

TROPICANA CORPORATION BERHAD

(Company No. 47908-K)
(Incorporated in Malaysia)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE FORTIETH ANNUAL GENERAL MEETING (“40TH AGM”) OF THE COMPANY HELD AT BALLROOM 1, TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 25 JUNE 2019 AT 10:30 A.M. (“THE MEETING”)

1. Chairman

Tan Sri Dr. Lim Wee Chai (“**Tan Sri Chairman**”) chaired the Meeting.

2. Quorum

The requisite quorum being present pursuant to Article 69 of the Company’s Constitution, Tan Sri Chairman declared the Meeting duly convened.

3. Notice of Meeting

The Notice convening the Meeting having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

The Meeting noted that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), all resolutions set out in the Notice of the 40th AGM would be voted by poll by way of electronic voting or e-voting.

4. Audited Financial Statements for the financial year ended 31 December 2018 (“FY2018”) together with the Reports of the Directors and the Auditors thereon

The following are the key questions that were raised from the floor, which were adequately responded and addressed by Management and the Board:

Q1: How did the Company finance its land bank deal transaction which was entered into by the Company on 14 September 2018?

A1: The acquisition of land falls under the ambit of related party transactions of Chapter 10 of the Main Market Listing Requirements of Bursa Securities of which the same was announced to Bursa Securities. The transaction was made at an arm’s length basis and the indicative market value of the land, with a discount of 11% was ascribed by an independent registered valuer. The Company had also appointed three (3) independent valuers to carry out the valuation report of the land to ensure that the basis and justification of arriving at the purchase consideration are in compliance with Bursa Securities and Securities Commission Malaysia.

The land bank deal was financed and funded via internally generated funds.

- Q2: What were the reasons for the sale of Tropicana City Mall and the details of the sale?
- A2: Both Tropicana City Mall and Tropicana City Office Tower were disposed for a total disposal consideration of RM540.0 million and were completed in year 2016. The proceeds from the disposal of the said properties were then used to pay dividends to the shareholders as well as to fund on-going projects.
- Q3: What is the latest update on the incident by a disgruntled purchaser of the Company's property in Ampang?
- A3: As the case is still under legal proceedings, Management is not able to comment until a verdict is reached.
- Q4: Will the Company consider undertake a rights issue in view that the overall share price of property counters listed on Bursa Securities are not doing well and it would be relatively difficult for public listed companies to raise capital from the market under the said condition.
- A4: The current property market condition is soft and the Company has a number of valuable land banks. Tan Sri Chairman is confident that the Company could sustain amidst the challenging market conditions. Tan Sri Chairman added that as of now, the Company would not consider any rights issue as the Company may issue perpetual bonds in the future.

The Company has recently obtained the approval from the Securities Commission Malaysia to raise an unrated Perpetual Sukuk Issuance Programme of RM2.0 billion in nominal value, of which the same was announced to Bursa Securities on 21 June 2019. The Company would soon issue the said Programme through CIMB Investment Bank Berhad, the Company's sole Principal Adviser, Lead Arranger and Lead Manager for the Perpetual Sukuk Programme. As such, any investors of the Company who are keen to increase their investments may purchase the said Programme through their bankers. The proceeds raised from the Perpetual Sukuk Programme is intended to finance the Company's cash flow requirements and finance on-going projects.

Despite of the current property market condition being soft, Management is optimistic and the Company would be launching a few new projects this year which would hopefully rebound the share price of the Company.

- Q5: What were the reasons for the disposal of the entire 55% equity stake in Tropicana Ivory Sdn. Bhd. by Tropicana Development (Penang) Sdn. Bhd., a wholly-owned subsidiary of the Company despite having a gross development value of RM10.0 billion?
- A5: The disposal of the entire 55% equity stake in Tropicana Ivory Sdn. Bhd. was because of the strong presence and foothold of competitive region players in that area. On top of that, the disposal was purely a commercial decision made by the Company.
- Q6: Are there any further property developments in the Northern region?

- A6: The Company's project management team in Penang is working on the project i.e. Courtyard by Marriott, Penang, which is due to be launched in year 2020, as shown in the presentation slides earlier on the highlights of the financial performance and achievement of the Group for the FY2018. The Company is also working on building its land banks in the Northern region.
- Q7: What is the value of unsold units in the Group's inventories as compared to year 2017 noting that the Statements of Financial Position – Group on page 109 of the Annual Report which showed that the Group had a total inventories of RM1.6 billion?
- A7: The Company's completed unsold inventories stood at RM127.0 million while its work-in-progress ("**WIP**") inventories stood at RM1.5 billion.
- Q8: Will majority of the net proceeds raised from the Perpetual Sukuk Programme be used to refinance the working capital of the Company and what were the reasons to raise capital by issuing Perpetual Sukuk Programme instead of going for conventional borrowing?
- A8: The Company may issue its Perpetual Sukuk Programme in tranches of RM200.0 million to RM300.0 million each time via CIMB Investment Bank Berhad. The issuance of the said Programme was mainly to finance the Company's working capital. The Perpetual Sukuk Programme is a five (5)-year programme i.e. a mid-term borrowing. As the Sukuk Programme is in the nature of being perpetual, it could not be deemed as a borrowing and does not affect the financial gearing of the Company.
- Q9: What were the reasons for the lower revenue in the first quarter ended 31 March 2019, in contrast to the promising revenue earned from hotel operations from W Hotel Kuala Lumpur, as observed in Note 4 – Revenue of the Notes to the Financial Statements as at 31 December 2018 on page 141 of the Annual Report?
- A9: W Hotel Kuala Lumpur is operationally making profit. However, with depreciation and amortisation of fixed assets, the said Hotel is in a loss-making position. As the overall high-end hotel market is currently soft, the Company is looking into pricing strategy and is optimistic that the W Hotel Kuala Lumpur would continue to generate more revenue in the coming years.
- Q10: Does the property development costs amounting to RM1.5 billion as stated in Note 16 – Inventories of the Notes to the Financial Statements as at 31 December 2018 on page 155 of the Annual Report include unsold residential properties?
- A10: The inventories amounting to RM1.6 billion constituted WIP and launched projects which are both unsold completed units. The unsold residential properties only represented 10% of the Company's inventories.
- Q11: What is the latest update on the Company's projects in Genting?
- A11: The Company has recently purchased a piece of land in Genting for development of serviced apartments and the launch has been targeted by end of third or fourth quarter of 2019.

After having addressed all questions raised accordingly, the Audited Financial Statements for the FY2018 together with the Reports of the Directors and the Auditors thereon were duly received.

5. Ordinary Resolution No. 7
- Re-election of Tan Sri Dato' Tan Chee Sing as Director

In response to a shareholder's query on the reason for Tan Sri Dato' Tan Chee Sing's absence at the Meeting, Tan Sri Chairman conveyed the apologies from Tan Sri Dato' Tan Chee Sing for not being able to attend the Meeting as he was on duty travel overseas.

6. Ordinary Resolution No. 9
- Directors' Remuneration

In response to a shareholder's query on the reason for the decimal of 0.75 sen in the payment of Directors' remuneration, the Meeting was informed that Directors' remuneration amounting to RM1,307,002.75 was pro-rated as some of the Directors were appointed less than twelve (12) months.

7. Ordinary Resolution No. 10
- Re-appointment of Auditors

The following are the questions that were raised from the floor, which were adequately responded and addressed by Management and the Board:

Q1: How long has Messrs. Ernst & Young been the Auditors of the Company?

A1: Messrs. Ernst & Young have acted as Auditors of the Company for approximately ten (10) years.

Q2: Are the Auditors subject to evaluation by the Board?

A2: The Auditors are subject to rotation of audit partners over the period of seven (7) years with cooling period of three (3) years. The Auditors are evaluated by the Audit Committee every year.

8. Voting Results

Having addressed all queries raised and the resolutions voted upon by e-polling, all the following resolutions were duly passed with the results of the e-polling announced accordingly to Bursa Securities on 25 June 2019:

RESOLUTIONS	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Resolution 1</u> To re-elect Dion Tan Yong Chien as Director	1,053,414,072	99.96	427,283	0.04	Carried
<u>Resolution 2</u> To re-elect Mohd Najib Bin Abdul Aziz as Director	1,053,590,255	99.98	251,100	0.02	Carried
<u>Resolution 3</u> To re-elect Hafez Mohd Hashim Bin Razman Md Hashim as Director	1,053,590,255	99.98	251,100	0.02	Carried
<u>Resolution 4</u> To re-elect Yeow Wai Siaw as Director	1,053,414,572	99.96	426,783	0.04	Carried
<u>Resolution 5</u> To re-elect Loh Chen Peng as Director	1,053,590,255	99.98	251,100	0.02	Carried
<u>Resolution 6</u> To re-elect Datuk Wira Lye Ek Seang as Director	1,053,590,255	99.98	251,100	0.02	Carried
<u>Resolution 7</u> To re-elect Tan Sri Dato' Tan Chee Sing as Director	1,053,413,324	99.96	428,031	0.04	Carried
<u>Resolution 8</u> To re-elect Alice Dora Boucher as Director	1,053,590,255	99.98	251,100	0.02	Carried
<u>Resolution 9</u> To approve the payment of Directors' remuneration to Non-Executive Directors amounting to RM1,307,002.75 for the financial year ended 31 December 2018	913,230,332	100.00	19,231	0.00	Carried
<u>Resolution 10</u> To re-appoint Messrs. Ernst & Young as Auditors and to authorise the Directors to fix their remuneration	1,053,841,155	100.00	200	0.00	Carried

RESOLUTIONS	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
Resolution 11 To re-designate Datuk Michael Tang Vee Mun as an Independent Non-Executive Director	1,029,415,442	97.68	24,425,913	2.32	Carried
Resolution 12 To authorise Directors to issue shares of up to 10% of the total number of issued capital for the time being pursuant to Sections 75 and 76 of the Companies Act, 2016	1,053,841,155	100.00	200	0.00	Carried
Resolution 13 To renew the authority for the Company to purchase its own shares	1,053,841,155	100.00	200	0.00	Carried
Resolution 14 To renew the authority to issue shares for the purpose of the Dividend Reinvestment Scheme	1,053,578,440	99.98	262,915	0.02	Carried
Special Resolution To adopt a new Constitution of the Company	1,053,841,155	100.00	200	0.00	Carried

9. Conclusion

There being no other business to be transacted, Tan Sri Chairman concluded the Meeting at 12:25 p.m. and thanked all present for their attendance.