



**INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Note	Individual Period		Cumulative Periods	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>30/09/2016</u>	<u>30/09/2015</u>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	357,076	244,576	1,002,080	947,832
Cost of sales	(255,476)	(158,172)	(748,908)	(644,121)
Gross profit	101,600	86,404	253,172	303,711
Other income	9,660	6,613	24,995	13,481
Gain on disposals of properties	-	134,191	6,814	129,235
Gain on disposal of a subsidiary	-	27,533	-	27,533
Administrative and other expenses	(72,106)	(75,431)	(193,815)	(201,886)
Finance income	10,431	10,079	20,828	18,325
Finance costs	(6,311)	(17,892)	(21,743)	(56,837)
Share of results of an associate	(752)	-	(752)	-
Share of results of joint ventures	10,874	3,883	37,795	8,859
Profit before tax	53,396	175,380	127,294	242,421
Taxation	(16,443)	(18,670)	(41,773)	(39,432)
<b>Profit for the period from continuing operations</b>	<b>36,953</b>	<b>156,710</b>	<b>85,521</b>	<b>202,989</b>
Profit for the period from discontinued operations	-	-	-	12,146
<b>Profit for the period</b>	<b>36,953</b>	<b>156,710</b>	<b>85,521</b>	<b>215,135</b>
<b>Other comprehensive income</b>				
Foreign currency translation	-	(170)	1	1,714
<b>Total comprehensive income</b>	<b>36,953</b>	<b>156,540</b>	<b>85,522</b>	<b>216,849</b>
<b>Profit attributable to:</b>				
Owners of the parent	34,797	151,783	83,282	194,226
Non-controlling interests	2,156	4,927	2,239	20,909
	<b>36,953</b>	<b>156,710</b>	<b>85,521</b>	<b>215,135</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Note	Individual Period		Cumulative Periods	
	Current Year	Preceding Year	Current Year	Preceding Year
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>30/09/2016</u>	<u>30/09/2015</u>
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	<b>34,797</b>	151,613	<b>83,283</b>	195,336
Non-controlling interests	<b>2,156</b>	4,927	<b>2,239</b>	21,513
	<b>36,953</b>	<b>156,540</b>	<b>85,522</b>	<b>216,849</b>
<b>Earnings per share attributable to owners of the parent:</b>				
<i>Basic</i>				
- for profit from continuing operations (sen)	<b>2.44</b>	10.49	<b>5.82</b>	13.04
- for profit from discontinued operations (sen)	-	-	-	0.50
B10	<b>2.44</b>	10.49	<b>5.82</b>	13.54
<i>Diluted (sen)</i>				
- for profit from continuing operations (sen)	<b>2.42</b>	10.37	<b>5.80</b>	12.86
- for profit from discontinued operations (sen)	-	-	-	0.50
B10	<b>2.42</b>	10.37	<b>5.80</b>	13.36

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/09/2016 RM'000	As At 31/12/2015 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	715,692	615,972
Investment properties		410,741	389,622
Land held for property development		2,514,600	2,389,921
Intangible assets		3,439	3,439
Interest in an associate		99,350	100,102
Investments in joint ventures		390,860	338,790
Other investments		312	312
Deferred tax assets		28,887	26,513
Security retainers accumulation fund		4,423	4,270
Trade and other receivables		30,006	20,695
		<b>4,198,310</b>	<b>3,889,636</b>
<b>Current assets</b>			
Property development costs		1,056,869	1,077,125
Inventories		71,532	40,355
Trade and other receivables		328,366	281,959
Other current assets		509,116	464,790
Tax recoverable		34,482	28,640
Cash and bank balances		970,042	837,493
		<b>2,970,407</b>	<b>2,730,362</b>
Assets of disposal group classified as held for sale		50,742	180,740
		<b>3,021,149</b>	<b>2,911,102</b>
<b>TOTAL ASSETS</b>		<b>7,219,459</b>	<b>6,800,738</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/09/2016 RM'000	As At 31/12/2015 (Audited) RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		1,447,466	1,447,466
Treasury shares		(23,159)	(15,498)
Reserves		1,709,531	1,654,854
		<u>3,133,838</u>	<u>3,086,822</u>
Non-controlling interests		282,622	268,190
Total equity		<u>3,416,460</u>	<u>3,355,012</u>
<b>Non-current liabilities</b>			
Provision for liabilities		349,938	298,643
Borrowings	B7	1,356,050	1,265,092
Deferred tax liabilities		62,076	66,499
Sinking fund		3,996	3,217
Security retainers		1,806	1,702
Deferred license fees		83,320	83,083
Deferred income		61,890	59,774
Trade and other payables		458,541	456,810
		<u>2,377,617</u>	<u>2,234,820</u>
<b>Current liabilities</b>			
Deferred license fees		1,897	2,411
Borrowings	B7	606,782	488,350
Trade and other payables		795,816	697,731
Other current liabilities		-	3,143
Tax payable		20,887	19,271
		<u>1,425,382</u>	<u>1,210,906</u>
<b>TOTAL LIABILITIES</b>		<u>3,802,999</u>	<u>3,445,726</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,219,459</u>	<u>6,800,738</u>
<b>Net assets per share (RM)</b>		<u>2.19</u>	<u>2.15</u>

*The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.*

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

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

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Share Options Reserve RM'000	RCULS Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Profit RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>As at 1 January 2015</b>	<b>1,396,268</b>	<b>(42,779)</b>	<b>568,388</b>	<b>45,960</b>	<b>20,186</b>	<b>66,227</b>	<b>823</b>	<b>877,896</b>	<b>2,932,969</b>	<b>252,212</b>	<b>3,185,181</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	1,110	194,226	195,336	21,513	216,849
<b>Transactions with owners</b>											
Issuance of ordinary shares pursuant to ESOS	344	-	-	-	-	-	-	-	344	-	344
Issuance of ordinary shares pursuant to RCULS	50,854	-	25,612	-	-	(66,227)	-	-	10,239	-	10,239
Effects pursuant to ESOS on:											
- conversion	-	-	96	-	(96)	-	-	-	-	-	-
- forfeiture	-	-	-	-	(2,057)	-	-	2,057	-	-	-
- lapsed of ESOS	-	-	-	-	(18,033)	-	-	18,033	-	-	-
Purchase of treasury shares	-	(692)	-	-	-	-	-	-	(692)	-	(692)
Disposal of a subsidiary	-	-	-	-	-	-	(2,000)	-	(2,000)	(18,885)	(20,885)
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	-	-	7,616	7,616
Dividends	-	34,631	(16,112)	-	-	-	-	(18,519)	-	-	-
<b>Total transaction with owners</b>	<b>51,198</b>	<b>33,939</b>	<b>9,596</b>	<b>-</b>	<b>(20,186)</b>	<b>(66,227)</b>	<b>(2,000)</b>	<b>1,571</b>	<b>7,891</b>	<b>(11,269)</b>	<b>(3,378)</b>
<b>As at 30 September 2015</b>	<b>1,447,466</b>	<b>(8,840)</b>	<b>577,984</b>	<b>45,960</b>	<b>-</b>	<b>-</b>	<b>(67)</b>	<b>1,073,693</b>	<b>3,136,196</b>	<b>262,456</b>	<b>3,398,652</b>
<b>As at 1 January 2016</b>	<b>1,447,466</b>	<b>(15,498)</b>	<b>577,984</b>	<b>45,960</b>	<b>-</b>	<b>-</b>	<b>(58)</b>	<b>1,030,968</b>	<b>3,086,822</b>	<b>268,190</b>	<b>3,355,012</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	1	83,282	83,283	2,239	85,522
<b>Transactions with owners</b>											
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	-	-	12,193	12,193
Purchase of treasury shares	-	(7,661)	-	-	-	-	-	-	(7,661)	-	(7,661)
Dividend paid	-	-	-	-	-	-	-	(28,606)	(28,606)	-	(28,606)
<b>Total transaction with owners</b>	<b>-</b>	<b>(7,661)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,606)</b>	<b>(36,267)</b>	<b>12,193</b>	<b>(24,074)</b>
<b>As at 30 September 2016</b>	<b>1,447,466</b>	<b>(23,159)</b>	<b>577,984</b>	<b>45,960</b>	<b>-</b>	<b>-</b>	<b>(57)</b>	<b>1,085,644</b>	<b>3,133,838</b>	<b>282,622</b>	<b>3,416,460</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2016 RM'000	30/09/2015 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax		
- from continuing operations	127,294	242,421
- from discontinued operations	-	15,742
	<u>127,294</u>	<u>258,163</u>
Adjustments for:		
Interest income	(20,828)	(18,325)
Interest expense	21,640	56,837
Depreciation of property, plant and equipment	17,381	18,936
Gain on disposal of a subsidiary	-	(27,533)
Gain on disposals of properties	(6,814)	(129,235)
Provision for liabilities	51,295	16,823
Share of results of an associate	752	17
Share of results of joint ventures	(37,795)	(10,531)
Unwinding of discount of security retainers	103	263
Amortisation of borrowings expenses	4,336	7,077
Amortisation of deferred license fees	(1,897)	(1,780)
Amortisation of endowment fund premium	9	9
Impairment of intangible assets	-	9,778
Unrealised returns on endowment policy	(162)	(162)
Total adjustments	<u>28,020</u>	<u>(77,826)</u>
<b>Operating profit before working capital changes</b>	<b>155,314</b>	<b>180,337</b>
Changes in working capital:		
Inventories	92,139	12,948
Receivables	(100,044)	312,697
Property development costs	(92,078)	(72,055)
Land held for property development	(98,952)	(44,325)
Payables	95,827	(134,757)
Deposits with licensed banks not available for use	(81,417)	(129,859)
	<u>(29,211)</u>	<u>124,986</u>
<b>Cash (used in)/generated from operations</b>	<b>(29,211)</b>	<b>124,986</b>
Increase in sinking fund reserve	779	824
Increase in deferred license fees	1,621	3,254
Interest paid	(61,837)	(92,844)
Taxes paid, net of refunds	(52,796)	(60,801)
<b>Net cash used in operating activities</b>	<b>(141,444)</b>	<b>(24,581)</b>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	30/09/2016 RM'000	30/09/2015 RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(113,883)	(114,927)
Purchase of investment properties	(20,850)	(7,052)
Proceeds from disposals of properties	140,000	927,873
Net cash inflows on disposal of a subsidiary	-	143,439
Interest received	20,828	18,325
Increase in investment in joint ventures	(14,500)	(4,700)
Dividend received from jointly controlled entity	-	966
<b>Net cash generated from investing activities</b>	<b>11,595</b>	<b>963,924</b>
<b>Cash flows from financing activities</b>		
Issuance of equity interest to non-controlling interests	12,193	7,616
Drawdown/(Repayment) from borrowings	200,868	(665,440)
Issuance of ordinary shares pursuant to ESOS	-	344
Purchase of treasury shares	(7,661)	(692)
Dividends paid to equity holders of the Company	(28,606)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>176,794</b>	<b>(658,172)</b>
<b>Net increase in cash and cash equivalents</b>	<b>46,945</b>	<b>281,171</b>
Effects of foreign exchange rate changes	2	170
<b>Cash and cash equivalents at beginning of financial period</b>	<b>565,447</b>	<b>390,606</b>
<b>Cash and cash equivalents at end of financial period *</b>	<b>612,394</b>	<b>671,947</b>

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

	30/09/2016 RM'000	30/09/2015 RM'000
Cash and bank balances	970,042	854,964
Less: Bank overdrafts	(5,191)	(1,520)
	964,851	853,444
Less: Cash and cash equivalents not available for use	(352,457)	(181,497)
Continuing operations	612,394	671,947
Discontinued operations	-	-
<b>Total cash and cash equivalents at end of financial period</b>	<b>612,394</b>	<b>671,947</b>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

## INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

### PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134

#### A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting 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 audited financial statements for the year ended 31 December 2015. 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 2015.

#### A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following new/revised FRSs and Interpretations:

##### Effective for financial periods beginning on or after 1 January 2016:

Amendments to FRS 5	Non-current Assets held for sales and Discontinued Operations ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )
Amendments to FRS 7	Financial Instruments: Disclosure ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 101	Disclosure Initiatives
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 119	Employee Benefits ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 134	Interim Financial Reporting ( <i>Annual Improvements to FRSs 2012-2014 Cycle</i> )

## INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

### PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134

Adoption of the above standards and interpretations did not have any effect on the financial performance or position and policy of the Group.

The following revised FRSs and Amendments to FRSs applicable to the Group have been issued by the MASB but not yet effective and have not been adopted by the Group:

#### Effective for financial periods beginning on or after 1 January 2017:

Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 107	Disclosure Initiative

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

FRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions

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

MFRS 16	Leases
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#### Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects of the differences between the currently applied FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

**A3. Auditors' report on preceding annual financial statements**

The auditors' report of the financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

**A4. Comments about seasonal or cyclical factors**

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

**A5. 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.

**A6. Changes in estimates**

There were no material changes in estimates for the financial period ended 30 September 2016.

**A7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review save and except as follows:

- 1) The Company has repurchased its equity securities of 7,591,600 ordinary shares at an average price of RM1.01 per share. As at 30 September 2016, the number of treasury shares held were 19,605,435 ordinary shares of RM1.00 each.

**A8. Dividends paid**

No dividend was paid during the current quarter under review.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

**A9. Segmental information**

Segmental information is presented in respect of the Group’s principal business segments - property development, property investment and resort operations and investment holding.

The geographically information is not presented as the Group’s activities are carried out predominantly in Malaysia.

Business segment analysis for the quarter and year ended:

Business Segments	<-----Continuing operations ----->				Discontinued Operations	TOTAL
	Property development	Property investment and resort operations	Investment holding and others	Total	Investment holding and others	
	RM'000	RM'000	RM'000	RM'000	RM'000	
INDIVIDUAL QUARTER						
30 September 2016						
Revenue	320,070	17,478	19,528	357,076	-	357,076
Results from operations	47,899	7,526	(16,271)	39,154	-	39,154
Net finance income	(1,096)	(100)	5,316	4,120	-	4,120
Share of results of an associate	-	-	(752)	(752)	-	(752)
Share of results of joint ventures	-	-	10,874	10,874	-	10,874
Profit/(Loss) before tax	46,803	7,426	(833)	53,396	-	53,396
INDIVIDUAL QUARTER						
30 September 2015						
Revenue	210,161	21,772	12,643	244,576	-	244,576
Results from operations	25,385	132,348	21,577	179,310	-	179,310
Net finance costs	(6,675)	2,806	(3,944)	(7,813)	-	(7,813)
Share of results of joint ventures	-	-	3,883	3,883	-	3,883
Profit before tax	18,710	135,154	21,516	175,380	-	175,380

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

Business Segments	<-----Continuing operations ----->				Discontinued Operations	TOTAL
	Property development	Property investment and resort operations	Investment holding and others	Total	Investment holding and others	
	RM'000	RM'000	RM'000	RM'000	RM'000	
YEAR TO DATE						
30 September 2016						
Revenue	910,134	56,742	35,204	1,002,080	-	1,002,080
Results from operations	92,952	27,471	(29,257)	91,166	-	91,166
Net finance cost	(3,384)	(1,981)	4,450	(915)	-	(915)
Share of results of an associate	-	-	(752)	(752)	-	(752)
Share of results of joint ventures	-	-	37,795	37,795	-	37,795
Profit before tax	89,568	25,490	12,236	127,294	-	127,294

**YEAR TO DATE**

**30 September 2015**

Revenue	811,871	90,679	45,282	<b>947,832</b>	<b>98,990</b>	<b>1,046,822</b>
Results from operations	101,838	152,086	18,150	<b>272,074</b>	<b>14,389</b>	<b>286,463</b>
Net finance cost	(8,275)	(13,885)	(16,352)	<b>(38,512)</b>	<b>(303)</b>	<b>(38,815)</b>
Share of results of associates	-	-	-	-	<b>(17)</b>	<b>(17)</b>
Share of results of joint ventures	-	-	8,859	<b>8,859</b>	<b>1,673</b>	<b>10,532</b>
Profit before tax	<b>93,563</b>	<b>138,201</b>	<b>10,657</b>	<b>242,421</b>	<b>15,742</b>	<b>258,163</b>

**A10. Valuations of property, plant and equipment**

Valuations of property, plant and equipment remain unchanged from the audited financial statements for the financial year ended 31 December 2015.

**A11. 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.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

**A12. Changes in composition of the Group**

During the quarter under review, Tropicana Holding (Hong Kong) Limited (“THHKL”), a wholly-owned subsidiary of the Company, received notification on 7 September 2016 that THHKL has been deregistered pursuant to section 751 of the Companies Ordinance under Gazette Notice No. 4964, which was published on 2 September 2016. THHKL was accordingly dissolved as from the date of publication of the said Gazette Notice.

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

**A13. Changes in contingent liabilities or contingent assets**

Since the last annual audited position at 31 December 2015, the Group’s contingent liabilities have changed due to the increase in corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to the subsidiaries of the Group amounting to RM281.5million.

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

**A14. Capital commitments**

The amount of commitments for capital expenditures as at 30 September 2016 is as follows:

	<b>As at 30/09/16 RM’000</b>	<b>As at 31/12/15 RM’000</b>
Capital expenditure:		
Approved and contracted for	474,100	742,814
Approved but not contracted for	547,900	539,844
Share of joint venture’s capital commitment in relation to land held for development	221,500	221,500
	<u>1,243,500</u>	<u>1,504,158</u>

## INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

### 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 RM357.1 million which is RM112.5 million higher in comparison to the corresponding quarter last year. The higher revenue arose from higher work in progress across projects in the Klang Valley and Northern Region.

Profit before tax (“PBT”) was lower by RM122.0 million for the current quarter under review as compared to the corresponding quarter last year. The higher PBT in the corresponding quarter last year was contributed by the one off gain of RM161.7 million from the disposals of properties and a subsidiary.

##### Year-to-date Results

For the period ended 30 September 2016, the Group recorded revenue of RM1,002.1 million, which is RM54.2 million higher in comparison to the corresponding period of last year.

Notwithstanding the increase in revenue, the Group PBT decreased by RM115.1 million to RM127.3 million against the corresponding period of last year. The decrease in PBT arose mainly from the aforesaid one off gain of RM161.7 million from the disposals of properties and a subsidiary during the corresponding period of last year.

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

The Group’s revenue of RM357.1 million in the current quarter is RM1.0 million lower compared to the preceding quarter ended 30 June 2016.

The Group’s PBT for the current quarter under review increased by RM9.3 million against RM44.1 million recorded in the preceding quarter ended 30 June 2016, mainly due to higher gross profit contributed from development projects as mentioned above.

#### B3. Prospects

While the short term prospects are expected to remain challenging, the Group believes that there will still be demand for landed properties and integrated developments in prime locations with accessibility to good amenities and attractive pricing.

The Group’s strategy will continue to be market driven and to adapt to market demand while focusing in unlocking value of its land bank in Klang Valley, in the Northern Region, as well as in the Southern Region.

The Group is also exploring opportunities in strategically located land bank as well as developing affordable products.

The Group’s current land bank across Malaysia provides the Group with the potential of unlocking the gross development value of more than RM50.0 billion. The Group’s unbilled sales stood at RM2.64 billion as at 30 September 2016, which is expected to continue to contribute positively to the earnings in the near future.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

**B4. Profit forecast or profit guarantee**

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

**B5. Taxation**

	Individual quarter		Year to date	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	16,424	11,062	44,691	59,828
Under provision of tax for previous financial period	7,367	505	7,368	505
Real property gain tax	73	28,660	2,234	30,188
Deferred tax transfers	(7,421)	(21,557)	(12,520)	(47,494)
Total Group's tax expense	16,443	18,670	41,773	43,027
<b>Represented by:</b>				
Continuing operations	16,443	18,670	41,773	39,432
Discontinued operations	-	-	-	3,595
	16,443	18,670	41,773	43,027

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

**B6. Corporate Proposals**

**Status of corporate proposals**

The following corporate proposals announced by the Company have not been completed as at 17 November 2016, 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, Sapphire Index Sdn. Bhd. ("SISB"), a wholly-owned subsidiary of the Company, entered into a sale and purchase cum development agreement with Menteri Besar Selangor (Pemerbadanan) ("MBI") and Permodalan Negeri Selangor Berhad ("PNSB") for the proposed acquisition cum development of 11 parcels of leasehold land, all in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor measuring approximately 4,743,986.21 square metres (51,063,794 square feet) for a total cash consideration of RM1,297,259,264 ("Proposed Acquisition").

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

MBI, PNSB and SISB 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, SISB has paid for two sub-divided parcels measuring 41.11 acres and 34.42 acres respectively and the acquisitions of these sub-divided parcels are considered completed. The remaining 28 sub-divided parcels are pending completion.

- 2) On 12 January 2016, Advent Nexus Sdn. Bhd. (“ANSB”), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA”) with Pinnacle Supreme Sdn Bhd (“PSSB”) for the disposal of a piece of land held under Geran 5826, Lot 474 Seksyen 19, Bandar Kuala Lumpur, Daerah Kuala Lumpur measuring approximately 1,106 square meters, erected upon which is a 10-storey building known as “Sky Express Hotel, Kuala Lumpur” for a total cash consideration of RM55.0 million (“Proposed Disposal”).

On 9 May 2016, all the conditions precedent in the SPA have been satisfied and the SPA has become unconditional.

On 8 August 2016, ANSB had received a sum of RM2.0 million from PSSB and both parties have agreed to a further extension of fifty (50) days from 9 August 2016 to 27 September 2016 for PSSB to settle the balance sales consideration of RM47.5 million (“Remaining Balance Sales Consideration”) and the late payment interest.

On 27 September 2016, both ANSB and PSSB (“the Parties”) had entered into a Second Supplemental Agreement whereby ANSB granted a further extension of seven (7) days from 28 September 2016 to 4 October 2016 for PSSB to pay the Remaining Balance Sales Consideration and late payment interest.

On 5 October 2016, the Company announced that the Parties had on 4 October 2016 entered into a Third Supplemental Agreement to grant a further extension of forty five (45) days from 5 October 2016 to 18 November for PSSB to pay the Remaining Balance Sales Consideration and the late payment interest.

On 10 October 2016, the Company announced that the Parties had on 7 October 2016 entered into a Fourth Supplemental Agreement to revise the total sales consideration of RM55.0 million to RM58.0 million (“Revised Sales Consideration”) and a further extension of sixty (60) days would be granted from 7 October 2016 to 5 December 2016 for PSSB to pay the Revised Sales Consideration less the deposit and part payment (“Revised Remaining Balance Sales Consideration”) together with the late payment interest subject to the payments of RM3.0 million by PSSB to ANSB on or before 14 October 2016.

The Parties have agreed that the aforesaid RM3.0 million shall form part of the Revised Remaining Balance Sales Consideration and as such, PSSB shall pay the remaining balance of the Revised Remaining Balance Sales Consideration (“Final Revised Remaining Balance Sales Consideration”) and the late payment interest to ANSB on or before 5 December 2016 (“Final Revised Extended Completion Date”).

## INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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

- 3) On 30 May 2016, Tropicana Desa Mentari Sdn. Bhd. ("TDMSB"), a wholly-owned subsidiary of Tropicana Golf & Country Resort Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a Heads of Agreement ("HOA") with Terran Property Sdn. Bhd. ("TPSB") for the proposed disposal of and/or granting of development rights on the freehold land measuring in aggregate approximately 131.964 hectares in gross area in the Mukim of Pulau, District of Johor Bahru, Negeri Johor ("Land") to TPSB and/or its nominees(s), subject to adjustment for :-
- a) the existing water tank/reservoir on the Land;
  - b) the existing transmission tower and electricity pylons erected on the Land;
  - c) any acquisitions of land designated for highway use by the relevant authorities; and
  - d) such other deductible areas as mutually agreed by the relevant parties and stipulated in the Definitive Agreement (where applicable);

to be agreed by all parties prior to the signing of a Definitive Agreement.

On 1 July 2016, TDMSB entered into a sales and purchase agreement ("SPA") with Tiarn Oversea Group Sdn. Bhd. for the disposal of the Land with developable area measuring in aggregate of approximately 251.5855 acres in area for a cash consideration of RM569,871,328 ("Proposed Disposal").

As at the date of this report, the Proposed Disposal is pending fulfillment of the conditions precedent in accordance with the terms of the SPA and the Proposed Disposal is expected to be completed in the 2nd half of 2022.

- 4) On 1 September 2016, Dicorp Land Sdn. Bhd. ("DLSB"), a wholly-owned subsidiary of Bakat Rampai Sdn. Bhd. ("BRSB"), which in turn is a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with SCP Assets Sdn. Bhd. ("SCP") for the disposal of all that parcel of all that office premises held under Hakmilik Strata Geran 54975/M1-A/5/113, No. Petak 113, Tingkat No. 5, Bangunan No.M1-A, Lot No.9, Pekan Sungai Penchala, Daerah Petaling, Negeri Selangor and bearing the postal address of Unit A-3A-10, Block A, Damansara Intan, No. 1 Jalan SS20/27 47400 Petaling Jaya, Selangor ("Complex") and measuring in area approximately 107 square metres ("Unit") together with accessory parcels Nos. A1 to A338 and A341 to A676 as endorsed on the strata title to the said Unit, comprising approximately 1,519 car parking bays, and boom gates, ticket issuing machines, auto pay stations, exit verifiers and such other car parking equipments and machineries and signages as the same are listed in the SPA installed and affixed on various areas within the Complex for a cash consideration of RM24,902,650 ("Disposal").

Barring any unforeseen circumstances, the Disposal is expected to be completed in the 4<sup>th</sup> quarter of 2016.

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

- 5) On 14 October 2016, the Company had fully redeemed the entire outstanding Medium Term Notes of RM280.0 million in nominal value issued under its bank guaranteed Commercial Papers and/or Medium Terms Notes (“CP/MTN”) Programme of up to RM500,000,000 only and the CP/MTN Programme has since been terminated.

**B7. Interest-bearing loans and borrowings**

	<b>As at 30/09/16 RM'000</b>	<b>As at 31/12/15 RM'000</b>
Secured short term borrowings	606,782	488,350
Secured long term borrowings	1,356,050	1,265,092
	<u>1,962,832</u>	<u>1,753,442</u>

**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**

The Board of Directors have declared a first single-tier interim dividend of 2.5 sen in respect of the financial year ending 31 December 2016. The dividend consists of an electable portion of 2.5 sen which can be elected to be reinvested in new ordinary shares of the Company in accordance with the Dividend Reinvestment Scheme.

The Book Closure Date will be announced by the Company at a later date.

**TROPICANA**

CORPORATION BERHAD

**丽阳机构**

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD****B10. Earnings per share****a) Basic earnings per ordinary share**

Basic earnings per share were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>Individual quarter</b>		<b>Year to date</b>	
	<b>30/09/16</b>	<b>30/09/15</b>	<b>30/09/16</b>	<b>30/09/15</b>
Profit attributable to ordinary equity holders of the Company (RM'000):				
- continuing operations	34,797	151,783	83,282	187,016
- discontinued operations	-	-	-	7,210
<b>Total</b>	<b>34,797</b>	<b>151,783</b>	<b>83,282</b>	<b>194,226</b>
Weighted average number of ordinary shares in issue ('000)	1,427,873	1,447,466	1,429,757	1,434,544
Basic earnings per share (sen)				
- continuing operations	2.44	10.49	5.82	13.04
- discontinued operations	-	-	-	0.50
<b>Total</b>	<b>2.44</b>	<b>10.49</b>	<b>5.82</b>	<b>13.54</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS and the Warrants.

	<b>Individual quarter</b>		<b>Year to date</b>	
	<b>30/09/16</b>	<b>30/09/15</b>	<b>30/09/16</b>	<b>30/09/15</b>
Profit attributable to ordinary equity holder of the Company (RM'000)				
- continuing operations	34,797	151,783	83,282	187,016
- discontinued operations	-	-	-	7,210
Profit attributable to ordinary equity holders of the Company including assumed conversion (RM'000)	34,797	151,783	83,282	194,226
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	1,427,873	1,447,466	1,429,757	1,434,544
Add: Effects of dilution :				
- ESOS ('000)	-	-	-	-
- Warrants ('000)	7,103	16,243	7,103	18,775
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	1,434,976	1,463,709	1,436,860	1,453,319
Diluted earnings per share (sen)				
- continuing operations	2.42	10.37	5.80	12.86
- discontinued operations	-	-	-	0.50
<b>Total</b>	<b>2.42</b>	<b>10.37</b>	<b>5.80</b>	<b>13.36</b>

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

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

**B11. Realised/Unrealised Retained Profits**

	<b>Current quarter RM'000</b>	<b>Immediate preceding quarter RM'000</b>
Total retained profits of the Group:		
- Realised	1,244,270	1,223,481
- Unrealised	60,956	51,935
	<u>1,305,226</u>	<u>1,275,416</u>
Total share of retained profits from joint ventures		
- Realised	141,260	130,436
Total share of accumulated loss from an associate		
- Realised	(752)	-
Consolidation adjustments	<u>(360,090)</u>	<u>(355,003)</u>
<b>Total retained profits carried forward</b>	<u>1,085,644</u>	<u>1,050,849</u>

**B12. Notes to the Statement of Comprehensive Income**

	<b>Individual quarter 30/09/16 RM'000</b>	<b>Year to date 30/09/16 RM'000</b>
Profit for the period/year is arrived at after crediting/(charging):-		
Interest income	10,431	20,828
Other income	9,660	24,995
Interest expense	(6,311)	(21,743)
Depreciation of property, plant and equipment	(4,794)	(17,381)
Provision for and write off of receivables	-	-
Impairment loss and write off of inventories	908	(31,960)
Gain on disposal of properties	-	6,814
Impairment of assets	-	-
Foreign exchange gain/(loss)	254	(29)
Gain/(Loss) on derivatives	-	-
Exceptional items	<u>-</u>	<u>-</u>

**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 2016.