corporate Proposals (cont'd.)

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;
(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

B6. Corporate Proposals (cont'd.)

(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 Penampan 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, Pulai 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").

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.

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

B7. Borrowings

	As at 30/09/2023 RM'000	As at 31/12/2022 RM'000
Secured short term borrowings	**1,098,616**	1,352,771
Secured long term borrowings	**2,162,369**	2,420,194
	3,260,985	3,772,965

B8. Material litigation

1) 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.

2) On 25 August 2023, a suit ("Suit") was brought by RHB Trustees Berhad, Sunway REIT Management Sdn Bhd ("Sunway REIT") and Sunway Education Group Sdn Bhd ("Sunway Education") (collectively, "Plaintiffs") against the Company and Tropicana Education Management Sdn Bhd ("TEM") (collectively, "Defendants") in relation to the letter of offer concerning the proposed sale of all that piece of land where the St. Joseph's Institution International School Malaysia (Tropicana PJ Campus) is located ("Property) by TEM to Sunway REIT and the proposed sale of all the shares in Tropicana SJII Education Management Sdn Bhd ("TSEM") by the Company to a "Sunway Group of Company to be identified". On 10 October 2023, a counterclaim ("Counterclaim") was brought by the Defendants against the Plaintiffs and on 11 October 2023, the Defendants filed a striking out application against the Suit ("SO Application"). Parties are in the midst of exchanging cause papers and affidavits in relation to the Suit, Counterclaim and SO Application respectively pending hearing of the court actions.

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	
	30/06/2023	30/09/2022	**30/06/2023**	30/09/2022
Loss attributable to owners of the parent (RM'000)	**(10,336)**	(26,267)	**(15,265)**	(121,214)
Weighted average number of ordinary shares ('000)	**2,186,339**	2,190,295	**2,145,472**	1,690,942
Basic loss per share (sen)	**(0.47)**	(1.20)	**(0.71)**	(7.17)

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	
	30/06/2023	30/09/2022	**30/06/2023**	30/09/2022
Loss attributable to owners of the parent (RM'000)	**(10,336)**	(26,267)	**(15,265)**	(121,214)
Weighted average number of ordinary shares ('000) for the purpose of diluted earnings per share	**2,186,339**	1,880,295	**2,145,472**	1,690,942
Effect of conversion of ICPS to ordinary shares	**294,551**	533,585	**326,154**	733,860
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	**2,480,890**	2,413,880	**2,471,626**	2,424,802
Diluted loss per share (sen)	**(0.42)**	(1.09)	**(0.62)**	(5.00)

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 30/09/2023 RM'000	Year to Date 30/09/2023 RM'000
Profit/(loss) for the period/year is arrived at after (crediting)/charging:-		
Finance income	(1,789)	(4,927)
Finance costs	51,430	151,742
Amortisation of intangible assets	300	530
Depreciation of property, plant and equipment	5,252	20,255
Depreciation of right-of-use assets	1,053	4,265

B12. Auditors' report on preceding annual financial statements

The auditors' report of the financial statements for the financial year ended 31 December 2022 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 November 2023.