

Redefining the art of living

Annual Report 2019



TROPICANA
CORPORATION BERHAD

2019

FACTS AT A GLANCE

Back in 2013, we changed our name to Tropicana Corporation Berhad – a name synonymous with the prestigious Tropicana Golf & Country Resort. This sets a clear direction for the Group and with it, we began to redefine both ourselves and our integrated developments by leveraging on the iconic 'T' branding.

After more than two decades in the property industry, and having pioneered residential resort-style living with the advent of Tropicana Golf & Country Resort and Tropicana Indah Resort Homes, we established a unique DNA that sets us apart.

This DNA focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality. With emphasis on our customers' needs, we have been innovating and redefining the art of living through the creation of our integrated developments by incorporating residential and commercial components to create thriving townships that are strategically connected.

Fuelled by passion to be one of the premier property developers, we will continue to deliver to our customers products that are intrinsically linked with our Tropicana brand. Embodied by the core essence of innovation, creativity, quality and excellence, we strive to redefine the art of living.

It is said that home is where the heart is. This rings true as we have always believed in building homes that not only appeal to the eyes and minds of our consumers, but to their hearts as well.



Total Revenue RM1.1 billion in FY19*



Total Development Properties Sales RM718.3 million in FY19*



Current landbank of 2,344.0 acres with a total potential GDV of RM70.0 billion**



Over 50 completed developments with 6 ongoing townships



Net Assets Per Share RM3.20 in FY19*



Awarded Top Ten Property Developer by BCI Malaysia in 2019

**as of 31 December 2019*

*** as of 31 March 2020*



Tropicana Aman township in Kota Kemuning



TROPICANA
CORPORATION BERHAD



WHAT'S

INSIDE

1 ABOUT TROPICANA

- 04 About Tropicana
- 05 Our Vision & Our Business Principles
- 06 Significant Milestones
- 08 Corporate Information
- 09 Corporate Structure
- 10 Our Signature Developments
- 12 Awards & Accolades
- 14 A Commitment to Excellence
- 16 Event Highlights
- 18 Tropicana in the News

2 OUR STRATEGIC PERFORMANCE

- 22 Management Discussion & Analysis
- 30 Performance at a Glance
- 32 Financial Highlights & Insights
- 34 Value Added Statement
- 35 Investor Relations
- 36 Quality Assurance

3 OUR LEADERSHIP

- 40 Directors' Profile
- 47 Senior Management Profiles



4 SUSTAINABILITY AT TROPICANA

- 54** Tropicana Group CEO Sustainability Statement
- 56** Sustainability Statement
- 63**
 - Economic
- 65**
 - Social
- 76**
 - Environment

5 WHAT WE'VE GOVERNED

- 80** Corporate Governance Overview Statement
- 95** Additional Compliance Information
- 96** Statement on Risk Management and Internal Control
- 99** Audit Committee Report

6 FINANCIAL STATEMENTS AND OTHER INFORMATION

- 104** Statement of Directors' Responsibility
- 105** Financial Statements
- 249** Analysis of Shareholdings
- 252** Analysis of Irredeemable Convertible Preference Shares Holdings
- 254** List of Properties
- 266** Corporate Directory
- 268** Notice of Annual General Meeting
- 275** Administrative Guide
- Proxy Form



Elemen Residences, Tropicana Aman, Kota Kemuning

A STATE OF SERENITY

Tropicana Aman is a self-contained township designed with its residents wellbeing at its core. It is spread across 863 acres and comes with its very own 85-acre Central Park, Recreational Hub, commercial phases, Tenby International School and SJKC Bukit Fraser. Tropicana Aman is ringed by a 100-foot wide, tree-lined boulevard and exudes the feeling of living in a park as it beckons residents to slow down from the stresses of modern life, breathe in the fresh air and enjoy the beauty of nature.

*For more information, please visit
www.tropicanaaman.com.my*

1

ABOUT TROPICANA

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ABOUT TROPICANA

Incorporated in 1979, Tropicana Corporation Berhad (“**Tropicana**”, “**the Group**” or “**the Company**”) is a rapidly evolving company with diversified business interests including property and resort development, property investment, manufacturing and investment holding.

Following the strong performance shown across its principal business segments, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad in 1992. Today, 90% of the Group revenue is generated by property development.

Since its rebranding exercise in 2013, Tropicana continued to build on its reputation of excellence by building quality homes and integrated developments that reflect the growing aspirations of a broad range of home purchasers across Malaysia. Guided by its unique Tropicana’s DNA and brand values, Tropicana remains focused on delivering long-term sustainable growth and maximising shareholders’ value. Fuelled by the Tropicana transformation plan and its unique development DNA, the Group has achieved many memorable milestones as it moves towards realising its vision of becoming a premier property group in Malaysia.

Tropicana Golf & Country Resort

OUR VISION

WE STRIVE TO BE THE **LEADING PROPERTY GROUP**
THAT DELIVERS **INNOVATIVE AND QUALITY PRODUCTS**
THAT ENHANCE STAKEHOLDERS' VALUE.



OUR BUSINESS PRINCIPLES



OUR CUSTOMERS COME FIRST

In delivering innovative products and services, we work towards optimum customer satisfaction. We recognise and reward our loyal customers, who are our pillars of strength and a driving force behind the success of our Company.



OUR COMMITMENT TO OUR SHAREHOLDERS

In practicing the principles of good governance, we endeavour to create shareholder value through our sustainable strategies, full accountability, business continuity and profitability.



OUR PEOPLE ARE OUR GREATEST ASSETS

As a performance-driven organisation, our greatest assets are our people and their dedication to deliver the best. We are not only committed to the growth of our human capital, but we also encourage a culture of excellence and leadership towards greater successes.



OUR TEAMWORK

We have built a nurturing organisation, with shared values and culture, and we are motivated to think and deliver as One Team and One Organisation with One Vision.

Significant Milestones

1979

Tropicana Group was incorporated and has since become one of the fastest growing property developers in Malaysia

1992

Listed on the Main Market of Bursa Malaysia Securities Berhad

Pioneered the resort-themed development concept in Malaysia with the introduction of its 624-acre Tropicana Golf & Country Resort ("TGCR") which houses a 380,000 square feet award-winning clubhouse



1995

TGCR won the Best Leisure Development in Malaysia by FIABCI Malaysia Chapter

1996

2009

Developed the 409-acre Tropicana Indah Resort Homes

Built its first integrated development, Sri Desa condominium with shop offices in Taman Desa

Unveiled its first commercial development, Damansara Intan e-Business Park in Petaling Jaya

Won multiple awards and accolades for its outstanding developments across TGCR and Tropicana Indah townships

Unveiled the nine-acre Tropicana City integrated development encompassing Tropicana City Mall, Tropicana City Office Tower and Tropics Serviced Apartments

2016

Entered into a sales and purchase agreement with Tiarn Oversea Group Sdn Bhd to dispose its land in Pulai, Johor Bahru for RM569.8 million

Tropicana's Founder and Advisor, Tan Sri Dato' Tan Chee Sing was recognised as the FIABCI Property Man of the Year at the FIABCI Malaysian Chapter Property Awards 2016

Honoured with various property awards such as BCI Top 10 Developers' Award 2016, Pioneer Development Award at The Edge Property Excellence Awards 2016, Best Mixed-development Award at the iProperty.com People's Choice Award 2016 and Asia Pacific Property Awards 2016

Tropicana Foundation donated RM1.5 million to SJIIM International Baccalaureate

Entered into an agreement with Kenanga Investment Bank to sell Dijaya Plaza tower for RM140 million



2015

Company assets increased more than two-fold from RM2.5 billion in 2011 to RM6.0 billion in 2015

Possessed a landbank size of more than 1,600 acres with a Gross Development Value ("GDV") of more than RM50 billion

Achieved total sales of RM1.55 billion, with record high unbilled sales of RM3.13 billion

Entered into an agreement with GEMS Education to

develop a school campus at Tropicana Metropark in Subang Jaya

Entered into an agreement with Tenby Schools to develop an international school campus at Tropicana Aman in Kota Kemuning

Continued to win prestigious property awards, namely the BCI Asia Top 10 Developers' Award, Highest Profit Growth Company by The Edge Billion Ringgit Club Award 2015 and Asia Pacific Property Awards 2015

2017

Made good progress on its strategic transformation roadmap, reducing its net gearing ratio from 0.55x in 2013 to 0.27x in 2017

Introduced the Tropicana Urban Homes concept that is targeted towards the middle-income community, namely first-time home buyers and new families



Won a string of property awards and recognitions at various awards ceremonies. Amongst others, Tropicana was honoured as one of the Top Ten Property Developer at The Edge Property Excellence Award 2017

Tropicana's Founder and Advisor, Tan Sri Dato' Tan Chee Sing was honoured with the Malaysian Fujian Outstanding Entrepreneur Award



2010

First entry into Johor to build a 37-acre mixed-use development known as Tropicana Danga Bay, a joint-venture project with Iskandar Waterfront Sdn Bhd

2011

Achieved a five-fold increase in Company assets from RM500 million to RM2.5 billion, with unbilled sales in excess of RM500 million

Entered into an agreement with Starwood Hotels & Resorts Worldwide to build the first five-star W Hotel within Kuala Lumpur City Centre

Entered into a joint-venture agreement with Ivory Properties Group Berhad to develop mixed residential and commercial properties in Bayan Mutiara, Penang

Acquired 227 acres of freehold land in Iskandar Malaysia to build a mixed use development known as Tropicana Danga Cove



Unveiled its first property membership card in Malaysia known as the Tropicana Privilege Card

Incorporated Tropicana Foundation, a charity organisation dedicated to improve the lives of under-privileged communities



2012

Conducted the Tropicana amalgamation exercise to consolidate all property development and investment activities into the Tropicana Group

Officially launched Phase 1 of Tropicana Gardens and sold out within two days



2014

Won 17 prestigious awards for its projects and continuous efforts as a community builder in Malaysia

Tan Sri Dato' Tan Chee Sing was honoured for his outstanding achievements in the property industry by Tatler Malaysia, Asia Pacific Entrepreneur Awards and the Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor

Entered into a joint-venture with HK-listed Agile Property Holdings Ltd to develop Jalan Bukit Bintang land



Achieved record revenue of RM1.97 billion and unbilled sales of RM2.7 billion

Ground breaking ceremony of St. Joseph's Institution International School Malaysia ("SJIIIM") (Tropicana PJ Campus), Tropicana's first education project



2013

Achieved record revenue of RM1.48 billion and record sales of RM2.16 billion

Changed its corporate name from Dijaya Corporation Berhad to Tropicana Corporation Berhad



Officially launched Tropicana Metropark in Subang Jaya and conducted the signing ceremony to build the direct

flyover from Tropicana Metropark to the Federal Highway

Entered into a strategic partnership with Marriott International to develop Courtyard by Marriott, the first Courtyard Hotel in Malaysia

Won seven prestigious awards for projects and its continuous efforts as a community builder in Malaysia

Ground breaking ceremony of Penang WorldCity by Tropicana and Ivory Properties Group Berhad

2018

Opened Malaysia's first W Kuala Lumpur on 23 August 2018. The 150-room W Kuala Lumpur is located within the KL city centre, just minutes away from the iconic Petronas Twin Towers

Opened the highly-anticipated RM115 million Tropicana Metropark Link that provides direct access for its residents from the Federal Highway to the development doorstep

Honoured with various awards namely the BCI Asia Awards 2018, Asia Pacific Property Awards 2018, five key awards at The Star Property Awards 2018 and iProperty Awards 2018 respectively as well as Top Ten Property Developer for the Edge Property Excellence Awards 2018



2019

Continued to be recognised for excellence at various awards events namely the Putra Brand Awards 2019, BCI Asia Awards 2019, Asia Pacific Property Awards 2019, The Star Property Awards 2019 and PropertyGuru Asia Property Awards

Tan Sri Dato' Tan Chee Sing returns to helm Tropicana as Executive Vice Chairman

Increased landbank to 2,167.5 acres with potential GDV of RM61.3 billion



Corporate Information

As at 30 June 2020

BOARD OF DIRECTORS

Tan Sri Dr Lim Wee Chai

Chairman, Non-Independent
Non-Executive Director

Tan Sri Dato' Tan Chee Sing

Group Executive Vice Chairman

Yeow Wai Siaw

Group Chief Executive Officer

Dato' Dickson Tan Yong Loong

Deputy Group Chief Executive Officer

Dion Tan Yong Chien

Group Managing Director

Datuk Michael Tang Vee Mun

Independent Non-Executive Director

Mohd Najib Bin Abdul Aziz

Independent Non-Executive Director

Hafez Mohd Hashim Bin Razman Md Hashim

Independent Non-Executive Director

Loh Chen Peng

Independent Non-Executive Director

Datuk Wira Lye Ek Seang

Independent Non-Executive Director

Alice Dora Boucher

Independent Non-Executive Director

AUDIT COMMITTEE

Mohd Najib Bin Abdul Aziz (Chairman)
Hafez Mohd Hashim Bin Razman Md Hashim
Loh Chen Peng

RISK MANAGEMENT COMMITTEE

Hafez Mohd Hashim Bin Razman Md Hashim
(Chairman)
Dion Tan Yong Chien
Datuk Michael Tang Vee Mun
Loh Chen Peng
Alice Dora Boucher

NOMINATION COMMITTEE

Datuk Wira Lye Ek Seang (Chairman)
Datuk Michael Tang Vee Mun
Mohd Najib Bin Abdul Aziz
Hafez Mohd Hashim Bin Razman Md Hashim

REMUNERATION COMMITTEE

Datuk Michael Tang Vee Mun (Chairman)
Datuk Wira Lye Ek Seang
Mohd Najib Bin Abdul Aziz

PRICING COMMITTEE

Mohd Najib Bin Abdul Aziz (Chairman)
Dion Tan Yong Chien
Datuk Wira Lye Ek Seang
Yeow Wai Siaw
Alice Dora Boucher

INVESTMENT COMMITTEE

Datuk Michael Tang Vee Mun (Chairman)
Tan Sri Dr Lim Wee Chai
Dion Tan Yong Chien
Yeow Wai Siaw
Hafez Mohd Hashim Bin Razman Md Hashim
Alice Dora Boucher

HEAD OFFICE AND REGISTERED OFFICE

Unit 1301
Tropicana Gardens Office Tower
No. 2A, Persiaran Surian
Tropicana Indah
47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : +603 7663 6888
Facsimile : +603 7663 6688

AUDITORS

Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Telephone : +603 7495 8000
Facsimile : +603 2095 9076

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Telephone : +603 2084 9000
Facsimile : +603 2094 9940

REGISTER OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

Unit 1301
Tropicana Gardens Office Tower
No. 2A, Persiaran Surian
Tropicana Indah
47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : +603 7663 6888
Facsimile : +603 7663 6688

COMPANY SECRETARIES

Chua Siew Chuan (MAICSA 0777689)
SSM PC No. : 201908002648
Chin Mun Yee (MAICSA 7019243)
SSM PC No. : 201908002785
Tan Gin Ling (MAICSA 7023190)
SSM PC No. : 201908002292

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Alliance Islamic Bank Malaysia Berhad
Public Bank Berhad
Malayan Banking Berhad
OCBC Bank Malaysia Berhad
HSBC Bank Malaysia Berhad

WEBSITE

www.tropicanacorp.com.my

EMAIL

corpcomm@tropicanacorp.com.my

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : TROP
Stock Code : 5401

Corporate Structure

As at 30 June 2020

PROPERTY DEVELOPMENT, PROPERTY MANAGEMENT, PROPERTY INVESTMENT, RECREATION AND RESORT OPERATIONS

Advent Nexus Sdn Bhd	100%	Tropicana Danga Bay Land Sdn Bhd	100%	Tropicana Land (Sandakan) Sdn Bhd	100%
Arah Pelangi Sdn Bhd	100%	• Desiran Realiti Sdn Bhd	100%	Tropicana Land Sdn Bhd	100%
Bakat Rampai Sdn Bhd	100%	• Tropicana Danga Bay Sdn Bhd	60%	Tropicana Landmark Sdn Bhd	100%
• Dicorp Land Sdn Bhd	100%	Tropicana Danga Cove Holding Sdn Bhd	100%	Tropicana Lido Development Sdn Bhd	100%
• Tropicana City Sdn Bhd	100%	• Tropicana Danga Cove Sdn Bhd	50%	Tropicana Lingkaran Utama Sdn Bhd	100%
• Dicasa Management Services Sdn Bhd	100%	Tropicana Danga Lagoon Development Sdn Bhd	100%	(fka Lingkaran Utama Sdn Bhd)	
• Tropicana City Management Sdn Bhd	100%	(fka Danga Lagoon Development Sdn Bhd)		• Tropicana Southern Gallery Sdn Bhd	100%
• Tropicana Kajang Hill Sdn Bhd	100%	• Tropicana Danga Lagoon Land Sdn Bhd	100%	(fka Southern Gallery Sdn Bhd)	
• Tropicana Parking Sdn Bhd	100%	(fka Danga Lagoon Land Sdn Bhd)		Tropicana Lintas Development Sdn Bhd	100%
• Tropicana Indah Realty Sdn Bhd	100%	• Tropicana Danga Lapanbelas Sdn Bhd	100%	Tropicana Macalister Avenue (Penang) Sdn Bhd	100%
• Tropicana Indah Sdn Bhd	70%	(fka Danga Lapanbelas Sdn Bhd)		Tropicana Mengalum Holdings Sdn Bhd	100%
Capricorn Realty Sdn Bhd	100%	Tropicana Danga Lagoon Garden Sdn Bhd	100%	• Tropicana Fishery & Fruits Sdn Bhd	100%
Comets Realty Sdn Bhd	100%	(fka Danga Lagoon Garden Sdn Bhd)		(fka Tropicana Mengalum Development Sdn Bhd)	
Daya Petaling Sdn Bhd	100%	Tropicana Danga Lagoon Sdn Bhd	100%	Tropicana Mentari Development Sdn Bhd	100%
GP Views Development Sdn Bhd	100%	• Tropicana Lagoon Sdn Bhd	100%	• Tropicana Sierra Sdn Bhd	100%
Kuasa Cekapmas Sdn Bhd	100%	Tropicana Development (Johor Bahru) Sdn Bhd	100%	• Urban Discovery Sdn Bhd	100%
Lavender Realty Sdn Bhd	100%	Tropicana Development (Penang) Sdn Bhd	100%	Tropicana Metro Sdn Bhd	100%
Limestone Realty Sdn Bhd	100%	Tropicana Development (Sabah) Sdn Bhd	100%	Tropicana Metropark Sdn Bhd	100%
Marvelscape Sdn Bhd	100%	Tropicana Development (Sg Besi) Sdn Bhd	100%	• Tropicana Gems Education Sdn Bhd	100%
Mighty Valley Sdn Bhd	100%	Tropicana Education Management Sdn Bhd	85%	Tropicana Plaza Sdn Bhd	100%
Misty Realty Sdn Bhd	100%	Tropicana Firstwide Sdn Bhd	100%	Tropicana Properties (Keningau) Sdn Bhd	100%
Moonlight Realty Sdn Bhd	100%	(fka Firstwide Plus Sdn Bhd)		Tropicana Properties (Klang) Sdn Bhd	100%
Myxon (M) Sdn Bhd	100%	Tropicana Global Development Sdn Bhd	100%	Tropicana Properties (Puchong) Sdn Bhd	100%
Pluto Realty Sdn Bhd	100%	Tropicana Golf & Country Resort Berhad	100%	Tropicana Properties (Sabah) Sdn Bhd	100%
Raindust Realty Sdn Bhd	100%	• Tropicana Desa Mentari Sdn Bhd	100%	Tropicana Properties (Sandakan) Sdn Bhd	100%
Rainforest Realty Sdn Bhd	100%	• Tropicana Management Services Sdn Bhd	100%	Tropicana Property Management Sdn Bhd	100%
Skytree Realty Sdn Bhd	100%	• Tropicana Sungai Buloh Sdn Bhd	100%	Tropicana Property Services Sdn Bhd	100%
Sparkling Realty Sdn Bhd	100%	Tropicana Harapan Sdn Bhd	100%	Tropicana Residences Sdn Bhd	100%
Stardust Realty Sdn Bhd	100%	• Tropicana Temokim Sdn Bhd	51%	Tropicana Resort Holding Sdn Bhd	100%
Starling Realty Sdn Bhd	100%	Tropicana Jaya Sdn Bhd	100%	• Tropicana Danga Bay Resort Sdn Bhd	60%
Suasana Metro Sdn Bhd	70%	Tropicana Kia Peng Sdn Bhd	100%	Tropicana Rhythm Crest Sdn Bhd	100%
Suci Padu Resources Sdn Bhd	100%	Tropicana Kiara Lestari Development Sdn Bhd	100%	(fka Rhythm Crest Sdn Bhd)	
Supreme Converge Sdn Bhd	100%	(fka T Kiara Lestari Development Sdn Bhd)		Tropicana Sadong Jaya Development Sdn Bhd	100%
• Agile Tropicana Development Sdn Bhd	30%	Tropicana Kiara Lestari Land Sdn Bhd	100%	Tropicana Sanctuary Development Sdn Bhd	70%
Tropicana Acehub Sdn Bhd	100%	(fka T Kiara Lestari Land Sdn Bhd)		Tropicana Scenic Development Sdn Bhd	100%
(fka Acehub Fortune Sdn Bhd)		Tropicana KL Development Sdn Bhd	100%	Tropicana Senibong Sdn Bhd	100%
• Lido Waterfront Boulevard Sdn Bhd	65%	Tropicana Lahad Datu Development Sdn Bhd	100%	Tropicana Serdang Suria Sdn Bhd	100%
Tropicana Aman Sdn Bhd	100%			Tropicana Tawau Development Sdn Bhd	100%
• Sapphire Step Sdn Bhd	100%			Tropicana Technology Sdn Bhd	100%
Tropicana Bukit Bintang Development Sdn Bhd	100%			Tropicana Urban Homes Sdn Bhd	100%
Tropicana Cheras Sdn Bhd	100%			Tropicana Wisma TT Sdn Bhd	100%
Tropicana City Development Sdn Bhd	100%			Twinkle Realty Sdn Bhd	100%
Tropicana Coliseum (Ipoh) Sdn Bhd	100%			Waves Realty Sdn Bhd	100%

OTHER INVESTMENT

BK Utilities Sdn Bhd	100%	Tropicana Collections (MM2H) Sdn Bhd	100%	Tropicana Paisley Sdn Bhd	100%
Cenang Laris Sdn Bhd	99%	Tropicana Corporate Solutions Sdn Bhd	100%	Tropicana Rahang Development Sdn Bhd	100%
Megaxis Sdn Bhd	100%	Tropicana Credit & Leasing Sdn Bhd	100%	Tropicana Shared Services Sdn Bhd	100%
Pixelcloud Sdn Bhd	100%	Tropicana Danga Senibong Holding Sdn Bhd	100%	Tropicana SJII Education Management Sdn Bhd	51%
Sumber Saujana Sdn Bhd	100%	• Tropicana Danga Senibong Sdn Bhd	70%*	Tropicana Subang South Development Sdn Bhd	100%
• Tropicana Saujana Sdn Bhd	100%	Tropicana Innovative Landscape Sdn Bhd	100%	Ultimate Support Sdn Bhd	100%
Tropicana Building Materials Sdn Bhd	100%	Tropicana Investment Consulting Pte Ltd		Valley Talent Solutions Sdn Bhd	99%
Tropicana Business Consulting (Shenzhen) Pte Ltd	100%	Tropicana Kemayan Development Sdn Bhd	100%		
Tropicana Central Department Store Sdn Bhd	100%	Tropicana Marketplace Sdn Bhd	100%		
Tropicana Central Garden Mall Sdn Bhd	100%	• Marketplace (Hong Kong) Limited	100%		
		(fka Tropicana Marketplace (Hong Kong) Limited)			

Note:

"fka" – formerly known as

* In the midst of members' voluntary liquidation

Our Signature Developments



Tropicana Golf & Country Resort

Petaling Jaya, Selangor

Residential

- Ana and Bella linked houses
- Casa Tropicana condominiums
- Cora and Dora semi-detached houses
- Green Acres 1 Gloria and Floria semi-detached houses
- Green Acres 2 linked houses and semi-detached houses, bungalows and prime bungalow lots
- Eva townhouses
- Tropicana Grande golf-fronted condominiums

Mixed-use Development and Commercial

- Merchant Square shop offices
- Tropicana Avenue retail, offices and serviced apartments

Tropicana Indah Resort Homes

Petaling Jaya, Selangor

Residential

- Adam and Eve linked houses
- Casa Indah 1 and 2 condominiums
- Grand Villas bungalows
- Green Haven bungalow lots
- Green Haven 1 resort villas
- Golf Villas bungalows
- Link Villas linked houses
- Mustika and Persona linked houses
- Pool Villas semi-detached houses
- Romeo and Juliet linked houses
- Villa Green 1 linked bungalows
- Villa Green 2 semi-detached houses
- Villa Green semi-detached houses



Paloma Serviced Residences, Tropicana Metropark, Subang Jaya



Ayera Residences, Tropicana Danga Cove, Iskandar Malaysia

Tropicana City

Petaling Jaya, Selangor

Residential

- Casa Damansara 1 and 2 condominiums
- Tropicana City Tropics serviced apartments

Retail and Commercial

- Damansara Intan e-Business Park
- Tropicana City Mall (Rebranded to 3 Damansara)
- Tropicana City Office Tower

Other Klang Valley Developments

Petaling Jaya, Selangor

Residential

- Casa Kiara 1 and 2 condominiums, Mont' Kiara, Kuala Lumpur*
- Casa Suites apartments, Petaling Jaya, Selangor
- Fortune Park apartments, Kuala Lumpur
- Tropicana Cheras linked houses, semi-detached houses and bungalows, Cheras

Mixed-use Development, Commercial, Hospitality and Education

- St. Joseph's Institution International School Malaysia (Tropicana PJ Campus)
- GEMS International School at Tropicana Metropark, Subang, Selangor

- Tenby International School at Tropicana Aman, Kota Kemuning, Shah Alam
- The Residences and W Kuala Lumpur Hotel, Kuala Lumpur
- Tropicana Gardens mixed-use development, Tropicana Indah
- Tropicana Aman mixed-use development, Kota Kemuning, Shah Alam
- Tropicana Heights mixed-use development, Kajang
- Tropicana Metropark mixed-use development, Subang Jaya
- Arena Mentari shop offices, Dataran Mentari, Petaling Jaya, Selangor**
- TSB Commercial Centre, Sungai Buloh

Penang, Johor and Sabah Developments

Residential

- 10 Island Resort condominiums, Batu Ferringhi, Penang*
- Aston Villa linked houses, semi-detached and shop offices, Bukit Mertajam, Penang
- Tropicana Landmark condominiums, Kota Kinabalu, Sabah

Mixed-use Development

- Tropicana 218 Macalister integrated mixed-use development, Penang
- Tropicana Danga Bay mixed-use development, Iskandar Malaysia, Johor***
- Tropicana Danga Cove mixed-use development, Iskandar Malaysia, Johor***

Note:

* Project Manager

** Joint-venture project with Aliran Firasat Sdn. Bhd.

*** A joint-venture between Tropicana Corporation Berhad and Iskandar Waterfront Sdn Bhd

Awards & Accolades



1995

FIABCI MALAYSIA CHAPTER

- Tropicana Golf & Country Resort: Best Leisure Development in Malaysia Award

1997

SELANGOR STATE GOVERNMENT

- Tropicana Golf & Country Club: Best Landscape in Selangor Award

1997, 1999 - 2006

GOLF MALAYSIA

- Tropicana Golf & Country Club: Best Clubhouse/Facilities in Malaysia Award

2003 - 2006

GOLF MALAYSIA

- Tropicana Golf & Country Club: Best Golf Course in Malaysia Award

2005 - 2006

GOLF MALAYSIA

- Tropicana Golf & Country Club: Best Customer Service Club in Malaysia Award

2009

INTERNATIONAL PROPERTY AWARDS 2009

- Villa Green Semi-detached Homes: Best Residential Development in Malaysia Award, Best Residential Development in Asia Pacific Award, and Best Residential Development in the World Award

2010

INTERNATIONAL PROPERTY AWARDS 2010

- Tropicana Golf & Country Resort: Best Golf Development in Malaysia and Best Golf Development in Asia Pacific Award

2011

DREAM HOME AWARDS 2011

- Casa Indah 1 Condominium: Best Medium-high Cost Apartment Award

INTERNATIONAL PROPERTY AWARDS 2011

- Tropicana Grande: Best Residential High-rise Development in Malaysia Award and Best Residential High-rise Development in Asia Pacific Award

2012

ASIA PACIFIC PROPERTY AWARDS 2012

- Pool Villas Three-storey Semi-detached Homes: Highly Commended for Best Multiple Units Development in Malaysia

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2012

- Tropicana Corporation Berhad: Top 10 Developers Award

PROPERTYTALK & LIFESTYLE GROUP MALAYSIA 2012

- Arnica Serviced Residences, Tropicana Gardens: Property of the Year Award
- Tropicana Metropark: Best Development Masterplan of the Year Award

2013

ASIA PACIFIC PROPERTY AWARDS 2013

- Tropicana Metropark: Best Mixed-use Development in Malaysia Award

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2013

- Tropicana Corporation Berhad: Top 10 Developers Award

MALAYSIA POWER BRAND 2013

- Tropicana Corporation Berhad: Power Brand Award for Organisation, Management and Brand Management

SUPER EXCELLENT BRAND AWARDS 2013

- Tropicana Corporation Berhad: Super Excellent Brand Award

TOP ASIA CORPORATE BALL 2013

- Tan Sri Dato' Tan Chee Sing: Asia's Most Inspiring Business Icon Award

BRANDLAUREATE ICON AWARD 2013

- Tan Sri Dato' Tan Chee Sing: Premier Brand ICON Leadership Award

WORLD CHINESE ECONOMIC FORUM (WCEF)

- Tan Sri Dato' Tan Chee Sing: Lifetime Achievement Award for Excellence in Resort & Property Planning

2014

ASIA PACIFIC PROPERTY AWARDS 2014

- Tropicana 218 Macalister: Best Commercial High-rise Development Award
- Tropicana Danga Bay: Highly Commended for Mixed-use Development in Malaysia
- Tropicana Gardens: Best Retail Development Award
- Tropicana Metropark: Highly Commended for Commercial Landscape Architectural in Malaysia

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2014

- Tropicana Corporation Berhad: Top 10 Developers Award

iPROPERTY PEOPLE'S CHOICE AWARDS 2014

- Paloma Serviced Residences: Best High-rise Development Award
- Pandora Serviced Residences: Best High-rise Development Award

MALAYSIA INSTITUTE OF ARCHITECT AWARDS 2014

- Tropicana Metropark Property Gallery: Silver Award for Adaptive Reuse

SOUTH EAST ASIA PROPERTY AWARDS 2014

- Tropicana Avenue: Best Commercial Architectural Design Award
- Tropicana Avenue: Highly Commended for Best Luxury Condo Development (Central Malaysia)

- Tropicana Corporation Berhad: Special Recognition in CSR

- Tropicana Heights: Best Housing Landscape Architectural Design Award

- Tropicana Heights: Highly Commended for Best Housing Development (Central Malaysia) Award

THE EDGE BILLION RINGGIT CLUB AWARDS 2014

- Tropicana Corporation Berhad: Highest Profit Growth Company (Property and REIT) Award

THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2014

- Tropicana Corporation Berhad: Most Notable Achievement Award
- Tropicana Corporation Berhad: Top Property Developer Award

CHINESE CHAMBER OF COMMERCE & INDUSTRY

- Tan Sri Dato' Tan Chee Sing: Outstanding Entrepreneur Award

ASIA PACIFIC ENTREPRENEURSHIP AWARDS (APEA) 2014

- Tan Sri Dato' Tan Chee Sing: Entrepreneur of the Year Award

TATLER BALL 2014

- Tan Sri Dato' Tan Chee Sing: Diamond of Excellence Award

2015

ASIA PACIFIC PROPERTY AWARDS 2015

- Tropicana Corporation Berhad: Best Developer Website in Malaysia Award
- Tropicana Gardens: Best Mixed-use Development in Malaysia Award

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2015

- Tropicana Corporation Berhad: Top 10 Developers Award

BRANDLAUREATE SPECIAL EDITION WORLD AWARDS 2015

- Tan Sri Dato' Tan Chee Sing: Brandpreneur Life Inspired Achievement Award
- Tropicana Corporation Berhad: Brand Excellence for Best Property

GREENRE AWARDS 2015

- Tropicana Avenue: Gold GreenRe (Residential) Award
- The Residences: Gold GreenRe (Residential) Award

**NATIONAL ANNUAL CORPORATE REPORT AWARDS 2015**

- Tropicana Corporation Berhad: 2014 Annual Report (Merit)

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2015

- Tropicana Corporation Berhad: Top 10 Developer Award

PUTRA BRAND AWARDS 2015

- Tropicana Corporation Berhad: People's Choice Award

THE EDGE BILLION RINGGIT CLUB AWARDS 2015

- Tropicana Corporation Berhad: Highest Profit Growth Company (Property and REIT) Award

THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2015

- Tan Sri Dato' Tan Chee Sing: The Edge Malaysia Outstanding Property Entrepreneur Award

2016**ASIA PACIFIC PROPERTY AWARDS 2016**

- Tropicana Aman Sales Gallery: Commercial Landscape Architecture in Malaysia (Highly Commended)

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2016

- Tropicana Corporation Berhad: Top 10 Developers Award

FIABCI MALAYSIAN CHAPTER PROPERTY AWARDS 2016

- Tan Sri Dato' Tan Chee Sing: FIABCI Property Man of the Year Award

iPROPERTY PEOPLE'S CHOICE AWARDS 2016

- Tropicana Gardens: Best Mixed-use Development Award

NATIONAL ANNUAL CORPORATE REPORT AWARDS 2016

- Tropicana Corporation Berhad: 2015 Annual Report (Merit)

THE EDGE PROPERTY EXCELLENCE AWARDS 2016

- Tropicana Golf & Country Resort: Pioneer Development Award

2017**ASIA PACIFIC PROPERTY AWARDS 2017**

- Tropicana Aman: Best Residential Development Award

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2017

- Tropicana Corporation Berhad: Top 10 Developers Award

FROST & SULLIVAN'S BEST PRACTICES AWARDS 2017

- Tropicana Corporation Berhad: New Product Innovation Award

iPROPERTY DEVELOPMENT EXCELLENCE AWARDS 2017

- Tropicana Aman: Best Township Development Award
- Tropicana Corporation Berhad: People's Choice Award

- Ridgefield Residences, Tropicana Heights: Best Residential Landed Development Award

- Tropicana Metropark: Best Mixed-use Development Award

PROPERTYGURU ASIA PACIFIC PROPERTY AWARDS 2017

- Tropicana Aman: Best Housing Development (KL) Award

- Tropicana Corporation Berhad: Best Developer (Malaysia), Special Recognition in Sustainable Development, and Special Recognition in Corporate Social Responsibility

- Tropicana Gardens: Best Green Development Award

- Tropicana Metropark: Best Mixed-use Development Award

- The Residences: Best Luxury Condo Development (KL) Award, and Best Condo Development (KL) Award

PROPERTY INSIGHT PRESTIGIOUS DEVELOPER AWARDS 2017

- Tropicana Aman: Distinctive Lifestyle Township Development Award

- Tropicana Corporation Berhad: Top 10 Property Developer of the Year Award

- Tropicana Gardens: Best Transit-oriented Development Award

- Tropicana Heights: Best Township Development Award

- Tropicana Metropark: Best Urban Lifestyle Development Award

THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2017

- Tropicana Corporation Berhad: Top 10 Property Developer Award

THE MALAYSIAN FUJIAN OUTSTANDING ENTREPRENEUR AWARD 2017

- Tan Sri Dato' Tan Chee Sing: Malaysian Fujian Outstanding Entrepreneur Award

THE STAR PROPERTY AWARDS 2017

- Tropicana Corporation Berhad: The All Star Award - Top Ranked Developer of the Year

- Tropicana Metropark: The Neighbourhood Award - Best Boutique Township, Below 500 Acres (Merit)

- The Residences: The Niche & Unique Award - Best Boutique Development (Excellence)

2018**THE STAR PROPERTY AWARDS 2018**

- Tropicana Corporation Berhad: The All Star Award: Top Ranked Developer of the Year

- Tropicana Gardens: Just-Walk Award: Best Integrated Development

- Dalia Residences at Tropicana Aman: Cornerstone Award - Best Landed Development Award

- Tropicana 218 Macalister: Niche & Unique Award - Best Boutique Development

- Tropicana Bay Residences: Small is Big Award - Best Small Home Development

ASIA PACIFIC PROPERTY AWARDS 2018

- The Residences: Best High-rise Development Award

THE EDGE MALAYSIA PROPERTY EXCELLENCE AWARDS 2018

- Tropicana Corporation Berhad: Top 10 Property Developer Award

iPROPERTY PEOPLE'S CHOICE AWARDS 2018

- Tropicana Corporation Berhad: People's Choice Award

- Dalia Residences at Tropicana Aman: Best Residential Landed Development Award

- Tropicana Gardens: Best Sustainable Development and Highly Acclaimed Best Transit-oriented Development Award

- Ayera Residences at Tropicana Danga Cove: Highly Acclaimed Best Residential Landed Development Award

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2018

- Tropicana Corporation Berhad: Top 10 Developers Award

2019**THE STAR PROPERTY AWARDS 2019**

- Tropicana Corporation Berhad: The All Star Award - Top Ranked Developer of the Year

- W Kuala Lumpur: The Creative Touch City Hotel Award (Contemporary)

ASIA PACIFIC PROPERTY AWARDS 2019

- Tropicana Heights: Best Residential Development Award

- W Kuala Lumpur: New Hotel Construction and Design Malaysia Award

PUTRA BRAND AWARDS 2019

- Tropicana Corporation Berhad: Property Development People's Choice Award

PROPERTYGURU ASIA PROPERTY AWARDS 2019

- Ridgefield Residences at Tropicana Heights: Best Landed Development Award (Klang Valley)

- Ayera Residences at Tropicana Danga Cove: Best Landed Development Award (Iskandar Malaysia)

- W Kuala Lumpur: Best Hotel Development Award

NATIONAL ANNUAL CORPORATE REPORT AWARDS 2019

- Tropicana Corporation Berhad: 2018 Annual Report (Merit)

BCI ASIA TOP 10 DEVELOPERS' AWARDS 2019

- Tropicana Corporation Berhad: Top 10 Developers Award

A Commitment to Excellence

Star Property Awards 2019

12 March 2019

The Star Property Awards, held at Kuala Lumpur Convention Centre for 2019's award ceremony, annually recognises excellence in brands that have shaped and invigorate the property landscape in Malaysia. Tropicana's W Kuala Lumpur won The Creative Touch City Hotel Award (Contemporary) and was one of the few companies to receive the prestigious All-Star Award.



PropertyGuru Asia Property Awards 2019

12 April 2019

Malaysia's finest developers of the year gathered at the sixth annual edition of the PropertyGuru Asia Property Awards 2019 held at The Majestic Hotel KL. Tropicana Corporation Berhad's commitment to excellence saw the Group collect three nominations, namely Ridgefield Residences, Tropicana Heights, Kajang winning the Best Landed Development in Klang Valley; Ayera Residences, Tropicana Danga Cove in Iskandar Malaysia winning the Highly Commended for Best Landed Development in Iskandar; and W Kuala Lumpur also winning the Highly Commended for Best Hotel Development.

**Asia Pacific Property Awards 2019****15 May 2019**

As testament to Tropicana Corporation continued efforts in providing quality, modern and innovative developments, the Group took home two awards during the Asia Pacific Property Awards 2019 which was held in Bangkok. Tropicana Heights, a masterplan located in Kajang won the Best Residential Development whilst the first W Kuala Lumpur won the New Hotel Construction & Design, Malaysia Award.

BCI Asia Awards 2019**21 June 2019**

Tropicana Corporation was conferred a Top 10 Developer Awards - Malaysia at the BCI Asia Awards 2019. A regular at the awards, this marks the eighth time Tropicana has won this award and goes to demonstrate the strong team that work behind the scenes to deliver innovative developments throughout Malaysia's growing property landscape.

**Putra Brand Awards 2019****27 September 2019**

The 10th edition of the award was held at The Majestic Hotel KL on 27 September 2019. The Putra Brand Awards was launched in 2010 by the Association of Accredited Advertising Agents Malaysia (4As) in association with the Malaysia's Most Valuable Brands (MMVB). It is one of a few awards that recognises brands that are measured by consumer preference. Tropicana's ongoing brand building initiatives and continuous efforts on delivering value to customers saw the Group take home The People's Choice - Bronze Award in the Property Development Category.

Event Highlights

CNY Celebration at Tropicana Property Galleries

February 2019

To mark the beginning of celebrations for the Lunar New Year, celebrations were held at Tropicana Property Galleries located in the Klang Valley. A highlight was the double celebration on Valentine's Day coinciding with Day 10 of the Chinese Lunar celebration that is the Jade Emperor's birthday. To mark this special occasion, a 24-seasons Festive Drum performance was held at the Tropicana Metropark Property Gallery, which is located at Subang Jaya.



Foodgasm Fest 2019

2 - 3 March 2019

The Foodgasm Fest 2019 which ran successfully at the Central Park in Tropicana Metropark, Subang Jaya saw enthusiastic foodies and families from all over attend the event. They enjoyed a variety of mouth-watering delicacies from different food trucks and stalls, which were set up along the visually stunning Central Park. Besides the abundance of food variety, they were treated to hot air balloon rides and live performances, face painting and other exciting activities.



Easter Day Celebration

20 - 21 April 2019

Easter was celebrated over the easter weekend at Tropicana Aman in Kota Kemuning, and Tropicana Gardens in Tropicana Indah. Participants of the event enjoyed a fun led weekend with exciting Easter treats, photo booth opportunities, Easter egg decorating workshops and where children got to also enjoy creating their own ice cream flavours.



Tropicana's iCycle Recycling Initiative

1 December 2019

Tropicana Corporation Berhad, in collaboration with iCycle Management, introduced a group and community-based recycling initiative which runs across five signature developments – Tropicana Aman in Kota Kemuning, Tropicana Gardens in Tropicana Indah, Tropicana Heights in Kajang, Tropicana Metropark in Subang Jaya and Tropicana Avenue at Persiaran Tropicana. This ongoing programme is part of Tropicana's commitment to promote a sustainable lifestyle throughout its townships and signature developments. A bin is placed strategically at each development for its respective communities where residents can submit paper, plastics, metal and also e-waste. The programme encourages recycling behaviour by utilising a triple rewards system that benefits participants.



The Edge Rat Race 2019

27 November 2019

Tropicana has been an active supporter of The Edge KL Rat Race since 2004. This annual involvement in the run portrays the sense of camaraderie and group effort shared amongst all Tropicana employees and the commitment of the Group in supporting worthy causes. A team of 5 runners from various departments represented Tropicana in 2019's Rat Race.

Tropicana Stay & Save Campaign

15 June 2019

Tropicana's Stay & Save campaign gave homeowners the chance to win up to 36 months free instalment with a purchase of any participating Tropicana Property. The Lucky Draw Finale saw three lucky participants win a Grand Prize (36 months), 2nd Prize (12 months) and 3rd Prize (6 months) of free instalment respectively. The campaign highlighted properties at Tropicana Heights in Kajang, Tropicana Gardens in Tropicana Indah, Tropicana Metropark in Subang Jaya, Tropicana Aman in Kota Kemuning and Tropicana Cheras in Kuala Lumpur.

**Majlis Sambutan Hari Raya Aidilfitri 2019 Bersama Anak Yatim & Asnaf**

1 July 2019

Embracing the spirit of giving and caring of Hari Raya, Tropicana Golf & Country Resort had the privilege to host 230 children from three different homes namely Pertubuhan Kebajikan Islam Peribadi Mulia, Rumah Kasih Harmoni and Rumah Anak Kesayanganku. Joyous faces could be seen all around as the children enjoyed a lavish buffet spread and were entertained by lively emcee by Tropicana Golf & Country Resort's staff and management. Each child received goodie bags, 'duit raya' and all three homes were also awarded contributions of RM10,000 respectively, totaling to RM30,000.

**The Moon Speaks for My Heart**

6 July 2019

A collaboration between Tropicana Golf & Country Resort and Dama Asia, 'The Moon Speaks for My Heart' paid tribute to the world-acclaimed Chinese songbird of the 1970s-1980s - the legendary Teresa Teng. Performing to a packed ballroom of 512 seats, the night featured Tan Soo Suan, an award winning Best Musical Actress and vocalist, who is also the resident vocalist in Dama Asia and the vocal coach for Dama Asia's musical theatre and musical concert productions.

**Tropicana Supports the McMillan Woods 100,000 Steps Challenge**

9 November 2019

In support of the less fortunate, Tropicana Metropark hosted the McMillan Woods 100,000 Steps Challenge at the Tropicana Metropark Property Gallery to help raise RM100,000 for the National Council of the Blind Malaysia (NCBM) and various old folks homes. The participants achieved 100,000 steps, which is equivalent to traveling 75km, after enduring a total of 15 hours of walking in the name of charity through the beautiful urban greenery landscape of Tropicana Metropark.

**Fun Food Run 2019**

12 October 2019

The two Malaysian passions of food and running came together at the Tropicana Golf & Country Resort Fun Food Run. Close to 250 runners of all ages and both genders took part in the event. The run kicked off with a Zumba session as warm up in the evening and flagged off at 6.30pm. Following the run, runners enjoyed a buffet line with the evening concluding with a prize-giving and lucky draw. Participants went home with their spirits and belly full.

**TGCR Family Carnival**

9 September 2019

The TGCR Family Carnival saw around 500 members and their families enjoy an entire day of fun and activities. The colourful carnival featured 50 various vendors, numerous games and contests sessions, including crowd favourites like penalty shoot, coconut bowling, bull riding and dunk tank. Food stalls served up delights like popcorn, curly fries, satay, nasi lemak, kaya balls and pasta. Clowns and Cos-players dressed in popular Marvel characters livened up the atmosphere as well, providing epic photo opportunities.

“我们不可能在大江大河筑坝，同时啊，对土地进行保护。（这所）从数字上（这棵树）的
面积来看，对森林的破坏是微不足道的。”



Tropicana Heights Central Park, Kajang

A DISTINGUISHED STATEMENT

Tropicana Heights is a 199-acre township that fosters a balance of urban city convenience and communal warmth. Built on a former golf course, it consists of a 16-acre Central Park, a 750-metre linear lake, tree-lined pedestrian walkways, Market Square and residential precincts that promote a well-balanced living environment. Preserving the existing rich flora, native matured tree species were replanted into the Central Park to enhance the greenery in Tropicana Heights. Pocket parks have also been created to allow residents to discover the hidden delights of this tranquil environment that nurtures a strong community spirit.

*For more information, please visit
www.tropicanaheights.com.my*

2

OUR STRATEGIC PERFORMANCE

- 22 Management Discussion & Analysis
- 30 Performance at a Glance
- 32 Financial Highlights & Insights
- 34 Value Added Statement
- 35 Investor Relations
- 36 Quality Assurance

Management Discussion & Analysis



Tropicana Corporation Berhad (“**Tropicana**”, “**the Group**” or “**the Company**”) has carved its name as one of the leading developers in Malaysia that design quality integrated developments and communities. In the last 30 over years, we have expanded our footprint across Malaysia, namely in the Central, Southern and Northern regions of Malaysia.

Throughout 2019, Malaysia’s Gross Domestic Product (“**GDP**”) expanded 4.3% as compared to 4.7% registered in 2018, the slowest pace thus far in the last decade. Trade tensions, global geopolitical uncertainties and weak market sentiments lent towards softening global economic environment. The property market was also impacted, as it remained muted due to affordability issues, slow economic growth, high inventory levels and stringent home financing environment.

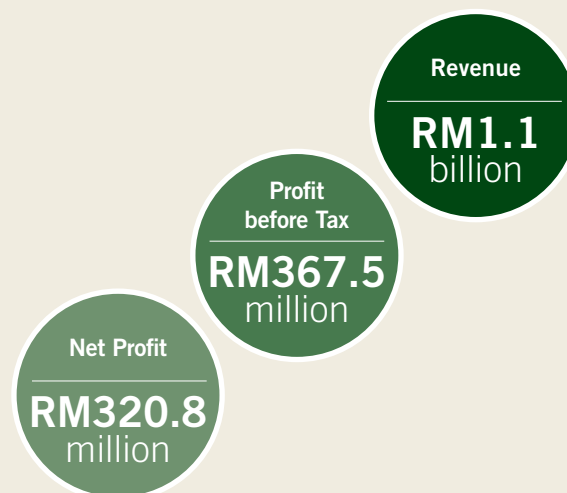
Against this backdrop, the Group focused on laying the groundwork for the future by strengthening its foundation. Tropicana continued to design homes and shape living spaces to improve the quality of life and well-being of our communities. We rolled out new developments and phases that were in tune with market and customer needs, guided by our unique DNA, namely accessibility, connectivity, amenities, facilities, innovative concepts and designs, generous open spaces, multi-tiered security systems and quality. Notwithstanding market sentiments, Tropicana’s unbilled sales stood at RM836.5 million as at 31 December 2019, anchored on ongoing townships, commercial and resort themed projects and an existing landbank of 2,167.5 acres with a total Gross Development Value (“**GDV**”) of RM61.3 billion.

Financial Performance

For the year under review, lower sales and progress billings across projects in the Klang Valley and the Southern region led to the decrease of 30.5% in Tropicana’s revenue, from RM1.1 billion compared to RM1.6 billion in the preceding year.

Nonetheless, the Group’s profit before tax increased by 14.8% from RM320.2 million in 2018 to RM367.5 million in 2019 due to the recognition of gain on bargain purchase which arose when the Company acquired development lands held by 12 acquiree companies from a related party at a favourable price of an average discount of 13.4% to the market value of these lands and the corporate exercise to acquire was completed in November 2019. Net profit jumped 88.6% to RM320.8 million in 2019 from RM170.0 million recorded in 2018.

Following the completion of this corporate exercise, Tropicana’s net gearing stood at 0.38 times as at 31 December 2019, as compared to 0.29 times in the previous year. This is expected to decrease over the next two years.



Unlocking Social and Economic Value

In the last 12 months, we were essentially in “re-set” mode for our business – we strengthened our competitive advantage as well as realigned our strategies to support future growth and deliver long-term shareholder value. To seize growth opportunities, we kept our ears on the ground, listening to customer and consumer feedback as well as monitored market trends. We were determined to explore all options to ensure our businesses had the ability to weather the cyclical nature of the property industry and be in a strong position to maximise returns.

Enhancing Quality of Life

At Tropicana, we conceptualise and shape living environments that add value to the lifestyles of our residents, even for those living in the surrounding communities. Along with this is the responsibility of not only keeping these spaces safe and vibrant, but also the need to create events and activities that give residents a sense of belonging as well as be able to meet and mingle with neighbours. We strive to give our residents unforgettable experiences.

Throughout 2019, the events and activities organised at our developments were centred on creating fun-filled moments for everyone – customers, visitors, family and friends – to bond closer over laughter, food and a string of interesting yet entertaining activities. These activities included the Foodgasm Fest 2019 at Tropicana Metropark; Easter Day celebrations at Tropicana Aman and Tropicana Gardens; McM Cares Charity Walk which is a 100,000 Steps Challenge at Tropicana Metropark; and Christmas Day celebrations at all four of our key signature developments, namely Tropicana Aman, Tropicana Metropark, Tropicana Heights and Tropicana Gardens.

As an experienced master-planner of integrated developments and townships, we always add a degree of flexibility into our designs as this allows us to adapt and respond to changing customer demands. During the year under review, SJK(C) Bukit Fraser was relocated to Tropicana Aman to cater for the growing communities around Tropicana Aman and the surrounding areas and to ensure students have access to the best possible learning facilities as the current population of 20,000 is expected to reach 50,000 within the next two years. The ground-breaking ceremony of the 81-year old SJK(C) Bukit Fraser was conducted in September 2019 and the school is expected to accept its first intake in 2021. The new school with a maximum capacity of 750 students will consist of 24 classrooms, a library, a science laboratory, computer rooms, art rooms and a canteen.

With more and more people becoming more aware of the need to recycle towards a greener future, Tropicana partnered iCycle Management to establish community-based recycling programmes at its developments, namely Tropicana Aman, Tropicana Gardens, Tropicana Avenue, Tropicana Heights and Tropicana Metropark. The items collected included fabric-based (clothes, shoes, bags and even soft toys) materials, paper, plastic, computer parts, metal as well as electrical and electronic products. Exciting giveaways such as iCycle Carbon Vouchers, AEON or TESCO vouchers and cash rewards were introduced to encourage residents to be part of this recycling programme. Since its launch in December 2019, more than 413kg of waste has been collected for recycling.

Cognisant of the challenging economic environment, Tropicana introduced the “HouzKEY” campaign, in partnership with Maybank Islamic. Through this campaign, consumers gained the opportunity to own a Tropicana property, namely Lakefield Residences at Tropicana Heights, Tropicana Urban Homes known as Aman 1 at Tropicana Aman and Paisley Serviced Residences at Tropicana Metropark, complete with 100% financing. Other benefits includes no payment during construction and easy entry with 1% move in cost.



*The Residences and W Kuala Lumpur,
Kuala Lumpur City Centre*

Management Discussion & Analysis

Reshaping Skylines

Throughout 2019, we continued to build homes for people from all walks of life – first time homebuyers, young professionals and even a growing number of multi-generational families. As a master-planner of communities, we designed spaces that attract customers, enhanced the landscape of the area and delivered added value to the communities with improved connectivity, quality infrastructure and amenities.

During the year under review, we launched the following developments and phases:

TROPICANA DANGA COVE – AYERA PHASE 2A AND 2B

Set across 227.0 acres of freehold land, Tropicana Danga Cove in Iskandar Malaysia, Johor consists of commercial and residential areas, sprawling parks and a retail mall. This exclusive urban enclave is just 10 minutes away from Johor Bahru city centre, accessible via the Eastern Dispersal Link, JB East Coast Highway and the Pasir Gudang Highway. The overall development is segmented into four signature zones – riverfront leisure zone, market square zone, community zone and cosmopolitan living zone.

Given the positive response received from its previous launches, Tropicana launched Ayera Phase 2A which is set across over 13.1 acres of land with a potential GDV of RM126.7 million. Ayera Phase 2A consists of 172 units of 2-storey terrace homes. Meanwhile, Ayera Phase 2B was launched in May 2019, consisting of 226 units of link houses with a GDV of RM160.8 million.



TROPICANA HEIGHTS – LAKEFIELD RESIDENCES

Tropicana Heights in Kajang offers residents a wholesome lifestyle, carefully balancing urban city convenience and communal warmth. This is a 199.0-acre freehold master plan development where residents will have access to a 16-acre Central Park, 750m linear lake and Recreational Club facilities such as swimming pool, gym, badminton court as well as food and beverage outlets. As this development sits on a former golf course, Tropicana transplanted the existing matured trees into the park to sustain its green features.

During the year under review, Tropicana launched Lakefield Residences which has a potential GDV of approximately RM86.1 million. Located within a low-density precinct with one of the most scenic views within this development, Lakefield Residences consists of 66 units of 2- and 3-Storey Link Villas on a 5.9-acre land.



TROPICANA AMAN - ELEMEN RESIDENCES AND TRIANA SHOP OFFICES

Known as a biking and walking community, Tropicana Aman has been designed to reconnect residents with nature. Situated on 863.0 acres of land, it is easily accessible via a network of roads and highways, namely Lebuhraya Shah Alam (KESAS), Lebuhraya Kemuning Shah Alam (LKSA), South Klang Valley Expressway (SKVE) and the Expressway Lingkaran Tengah (ELITE). It is also surrounded by a wide range of facilities including Tenby International School, the newly-relocated SJK(C) Bukit Fraser, neighbourhood malls and commercial centres.

In November 2019, we launched Elemen Residences, our first lakefront super-link homes, namely 86 units of 2-storey terrace dual frontage houses and 149 2-storey terrace conventional units. With a GDV of RM311.4 million, this phase is spread across 26.4 acres of land.

We also introduced the Triana Shop Offices at Tropicana Aman's commercial centre, which has a potential GDV of RM293.9 million. Consisting of 2-storey shop lots in 24 x 70, 32 x 70 and 35 x 70 built-ups, as well as 3-storey shop lots in 35 x 70 built-up.



TROPICANA GARDENS – EDELWEISS SOFO & SERVICED RESIDENCES

Launched in November 2019, Edelweiss SOFO & Serviced Residences at Tropicana Gardens is located on 2.3 acres of land, with a potential GDV of RM855.2 million. Edelweiss SOFO & Serviced Residences comes with different product offerings and price points to suit consumers' varying income levels. It is surrounded by a variety of amenities such as St. Joseph's Institution International School (Tropicana PJ Campus), SEGi University, Thomson Medical Centre, and a large array of shopping malls. Residents also gain access to a pedestrian bridge that will connect them directly to Tropicana Gardens Mall, the central hub as well as the Surian MRT station. Consisting of 1,027 units of serviced apartments and SOFO units, this development is expected to be ready in the second quarter of 2024.



The Group's ability to design and shape integrated living environments that meet the needs of consumer garnered us several notable industry awards such as becoming the Top-Ranked Developer of the Year under the All-Star Award and the Creative Touch City Hotel Award (Contemporary) for our W Kuala Lumpur hotel at The StarProperty.my Awards 2019. We also emerged as the winner for the Best Landed Development (Klang Valley) for Ridgefield Residences, Tropicana Heights; winner for Best Landed Development (Iskandar) for Ayera Residences, Tropicana Danga Cove; and Best Hotel Development (Highly Commended) for W Kuala Lumpur at the PropertyGuru Asia Property Awards 2019.

Notably, we walked away with the People's Choice – Bronze award in the property development category at the 10th Putra Brand Awards 2019. We also made our mark on the regional property development landscape as we won Best Residential Development for Tropicana Heights and New Hotel Construction & Design Malaysia category for W Kuala Lumpur at the Asia Pacific Property Awards 2019.

Management Discussion & Analysis

Investment Properties

Tropicana's investment properties that provide the Group with recurring income consist of St. Joseph's Institution International School Malaysia (Tropicana PJ Campus) ("St. Joseph" or "SJIIIM"), GEMS International School, Tenby International and Tropicana Gardens Mall.



Opening Ceremony of St. Joseph's Institution International School Malaysia (Tropicana PJ Campus)

Education Institutions

Launched in August 2016, St. Joseph currently has over 800 students, with a maximum capacity of 1,770 students. With a Gross Floor Area ("GFA") of 423,000 square feet, it is one of the top international schools in Malaysia, catering to the communities of Tropicana Indah and the surrounding areas.

Meanwhile, located on a 5-acre land is GEMS International School which is located in Tropicana Metropark. GEMS International School is fully equipped with a full-size elevated, artificial turf football field, a sports hall, a swimming pool, numerous specialist classrooms and labs, a dance studio, a black box theatre and various shared learning spaces to stimulate students.

Tenby International School, which is built on 10.4 acres of land within Tropicana Aman provides quality international education to the residents at the development and the surrounding communities. Tenby offers international student-oriented programmes for students aged from 3 to 18, including International Primary Curriculum, National Curriculum for England, IGCSEs and A-Level programmes. Currently both GEMS International School and Tenby International School continue to perform well, providing well-rounded, balanced international education for students.

Realising the 2020 Roadmap

Reflecting on the market environment in the last 12 months, consumer confidence has been impacted by global sentiments, further compounded by the spread of the Novel Coronavirus ("COVID-19") worldwide and political tensions. To this effect, Malaysia's GDP growth is expected to decelerate to 4.2% in 2020 compared to 4.3% in 2019. The property market will remain challenging in 2020, despite Bank Negara Malaysia ("BNM") lowering the Overnight Policy Rate ("OPR") and decreasing the Employees Provident Fund's minimum contribution rate from 11.0% to 7.0% until December 2020 which is expected to give consumers higher spending allocation.

Our priorities moving forward are clear. Amidst the restrained economic environment, we will continue to keep our pulse on the market, taking a flexible outlook in order to be able to capitalise on opportunities once the market environment moves upwards. We are now moving forward from a position of strength, with a clean balance sheet and healthy debt levels. We have added flexibility to adapt to market changes. Our primary focus remains the same – to enhance the value proposition we bring to our customers by introducing homes within integrated developments and townships that not only correspond to their requirements, but also of their families.



Shoppes and Residences (South), Tropicana Metropark, Subang Jaya

Unlocking the Value of our Landbank

Following the success of the corporate exercise carried out in 2019, Tropicana increased its landbank to another 734.0 acres of land in the Klang Valley and Johor with a potential GDV of RM12.9 billion. We also expanded our development footprint to Langkawi following a Memorandum of Understanding to jointly develop land at Pantai Cenang, Pulau Rebak Kechik, Pantai Kok and Pekan Nenas.

The Group's total landbank has increased to 2,167.5 acres, with a combined total potential GDV of RM61.3 billion, from the previous 1,088.0 acres and GDV of RM46.1 billion as at 31 December 2018. In addition to this, the joint development agreement saw another 1,235.9 acres of land with a GDV of RM4.7 billion made available for the Group's future development offerings. This in turn will allow the Group to unlock the value of its landbank, as it continues to introduce innovative developments that will contribute positively to the Group's earnings in 2020 and beyond.

Going Digital

We value our customers and work to realise our commitments made to them. We also recognise the growing role of digital technology in the industry and more so among consumers. In order to keep customers updated with our product offerings, we will be taking a multi-channel, more personalised approach to connect and bring us closer to residents more effectively.

Going digital is critical to our future. This is why we will be leveraging on the digital platform and introduce the first-of-its-kind app known as the Tropicana 360 app that will provide a plethora of information and property services to all our homeowners to enhance their quality of life within the Tropicana ecosystem. A key feature of this mobile app is its integrated platform that allows homeowners to purchase new home essentials and customise home renovation packages. The app will also allow potential purchasers and even residents to stay updated on our various developments, new launches, property purchases, and also gain the best furnishing deals online. For residents, they will have access to the latest information pertaining to their overall development.

Plans are also underway to upgrade the current Tropicana website. The refreshed website will feature new services and user interfaces for the benefit of our customers, current and future. One of the key highlights of the newly-revamped website is it will help potential homeowners verify their home loan eligibility across 18 financial institutions via a loan eligibility calculator, thus giving potential homeowners the opportunity to realise their dream of buying a Tropicana home. Apart from this, the revamped Tropicana website will also feature a more integrated search function that allows potential Tropicana homeowners to search for properties and projects that are customised to their needs using an enhanced filter function. The new app and website are expected to be launched in the second half of 2020.



Widening Customer-base

At Tropicana, we are always ready to capitalise on opportunities. Despite the economic and political uncertainties, the Malaysia property sector has been receiving rising interest from foreigners, especially from China, Hong Kong and Taiwan who either wish to live or invest as industry prices are affordable with reasonable returns. In fact, the latest OPR rate cuts by BNM has lowered interest rates for loans, thus positioning Malaysia as an attractive market to purchase property. Leveraging on this, we foresee the potential to boost our customer base and extend our market share.

We have also a number of young people, especially young professionals and double-income couples with no kids (DINKS), who prefer to live within mid-sized spaces at strategic locations, complete with good accessibility, facilities and well-connected to commercial amenities. As some of our developments are strategically located next to highways and transportation hubs, this particular segment will also be able to decrease their travel time. In this regard, our apartments in Tropicana Metropark, Subang Jaya and Tropicana Gardens, Tropicana Indah are among the few that have been well-received by this segment of the population. Moving forward, we will continue to introduce new developments that cater to the growing needs of consumers.



Management Discussion & Analysis

New Developments

Moving into 2020, we will continue to bring to life vibrant living spaces that people aspire to live in. In the next 12 months, we aim to introduce new developments and phases amounting to a GDV of RM1.6 billion at strategic locations as this will sustain our growth performance in 2020 and beyond.

Among the key developments to be launched in 2020 is Tropicana Grandhill at Genting Highlands. Located 3,000 feet above sea level, Tropicana Grandhill is a 112.0-acre township with an overall potential GDV ranging between RM12.0 billion to RM15.0 billion. It will be the first township of its kind that promotes holistic and health-centric resort living lifestyle concept, tapping into the tourism sector. A modern tropical retreat, it will combine the best of architecture, using the natural elements that surrounds this hilly landscape.

Over the years, we have seen increased interest from tourists and foreigners from Japan, China, South Korea, Southeast Asia, India and the Middle East who prefer fully-furnished units. As such, the first phase of Tropicana Grandhill that is expected to be launched in 2020 will be the TwinPines Serviced Suites with 1,443 units of fully-furnished serviced apartments. Built on 3.6 acres of natural high ground with a GDV of RM930.0 million, it is expected to be ready in 2025.

Other new upcoming launches include Shoppes & Residences (South), a mixed development comprising retail lots and serviced apartments at Tropicana Metropark, Subang Jaya; a landed residential phase at Tropicana Aman, Kota Kemuning; Tropicana Miyu condominiums at Jalan Harapan, Petaling Jaya; as well as shop offices at Gelang Patah, Johor.

Following the success of our first hotel, W Kuala Lumpur, Tropicana will be opening our second hotel and the first 199-room Courtyard by Marriott in Penang in 2020. This is part of our strategy to beef up the investment property portfolio and boost our recurring income stream.



TwinPines Serviced Suites, Tropicana Grandhill, Genting Highlands

On the retail segment, Tropicana has launched Tropicana Gardens Mall which has a nett lettable area of about one million square feet. Strategically located in the mature area of Tropicana Indah at Kota Damansara, Tropicana Gardens Mall is easily accessible via four major highways, offering good connectivity as it is just 50m from the Surian MRT with a variety of amenities all just within reach. Catering to the community at Tropicana Gardens as well as those in the vicinity, Tropicana Gardens Mall has established a good tenant mix, with its retail space take-up reaching 58% as at 31 December 2019, to be anchored by Village Grocer and MBO Cinemas.

Despite market uncertainties over the short-term, we believe that pockets of opportunities and value creation remain boundless. We will continue to stay focused on being market driven in our product offerings while unlocking value of our landbank in strategic locations in the Klang Valley, Genting Highlands and the Southern region of Peninsular Malaysia.

Cognisant of this, Tropicana will continue to design sustainable integrated developments that balances people, places and the environment. With our strong foundations in place, we believe we will be able to shape industry trends. We remain focused on driving strong performance and delivering shareholder value.



Tropicana Gardens, Tropicana Indah

Appreciation

On behalf of the Board of Directors and the management team of Tropicana, we would like to extend our deepest appreciation to our shareholders and stakeholders for their continued support and loyalty. We would also like to extend our appreciation and gratitude to our team of dedicated employees at Tropicana and our customers for their unwavering dedication and commitment throughout this challenging environment.

We spent the last 12 months bolstering our foundations and realigning our future growth. We look towards the future from a position of strength as the next 12 months will be focused on driving competitive advantage, execute on our commitment and continue to redefine the art of living for people, locally and abroad.



*Retail Opportunities at Shoppes (South),
Tropicana Metropark, Subang Jaya*

Performance at a Glance

	Segmental Revenue		Segmental Operating Profits	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Property Development and Property Management	900,489	1,443,242	188,432	284,089
Property Investment, Recreation and Resort	146,210	98,317	(64,039)	43,936
Investment Holding and Others	89,144	93,912	243,081	(7,794)
	1,135,843	1,635,471	367,474	320,231

SEGMENTAL REVENUE

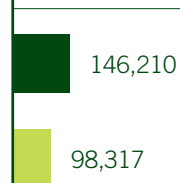
(RM'000)



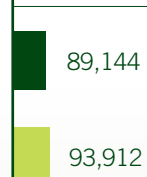
Property Development and Property Management (RM'000)



Property Investment, Recreation and Resort (RM'000)



Investment Holding and Others (RM'000)



SEGMENTAL OPERATING PROFITS

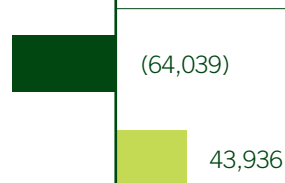
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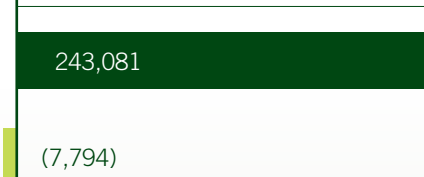
Property Development and Property Management (RM'000)



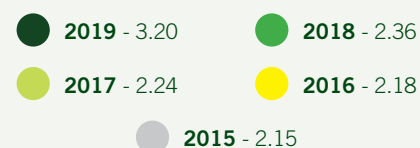
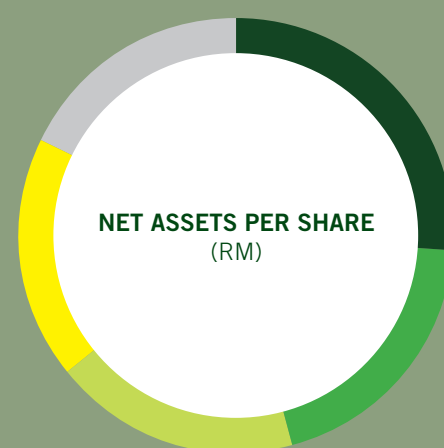
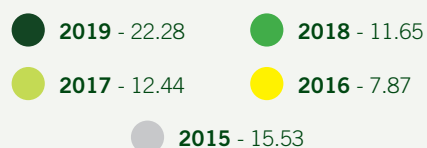
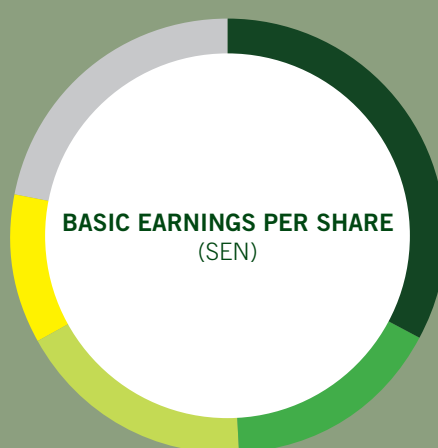
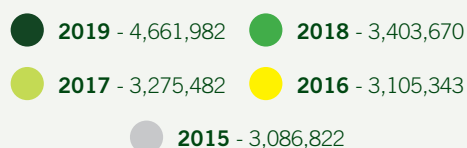
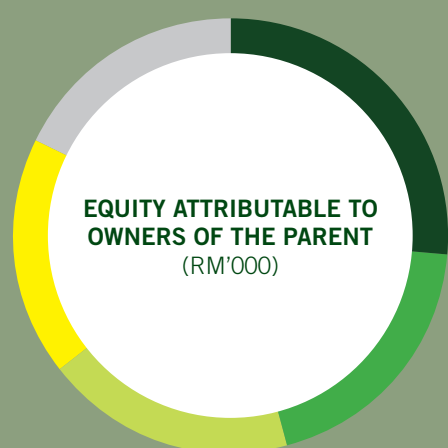
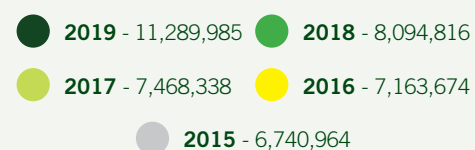
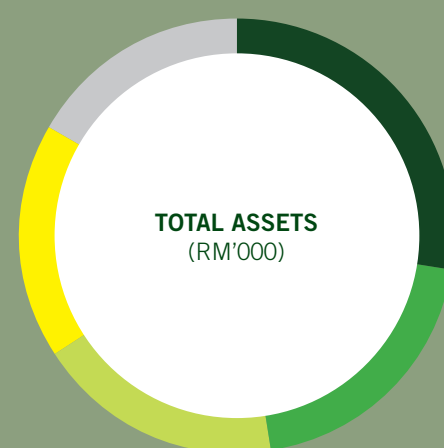
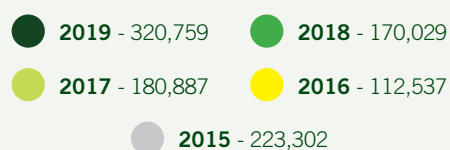
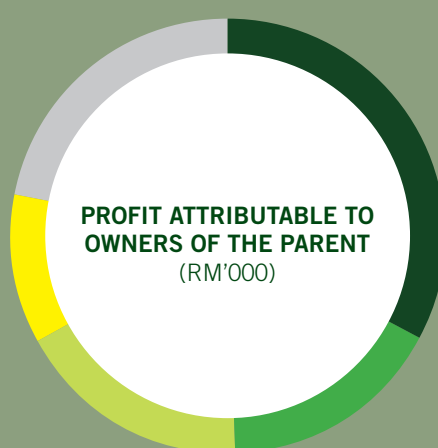
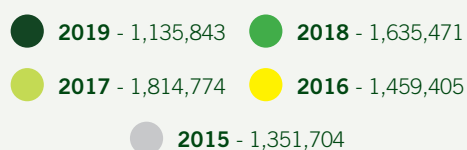
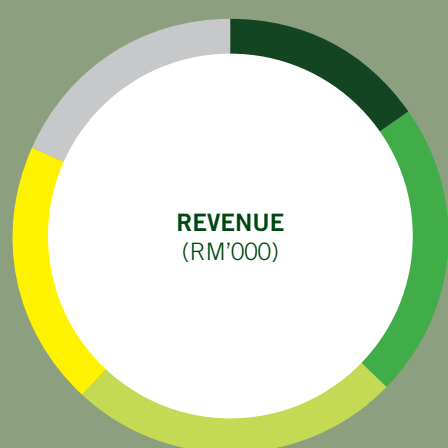
Property Investment, Recreation and Resort (RM'000)



Investment Holding and Others (RM'000)



	2019	2018	2017	2016	2015
Revenue (RM'000)	1,135,843	1,635,471	1,814,774	1,459,405	1,351,704
Profit attributable to owners of the parent (RM'000)	320,759	170,029	180,887	112,537	223,302
Total assets (RM'000)	11,289,985	8,094,816	7,468,338	7,163,674	6,740,964
Equity attributable to owners of the parent (RM'000)	4,661,982	3,403,670	3,275,482	3,105,343	3,086,822
Basic earnings per share (sen)	22.28	11.65	12.44	7.87	15.53
Net assets per share (RM)	3.20	2.36	2.24	2.18	2.15



Financial Highlights & Insights

Key Financial Highlights for Financial Year Ended 31 December 2019

- Total sales RM718.3 million and high unbilled sales of RM836.5 million
- Net gearing increased from 0.29x (2018) to 0.38x (2019)

Group Financial Review

RM'000	FY2019	FY2018
Revenue	1,135,843	1,635,471
Profit before tax ("PBT")	367,474	320,231
Profit attributable to owners of the parent ("PATMI")	320,759	170,029

The financial year ended ("FY") 31 December 2019 was in fact a challenging year in the property market. However, the Group achieved total sales of development properties of RM718.3 million for the fiscal year 2019 with our effective marketing and sales strategies. The strong sales performance has sustained the Group's unbilled sales at RM836.5 million, where the level of such unbilled sales places the Group in a comfortable position to deliver sustainable earnings performance in the coming year.

The Group's revenue in FY2019 stood at RM1.14 billion compared to RM1.64 billion in FY2018. The performance was in line with expectations following the weak market and consumer sentiments in Malaysia's housing market. However, the Group's steady construction progress as well as the Malaysian Government initiatives such as the Home Ownership Campaign ("HOC") partially mitigated these weak sentiments.

The Group's PBT increased to RM367.5 million from RM320.2 million in FY2018 and profit attributable to owners of the parent in FY2019 was RM320.8 million compared to RM170.0 million in FY2018. The higher PBT and PATMI were mainly attributable to the recognition of a one-off gain on bargain purchase which arose when the Group acquired development lands held by 12 acquiree companies from a related party at a favourable price of an average discount of 13.4% to the market value of these lands and where the corporate exercise to acquire was completed in November 2019.

With unbilled sales of RM836.5 million and strategic approaches to unlock the value of 2,167.5 acres of prime land with potential gross development value in excess of RM61.3 billion, the Group is expected to be on track to register positive earnings in FY2020.

Whilst the overall prospects for the industry remain challenging in the short term, the Group believes that there will still be demand for properties in prime locations with attractive pricing, particularly in Tropicana's established developed townships. Although the Malaysian property market is currently very challenging, we believed the Government will provide continued support towards home ownership, especially for the first time house buyers. The pace of growth is expected to be modest but will stay resilient going into FY2020. Therefore, the Group will continue to focus on being market-driven in its product offerings whilst continuing to unlock the value of its landbank, at strategic locations across the Klang Valley, Genting and Southern Regions.

In FY2020, the Group plans to introduce new developments and phases across its signature Tropicana townships amounting to a GDV surpassing RM1.6 billion. The upcoming launches include the first phase of Tropicana Grandhill, the TwinPines Serviced Suites with fully furnished serviced apartments in Genting Highlands; Shoppes & Residences (South), a mixed development comprising retail lots and serviced apartments at Tropicana Metropark, Subang Jaya; a new landed residential phase at Tropicana Aman, Kota Kemuning; Tropicana Miyu condominiums at Jalan Harapan, Petaling Jaya; and shop offices at Gelang Patah, Johor.

Detailed analysis of the various business segments are as follows:

Property Development & Property Management

The Group revenue from the property development and property management segments decreased by 37.6% or RM542.8 million to RM900.5 million from RM1,443.2 million in FY2018. The segmental operating profit was lower by 33.7% or RM95.7 million to RM188.4 million from RM284.1 million in FY2018. The lower segmental profit was contributed by lower sales resulting from weak real estate conditions and lower progress billings across projects in the Klang Valley as well as the Southern Regions.

Overall, this segment continued to be the main contributor to total Group revenue at 79.3%.

Property Investment, Recreation & Resort

The Group revenue from the property investment, recreation & resort segment recorded at RM146.2 million as compared to RM98.3 million in FY2018, which increased by RM47.9 million or 48.7%. Notwithstanding the increase in the revenue, the segment reported a loss at RM64.0 million as compared to profit of RM43.9 million in FY2018 which was attributed to the one-off impairment loss of W KL amounting to RM50.5 million. Besides that, there was a one-off fair value gain on one of the Group's investment properties amounting to RM31.4 million being recognised in FY2018 where there was no such gain in FY2019.

Overall, the base earnings from this segment continue to remain at sustainable levels through recurring incomes of its investment properties.

Investment Holdings & Others

The Group revenue from this segment stood at RM89.1 million in FY2019 as compared to RM93.9 million in FY2018, a slight decrease of RM4.8 million or 5.1%. The revenue from this segment continues to remain at sustainable levels which are contributed from a few subsidiaries namely Tropicana Building Materials Sdn Bhd, Tropicana Innovative Landscape Sdn Bhd and Tropicana SJII Education Management Sdn Bhd. The segmental profit has increased significantly by RM250.9 million mainly contributed by the recognition of a one-off gain on bargain purchase subsequent to the completion of the corporate exercise in November 2019.

Group Capital Structure

RM'000	FY2019	FY2018
Shareholders' Equity	4,661,982	3,403,670
Gross Borrowings	2,519,115	1,956,185
Cash and Bank Balances	754,949	975,774
Net Borrowing	1,764,166	980,411
Gross Gearing Ratio (times)	0.54	0.57
Net Gearing Ratio (times)	0.38	0.29
Net Assets per Share (RM)	3.20	2.36

Overall, our balance sheet as at 31 December 2019 remained strong with total cash and bank balances and total equity of RM754.9 million and RM4,662.0 million respectively. The Group is well positioned to continue implementing its planned growth strategies. The shareholders' equity of the Group improved by 37.0% or RM1,258.3 million to RM4,662.0 million as at 31 December 2019. The improvement was mainly due to the completion of the corporate exercise in November 2019 coupled with a better performance and higher retention of the current profit.

The Group's financial position has strengthened, with healthy gross gearing at approximately similar levels to 31 December 2018 being 0.54x (2018: 0.57x) on the back of a larger total shareholders' equity whilst the net gearing of the Group at the end of December 2019 was at 0.38x (2018: 0.29x).

The net assets per share will be diluted from RM3.20 as at 31 December 2019 to RM1.91 or RM1.77 per share if the Irredeemable Convertible Preference Shares of RM1,178.9 million is fully converted at RM1.20 or RM1.00 per share respectively.

The Group is expected to continue its satisfactory performance in FY2020 amid a more challenging business environment driven by the momentum created from the Group's stellar performance in FY2019 and the various pipelines of on-going projects. While prospects for the property sector remains challenging in the short-term, the Group believes that there will still be demand for properties in prime locations that have accessibility to superb amenities and competitive pricing.

Value Added Statement

	2019 RM'000	2018 RM'000
Value Added		
Total turnover	1,135,843	1,635,471
Purchases of goods and services	(499,654)	(1,094,366)
Value Added by the Group	636,189	541,105
Share of results of an associate	819	546
Share of results of joint ventures	11,258	419
Total Value Added	648,266	542,070
Reconciliation :		
Profit attributable to owners of the parent	320,759	170,029
Add : Depreciation and amortisation	37,045	24,364
Finance costs	75,850	66,855
Salaries and other staff costs	167,897	130,620
Taxation	28,139	140,400
Holders of perpetual bond	4,661	–
Non-controlling interests	13,915	9,802
Total Value Added	648,266	542,070
VALUE DISTRIBUTED		
Employees		
Salaries and other staff costs	167,897	130,620
Government		
Corporate taxation	28,139	140,400
Providers of capital		
Dividends	78,134	23,420
Finance costs	75,850	66,855
Holders of perpetual bond	4,661	–
Non-controlling interests	13,915	9,802
Reinvestment and growth		
Depreciation and amortisation	37,045	24,364
Income retained by the Group	242,625	146,609
Total Value Distributed	648,266	542,070

Investor Relations

Malaysia's domestic economy is facing greater-than-expected uncertainties due to the Coronavirus ("COVID-19") pandemic and implementation of the unprecedented Movement Control Order in Malaysia since mid-March 2020. Against this backdrop, the Group has experienced slower-than-expected take-up rates from property buyers and investors during the first quarter of 2020. However, we believe house buyers' sentiments and investors' buying appetites would recover once COVID-19 subsides and the domestic economy gradually recovers towards the second half of 2020.

From the Group's perspective, we are cautiously optimistic in ensuring a robust financial year performance as there are conducive factors sustaining the business performance in the ensuing financial year. Some of these factors include the Group's outstanding unbilled sales value of RM836.5 million as at 31 December 2019, which will be progressively recognised as revenue for the Group.

For 2020, the Group plans to introduce new developments and phases across its signature Tropicana townships amounting to a GDV surpassing RM1.6 billion, leading to additional revenue recognisable, should take-up rates and construction progress targets be achieved in 2020. Among the new property projects to be launched in 2020 are landed residential properties in Tropicana Aman; serviced apartments and commercial properties in Tropicana Metropark; affordable homes, serviced apartments and retail shops in Tropicana Heights; retail shop offices in Gelang Patah, Johor; as well as niche market products such as serviced apartments in Genting.

Guided by our unique strategy, we are covering several property sub-segments by launching a variety of products to cater to the different needs of house buyers and property investors at strategic locations, instead of focusing on a single market segment or a single category of customers.

During the year under review, Tropicana held two face-to-face 2019 Analyst Group Meetings for the second quarter and fourth quarter results performance on 29 August 2019 and 16 March 2020, respectively. The Group's 40th Annual General Meeting was held on 25 June 2019 where it served as a platform to share updates as well as to address any concerns from our shareholders.

The implementation of the new policies in Budget 2020 such as lowering the property purchase limit imposed on foreigners from RM1 million to RM600,000, rebasing the calculation of Real Property Gains Tax ("RPGT") from 1 January 2000 to 1 January 2013, raising the ceiling price for rent-to-own schemes from RM300,000 to RM500,000 and more, are essential components in injecting dynamism into the Malaysian property market in the mid to long-term.



The relatively low gearing position of the Group does not only enable the Group to preserve additional borrowing capacity in the future, but to weather through an even more challenging economic environment which may take place in the ensuing financial year.

Coupled with the net proceeds received from issuance of RM248 million perpetual bonds, all these initiatives are essential in helping the Group maintain a healthy liquidity position in the coming financial year.

In short, the Group is well-prepared to face any unexpected eventualities in the coming financial year by cautiously managing its financial position and liquidity, aligned with the Group's ongoing commitment to generate long-term shareholder value.

Contact Our IR Team

Analysts, current and potential investors who have any questions or would like to provide feedback on the Company are encouraged to contact our IR Team:

✉ Email : ir@tropicana.com.my
 ☎ Tel : +603 7663 6888
 📠 Fax : +603 7663 6999

Quality Assurance

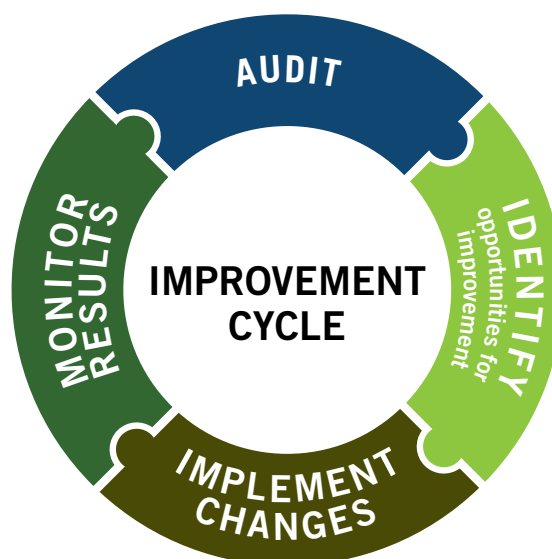
At Tropicana, our uncompromising adherence to quality standards and pursuit for continuous improvement, have helped in building our reputation as a premier quality developer in this country. In this regard, quality excellence has always remained as the core focus of our business operations and the tool to achieve customer satisfaction. It is a key component in achieving customer satisfaction as this will ensure we remain competitive in today's market place.

We relate quality with customer satisfaction and continuous improvements. We believe that focusing on customer satisfaction and adherence to continuous improvements and quality standards are important aspects in order to remain competitive in today's market place. One of the key elements of Tropicana's internal control system is that all departments and / or operating units must have clearly documented standard policies and procedures which are subject to regular reviews and improvements.

Quality is a continuous process of building and sustaining relationships by assessing, anticipating and fulfilling stated and implied needs. It forms the platform for efficient management and operation across different departments, units, as well as divisions. Adhering to quality standards also ensures continuous improvements are conducted, needed in parallel to advancements made in technology and processes.

In line with our quality philosophy, Tropicana will continue to:

- Review the effectiveness of the Quality Management System and strive to meet customers' expectations;
- Comply with statutory, regulatory and MS ISO 9001 requirements and seek continuous improvements in Tropicana's Quality Management System;
- Enhance the skill and knowledge levels of Tropicana staff through continuous coaching and training; and
- Ensure a safe, healthy and conducive work environment at all times.



Continual Improvement Process

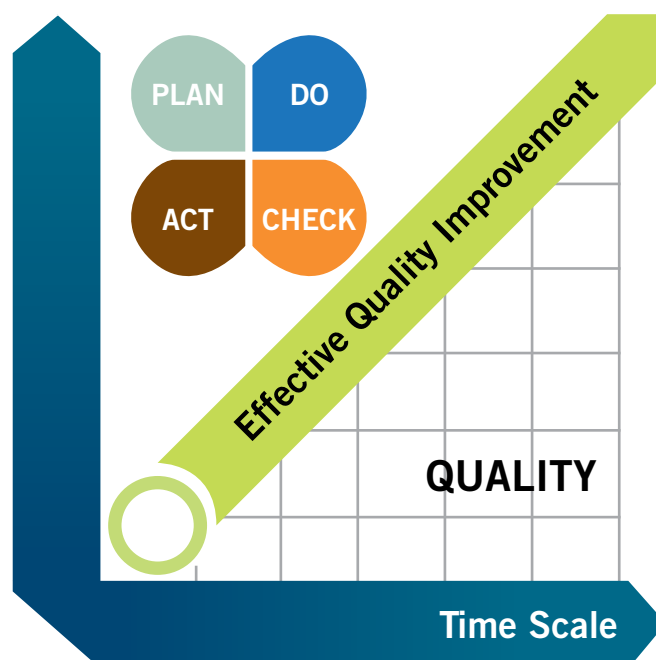
Quality is a never-ending quest. In this regard, we work hard in our efforts to continuously improve our processes. Our continual improvement process remains a never-ending effort towards discovering and eliminating the root causes of not only current but also potential problems.

Quality Management System ("QMS")

Tropicana has developed a strong foundation of Quality Management Systems that helped established an appropriate control of processes and interactions, both internally and externally.

The quality management principles as stated in MS ISO 9001 and recognised best practices have been taken into consideration during the development of Tropicana's processes. These processes have been through continuous reviews to enhance internal and external customer expectations and requirements.

Staff across all levels have been subjected to continuous training and awareness sessions to ensure better understanding of Tropicana's quality management systems and knowledge on specific matters.



Internal Quality Audit

As part of our staff training and development, we have trained our Quality Assurance ("QA") teams to conduct Internal Quality Audits.

Internal Quality Audits are fundamental to quality management systems as it verifies the suitability and effectiveness of the Company's systems. Through the assessment of inputs, outputs and control within a process, as well as its interactions with other processes, internal quality auditing helps identify the weak links between processes and opportunities for continual improvement.

Customer Satisfaction Survey ("CSS")

Understanding customer perceptions is important in developing and improving Tropicana's processes, products and services. We value the constructive feedback from customers. To do this, we conduct CSS which are based on the five (5) key areas, as shown below:



At every successful vacant possession, the valuable feedback obtained from customers are systematically collected and assessed for review and improvement. In 2019, we achieved high customer satisfaction levels, namely Ridgfield Residences at Tropicana Heights, Kajang which achieved a 91% positive feedback.

Control of Outsourced Services

Control of outsourced services was established to ensure the services provided by third-parties were monitored and reviewed.

Regular discussions and periodic performance evaluations were conducted to ensure services and products met both internal and external customer needs and expectations.

The outsourced services controlled within the quality scope included:

- Consultancy Services;
- Construction Works; and
- Materials Procurement / Supply Services

Recognising the importance of quality workmanship as foundation of our end-product quality, Tropicana has put greater emphasis on advancing the capabilities and skills of our contractors, thus a series of Quality Benchmark Training ("QBT") sessions were conducted regularly.

Product Quality

At Tropicana, our product quality monitoring and reviews are conducted based on CIDB Qlassic quality standard methodology.

During the year-end review, an analysis was done to identify the following areas:

- Quality levels that did not meet market expectations and user benchmarks; and
- Upgraded capacity and utilities that could enhance the grading and performance of the building.

To this affect, quality assessments were conducted at defined stages, comprising structural works as well as architectural and M&E works. For check and balance purposes, Progressive Quality Assessment ("PQA") were conducted jointly with the respective project teams to ensure projects were completed within the specified quality levels. Pre-Delivery Inspection ("PDI") were also conducted as a final gate of independent evaluation to assure Tropicana's product quality.

A series of training programmes to enhance knowledge and skills of staff, contractors, consultants and other service providers were conducted. This was done to promote self-assessment practices throughout Tropicana's developments to ensure continuous monitoring of product quality.

Independent Quality Assessment

Projects in Tropicana are subjected to Independent quality assessment by QCLASSIC quality standards.

Latest assessed projects by CIDB (QCLASSIC):

	Score (%)
Cyperus Serviced Residences, Tropicana Gardens	76.00
Cheria Residences, Tropicana Aman	65.00
Sinaria Shop Offices, Tropicana Aman	75.00
Dianthus Serviced Residences, Tropicana Gardens	66.00



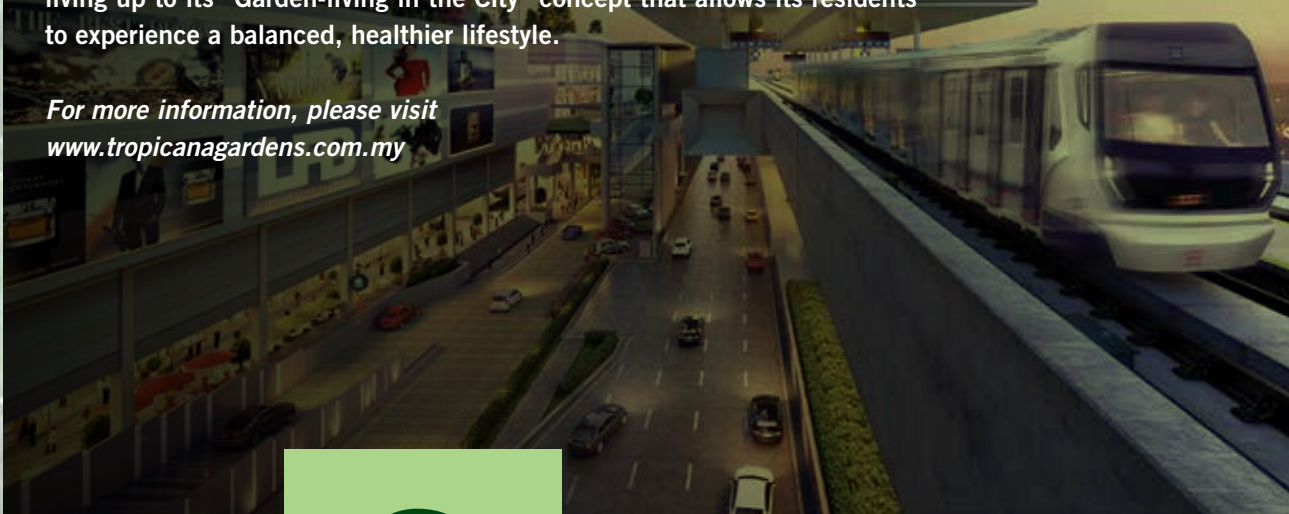


Edelweiss SOFO & Serviced Residences, Tropicana Gardens, Tropicana Indah

INTEGRATED CONNECTIVITY

Tropicana Gardens epitomises the true meaning of an integrated development, comprising of serviced residences, a shopping mall, offices and direct MRT access all within the pulsating vicinity of Tropicana Indah and Kota Damansara. The GBI-certified development is nestled within terraced gardens, beautiful green landscapes and sparkling water features, living up to its “Garden-living in the City” concept that allows its residents to experience a balanced, healthier lifestyle.

For more information, please visit
www.tropicanaganagardens.com.my



3

OUR LEADERSHIP

- 40 Directors' Profile
- 47 Senior Management Profiles

Directors' Profile

TAN SRI DR LIM WEE CHAI

Chairman, Non-Independent Non-Executive Director

Age:
62

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended:

7/7

On 24 October 2017, Tan Sri Dr Lim Wee Chai was appointed as the Deputy Chairman, Non-Independent Non-Executive Director of Tropicana. On 24 January 2019, he was re-designated as the Chairman of Tropicana. He is a member of the Investment Committee of Tropicana.

Tan Sri Dr Lim graduated with a Bachelor of Science Degree with Honours in Physics from University of Malaya in 1982, Malaysia, Master of Business Administration from Sul Ross State University in 1985, Texas, United States of America, and PhD in Management from University of Selangor in 2015, Malaysia. He was conferred an Honorary Doctorate in Business Administration by Oklahoma City University, United States of America in 2016 and Honorary Doctorate in Entrepreneurship by Management and Science University, Malaysia in 2018.

Tan Sri Dr Lim is presently the Executive Chairman and Founder of Top Glove Corporation Bhd, the world's largest manufacturer of gloves, a public company listed on the Main Market of Bursa Malaysia in 2001 and the Main Board of Singapore Exchange in 2016. He is also the Chairman and Founder of Top Glove Foundation, the company's philanthropic arm.

Tan Sri Dr Lim is a Council Member and immediate Past President of the Federation of Malaysian Manufacturers ("FMM") since 2018. He is an Honorary Fellow of the Malaysian Institute of Physics ("IFM"), Director and Board Member of Employees Provident Fund, Honorary President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCIM"), Honorary President of the



Malaysia-China Chamber of Commerce ("MCCC"), Honorary President of the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry ("KLSCCCI"), Life Honorary Advisor of the Federation of Chinese Associations Malaysia, Life Honorary President of the Federation of Hokkien Associations of Malaysia, Honorary Advisor of the Klang Chinese Chamber of Commerce, Honorary Advisor of the Lim Association of Malaysia and Director of Kuen Cheng High School.

Tan Sri Dr Lim has been actively involved in many associations and organisations in Malaysia. He was a Director of the University of Malaya from 2015 to 2018. In addition, he served as the President of the Malaysian Rubber Glove Manufacturers' Association ("MARGMA") from 1997 to 1999, Director of the Association of Malaysia Medical Industries ("AMMI"), Board Member of the Malaysia Rubber Board from 1998 to 1999 and Council Member of the East Asia Business Council ("EABC") from 2011 to 2015.

Tan Sri Dr Lim does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

TAN SRI DATO' TAN CHEE SING

Group Executive Vice Chairman

Age:
65

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended:

7/7

On 24 January 2019, Tan Sri Dato' Tan Chee Sing was appointed as the Group Executive Vice Chairman of Tropicana.

Tan Sri Dato' Tan Chee Sing was the founder of Tropicana. He was previously appointed as Chairman and the Group Chief Executive Officer of Tropicana on 5 July 1995. On 7 January 2013, he relinquished his position as the Group Chief Executive Officer and was re-designated as the Group Executive Vice Chairman of Tropicana. He resigned as the Group Executive Vice Chairman and Director of Tropicana on 18 June 2015 and served as the advisor of Tropicana until he assumed his current position on 24 January 2019.

Tan Sri Dato' Tan is a businessman and entrepreneur having a wide spectrum of businesses with extensive experience in property development, resort management, restaurants and leisure through his investments in public and private limited corporations.



He is currently the Group Executive Vice Chairman of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and the Deputy Chairman of the Tropicana Foundation.

Tan Sri Dato' Tan Chee Sing's sons, Dato' Dickson Tan Yong Loong and Mr Dion Tan Yong Chien, are the Deputy Group Chief Executive Officer and Group Managing Director of Tropicana respectively. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profile



YEOW WAI SIAW
Group Chief Executive Officer

Age:
55

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 7/7

On 28 May 2018, Mr Yeow Wai Siaw was appointed as the Group Chief Executive Officer of Tropicana. Subsequently, he was appointed to the Board of Tropicana on 1 August 2018. He is a member of the Investment Committee and Pricing Committee of Tropicana.

He holds an MBA in Finance with distinction from the University of Hull, United Kingdom in 1997, a Mini-MBA from INSEAD in 1999 and a Bachelor of Industrial and Mechanical Engineering with First Class Honours from the University Technology of Malaysia in 1989.

Mr Yeow has more than 20 years of working experience and has held various key positions mainly in manufacturing and real estate industry companies in Malaysia (listed/non-listed). Mr Yeow has also served as a consultant in McKinsey & Company. Mr Yeow was formerly a Non-Independent Non-Executive Director of Hafary Holdings Limited from 2015 to 2017, and the Managing Director and Executive Director of GuocoLand (Malaysia) Bhd from 2010 to 2012.

Mr Yeow does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



DATO' DICKSON TAN YONG LOONG
Deputy Group Chief Executive Officer

Age:
39

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 5/7

On 20 May 2009, Dato' Dickson Tan Yong Loong was appointed to the Board of Tropicana. He is currently the Deputy Group Chief Executive Officer of Tropicana.

Dato' Dickson Tan graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He joined Tropicana as Business Development Manager in 2005 and has been promoted to several senior management positions prior to his current position. He presently oversees the group corporate strategy, marketing, planning and risk management of Tropicana.

He serves on the board of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and several other local and international private limited companies involved in investment holding, services, media, leisure and retail. Dato' Dickson Tan was a Non-Independent Non-Executive Director of Berjaya Corporation Berhad and Berjaya Land Berhad from 2011 to 2016, Berjaya Assets Berhad from 2012 to 2016 and Berjaya Sports Toto Berhad from 2011 to 2017.

Dato' Dickson Tan is affiliated with certain non-profit organisations, including as trustee of the Tropicana Foundation, a member of the Kuala Lumpur Business Club and the Malaysian Institute of Management. Dato' Dickson Tan has no directorship in other public companies in Malaysia.

His father, Tan Sri Dato' Tan Chee Sing, is the Group Executive Vice Chairman and a major shareholder of Tropicana. His brother, Mr Dion Tan Yong Chien, is the Group Managing Director of Tropicana. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



DION TAN YONG CHIEN
Group Managing Director

Age:
30

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 7/7

On 18 June 2015, Mr Dion Tan Yong Chien was appointed to the Board of Tropicana as an Executive Director. On 2 October 2017, he was re-designated as the Group Managing Director of Tropicana. He is a member of the Investment Committee, Risk Management Committee and Pricing Committee of Tropicana.

He graduated with a Bachelor of Science in Information Management for Business from University College London, United Kingdom in 2011. He obtained a Master of Science in Management with Information Systems and Innovation from London School of Economics, United Kingdom in 2012.

Mr Dion Tan was with Accenture, a global management and technology consulting firm, as a strategy consultant with experience in telecommunications, media and property sector.

Mr Dion Tan sits on the Board of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and Spa Odyssey Venture Berhad as well as several private limited companies locally. He is a trustee of Tropicana Foundation.

His father, Tan Sri Dato' Tan Chee Sing, is the Group Executive Vice Chairman and major shareholder of Tropicana. His brother, Dato' Dickson Tan Yong Loong, is the Deputy Group Chief Executive Officer of Tropicana. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



DATUK MICHAEL TANG VEE MUN
Independent Non-Executive Director

Age:
47

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 6/7

On 13 November 2009, Datuk Michael Tang Vee Mun was appointed to the Board of Tropicana as Independent Non-Executive Director. On 13 November 2018, he was re-designated as Non-Independent Non-Executive Director upon attainment of his nine (9) years term as an Independent Director pursuant to Practice 4.2 of Malaysian Code of Corporate Governance. On 25 June 2019, shareholders of Tropicana had approved the re-designation of Datuk Michael Tang as Independent Non-Executive Director. He is the Chairman of the Investment Committee and Remuneration Committee. He is also a member of Nomination Committee and Risk Management Committee of Tropicana.

Datuk Michael Tang graduated with a Bachelor of Laws (Honours) degree from the London School of Economics and Political Science, University of London and was admitted as a Barrister-at-Law of the Honourable Society of Lincoln's Inn, London.

He is the principal of Mettiz Capital Limited, a private equity and alternative investments firm.

Datuk Michael Tang has significant experience in corporate and financial matters spanning across various asset classes including real estate, natural resources, energy, healthcare, technology and manufacturing. He commenced his career as a legal practitioner and was previously a partner of one of the oldest and largest law firms in Malaysia.

Beyond the business sphere, he was a founding trustee of 1Malaysia Community Alliance Foundation, a charitable entity dedicated to crisis relief and community services and the Gold Coast Dharma Realm in Australia.

He was conferred the 'Panglima Jasa Negara' by His Majesty the Yang Di-Pertuan Agong in 2015 in recognition of his service and contribution to the country. Datuk Michael Tang has no directorship in other public companies in Malaysia.

Datuk Michael Tang does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profile



**MOHD NAJIB BIN
ABDUL AZIZ**
*Independent Non-Executive
Director*

Age:
46

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 7/7

On 13 July 2016, Mr Mohd Najib Bin Abdul Aziz was appointed to the Board of Tropicana. He is the Chairman of the Audit Committee and Pricing Committee. He is also a member of the Nomination Committee and Remuneration Committee of Tropicana.

He is an accountant by profession and graduated with a Bachelor of Commerce (Accounting) Degree from the University of New South Wales, Australia. He is a member of the Institute of Chartered Accountants in Australia ("ICAA") as well as a member of the Malaysian Institute of Accountants ("MIA").

Mr Mohd Najib was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co. and had held the position of Senior Consultant with the Corporate Recovery Division of KPMG for three years in Perth, Western Australia. He was previously an Independent Non-Executive Director of Kumpulan Jetson Berhad, ECM-Avenue Securities Sdn Bhd and Alam Flora Sdn Bhd.

Mr Mohd Najib is currently an Independent Non-Executive Director of Bina Puri Holdings Berhad and the Managing Director of Corporate-Pacific Holdings Sdn Bhd. He also serves as a Non-Executive Director of GCM Resources PLC, a company listed on the AIM market under the London Stock Exchange.

Mr Mohd Najib does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



**HAFEZ MOHD HASHIM BIN
RAZMAN MD HASHIM**
*Independent Non-Executive
Director*

Age:
39

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 7/7

On 1 July 2018, Mr Hafez Mohd Hashim Bin Razman Md Hashim was appointed to the Board of Tropicana. He is the Chairman of the Risk Management Committee and a member of the Audit Committee, Nomination Committee and Investment Committee of Tropicana.

He graduated from Standbridge Earls High School, United Kingdom in 1996. He obtained his Advanced Diploma in Multimedia and Mass Communications from Lim Kok Wing University, Kuala Lumpur in 2002. Mr Hafez also obtained his Bachelor of Arts (majoring in Multimedia) from Victoria University, Melbourne, Australia in 2005.

Mr Hafez's journey as an entrepreneur started at a very young age where he dabbled in door-to-door sales selling F&B coupon booklets. He then moved on to set up a humble F&B outlet in Kuala Lumpur. Soon after, he established HMH Group which started with small landscaping jobs, before gaining traction and promptly moving on to acquiring major facilities management contracts for commercial buildings around the Klang Valley. HMH Group has since engaged in various industries including outdoor advertising, information technology, electric transport, asset management, as well as food and beverage. Mr Hafez is the founder and Group Chief Executive Officer of HMH Group.

Currently, Mr Hafez is an Independent Non-Executive Director of PUC Berhad.

Mr Hafez does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



LOH CHEN PENG
*Independent Non-Executive
Director*

Age:
66

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 7/7

On 1 August 2018, Mr Loh Chen Peng was appointed to the Board of Tropicana. He is a member of the Audit Committee and Risk Management Committee of Tropicana.

Mr Loh is an accountant by profession and a member of the Malaysia Institute of Certified Public Accountants ("MICPA"). He started his career in 1975 with Deloitte PLT and gained the membership to MICPA. He then joined Arab-Malaysian Merchant Bank Berhad for the next 13 years holding several senior management positions in the areas of corporate advisory and corporate banking. Thereafter, he had a short stint with Inter-Pacific Securities Sdn Bhd, a stock broking group. He served as an Executive Director in a commercial bank, Phileo Allied Bank Berhad from 1994 until 2001. He had also served on the Boards of AmBank (M) Berhad, AmlInvestment Bank Berhad and AmlIslamic Bank Berhad until 2014.

Currently, he serves as an Independent Non-Executive Director of Bermaz Auto Berhad, of which is principally involved in the distribution and retailing as well as provision of after-sales services of Mazda vehicles in Malaysia.

Mr Loh does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



DATUK WIRA LYE EK SEANG
*Independent Non-Executive
Director*

Age:
55

Gender:
Male

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ● ● 6/7

On 9 November 2018, Datuk Wira Lye Ek Seang was appointed to the Board of Tropicana. He is the Chairman of the Nomination Committee and a member of the Remuneration Committee and Pricing Committee of Tropicana.

He holds a Bachelor of Science (Hons) degree in Mathematics from the University of Malaya.

Datuk Wira Lye Ek Seang was a Non-Independent Non-Executive Director of Magna Prima Berhad from 2007 to 2009. Subsequently, he was appointed as a Deputy Executive Chairman of Ho Hup Construction Company Berhad from 2008 to 2010. He also served as a Non-Executive Director of Minetech Resources Bhd from 2008 to 2014 and a Non-Independent Non-Executive Director of REDtone International Bhd from 2014 to 2016. Presently, he is an Executive Director of Berjaya Assets Berhad and Trustee of Tropicana Foundation. He also sits on the board of several private limited companies.

Datuk Wira Lye Ek Seang does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profile



ALICE DORA BOUCHER
*Independent Non-Executive
Director*

Age:
62

Gender:
Female

Nationality:
Malaysian

Total Board Meetings Attended: ● ● ● ● ● ○ **5/6**

On 26 February 2019, Madam Alice Dora Boucher was appointed as Independent and Non-Executive Director of Tropicana. She is a member of the Risk Management Committee, Pricing Committee and Investment Committee of Tropicana.

Madam Alice holds a Bachelor of Economics (2nd Upper) from University of Malaya.

She started her career in 1981 as officer and Money Market Dealer in Arab Malaysian Merchant Bank (formerly known as Arab Malaysian Development Bank) ("the Bank"). In 1984 she moved to the Corporate Banking Department of the Bank and rose to the level of General Manager. She was later promoted to Head, Credit Risk Department in 2002 which was responsible for credit analysis and evaluation of the Bank's corporate lending activities. From July 2012 till January 2017, she served as Executive Vice President, Managing Director's Office, Wholesale Banking.

Madam Alice has more than 36 years of working experience in Corporate and Investment Banking. She was involved in providing financial solutions to companies involved in various industries such as property development, manufacturing, plantations, and in oil & gas. She also has exposure to credit risk management during her tenure at the bank and was a member of the Bank's credit committee for approval of loans and other funding proposals.

Madam Alice has no directorship in other public companies in Malaysia.

Madam Alice does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

NOTE:

None of the Directors of Tropicana has any conviction for offences within the past 5 years (traffic offences excluded from contemplation), and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Senior Management Profiles



LEE HAN MING

Group Managing Director, Project at Tropicana Corporation Berhad

Aged 53, Male, Malaysian

Date of Appointment to Executive Position: 1 August 2018

A civil engineer by profession, he graduated with a Bachelor of Engineering (Hons) Civil Engineering from University of Bristol, United Kingdom. Subsequently, he also holds a Master of Business Administration (“MBA”) from University of Bradford, United Kingdom. He has been involved in property industry for the past 30 years. He has held several key management positions, among others, Chief Executive Officer – Group Operations (Property & Construction) of Naim Holdings Bhd, Managing Director, Southern Region of Tropicana Corporation Berhad, Chief Executive Officer of Sunway Iskandar Sdn Bhd.

He started his career as design consultants in the United Kingdom. He was also involved in large scale international projects such as KLIA. In the past, he also pioneered regional expansion of property development to new geographical area. Currently, he is spearheading the property and resort development projects in Tropicana Grandhill in Genting Highlands and overseeing development projects in Southern Region.

Mr Lee Han Ming does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



KELVIN CHOO YUNG YAU

Managing Director, Project at Tropicana Corporation Berhad

Aged 54, Male, Malaysian

Date of Appointment to Executive Position: 1 August 2018

A civil engineer by profession, he graduated with bachelor of Civil Engineering at University of Newcastle, Australia. He is a registered engineer with Board of Engineers and Institute of Engineers Malaysia. He has 29 years of experience in the property and construction industry. He started his career in engineering consultancy services at J.K. (SEA) Sdn Bhd, followed by HS Liao Sdn Bhd. Later he moved to Sunway City Berhad where he started as Senior Project Executive until general management position as UPCM in charge of a few townships' development with Sunway Integrated Property.

He has also served in Real Estate & Housing Developer Association for Selangor holding various portfolio from being Treasurer, Chairman of Petaling Jaya, infrastructure & utilities and planning committee. Currently he is in charge of township developments such as Tropicana Aman, Tropicana Heights and parcel developments in Cheras. Beside execution of the projects, he is involved in business planning and development for new land.

Kelvin Choo does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



UNG LAY TING

Managing Director of Marketing & Sales and Business Development at Tropicana Corporation Berhad

Aged 40, Female, Malaysian

Date of Appointment to Executive Position: 1 February 2018

Ms Ung graduated with a Bachelor of Commerce from Monash University (Clayton), Melbourne, Victoria, Australia in 2001. She graduated with a double major in Accounting and Finance. Ms Ung is a Certified Financial Analyst (“CFA”) charter holder and a member of the Institute of Chartered Accountants in Australia (“ICAA”). She has more than 16 years of experience in finance, business advisory and general management. She has held key positions in various multinational companies both locally and abroad.

Ms Ung started her career at two of the largest professional services firms in the world, which are known as “Big Four” accounting firms. She has experience and specialisation in assurance and business advisory. Further developing her international exposure, Ms Ung served a China-based property development company from 2006 onwards. She played a key leadership role in strategic business planning, operational change in financial processes and overall development of internal controls.

Ms Ung joined Tropicana as the Deputy General Manager of Business Development in September 2013 and has been promoted to several senior management positions, prior to her current position. She presently is in charge of Marketing & Sales for Central, Northern and Southern Region and Business Development. Ms Ung oversees the development of project marketing and sales activities both locally and internationally. With more than a decade of experience in the property industry, coupled with a strong financial acumen, Ms Ung plays a leadership role in the development, implementation and monitoring of a whole of organisation strategy to underpin product innovation, service excellence and long-term sustainability.

Ms Ung does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Senior Management Profiles

**LIM LAI SENG****Managing Director, Group Finance at Tropicana Corporation Berhad****Aged 51, Male, Malaysian****Date of Appointment to Executive Position: 1 July 2018**

A chartered accountant by profession, he graduated with a Bachelor of Business (Accounting & Finance) from Deakin University, Australia. He also holds the status of CPA conferred by CPA Australia, a mark of high professional competence, a registered accountant as well as a chartered accountant, Malaysia. He has been in finance for the past 28 years in various sectors ranging from audit, tax, company secretarial services, as well as the plantation and property sectors. He has held several key management positions, among others, Group Financial Controller of IOI Corporation Bhd, Chief Financial Officer of Tradewinds (M) Bhd, Senior Finance personnel of PT Tiara Ari Kencana & Kerry Plantation Services Indonesia, Director of PT Pundi Kencana, and Chief Financial Officer of Johore Tenggara Oil Palm Bhd.

Currently, he is in charge of Tropicana Group's Finance Division, which consists of Treasury, Group Reporting, Project Finance, Tax, Credit Admin, Risk Management and General Admin. Apart from having vast general experience in Finance, Mr Lim's experience saw him being project lead in numerous corporate exercises, including takeovers, mergers, demergers, and Initial Public Offerings. Mr Lim also has vast exposure in leading various funding exercises, including issuances and buy backs of USD and MYR Bonds, corporate ratings, structuring corporate debt programs, and general corporate funding.

Mr Lim Lai Seng does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**JOANNE LEE****Managing Director, Group Procurement at Tropicana Corporation Berhad****Aged 50, Female, Malaysian****Date of Appointment to Executive Position: 1 July 2019**

Ms Lee graduated with a Bachelor of Business Administration from National University of Malaysia. She is a member of The Malaysian Institute of Purchasing and Materials Management ("MIPMM") and Building Materials Distributors Association of Malaysia ("MBAM"). She has been in Procurement, Purchasing and Trading for the past 26 years in various industries ranging from Property Development, Construction, Manufacturing (Steel Mill, Building Materials, Electronics and more), Food & Beverage, Hospitality, Retail & Shopping Malls, Gaming & Leisure, and Healthcare & Agricultural. She has vast working experience in multi-national and public listed companies such as Fujitsu, Lion Group, Lafarge Roofing and was the Head of Procurement for IGB Berhad, General Manager of Nam Fatt Marketing Sdn. Bhd. as well as Chief Operations Officer of TT Resources Bhd's Food & Beverage chains in 2012 & 2013. Setting up and establishing group sourcing as well as strategic centralised procurement hub are her forte.

She has shown remarkable achievements in generating significant cost savings via bulk quantity consolidation tender negotiations in her current and previous tenures.

Ms Lee has incorporated and managed Tropicana Building Materials Sdn. Bhd., an inhouse trading company to supply building materials for all Tropicana projects since 2013. In 2017, she has setup and managed a One-Stop-Supply Center to supply total Interior Design and renovation package for Tropicana house owners upon vacant possession. In addition, she is also overseeing the sourcing for reputable international hoteliers to match hotel development projects for Tropicana.

Ms Joanne Lee does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**PETER KUAN TECK SING****Managing Director, Project at Tropicana Corporation Berhad****Aged 58, Male, Malaysian****Date of Appointment to Executive Position: 13 August 2019**

His forte lies in project management and design management whereby he is always on top of his game in terms of design finalisation as well as in cost & budgeting measures in every project that he handles. Prior to this, he was the General Director/Project Director in Hongkong Land Pte Ltd in Vietnam.

obtain approvals for various projects. Part of his portfolio also deals with construction cost, cost planning and exercising the best pricing for projects.

Among his key expertise includes running feasibility studies, project management, property management, township development in which he will be valuing all improvement recommendations for enhancements, renovations, refurbishments, value engineering and also coordinating with relevant authorities based on their requirements to

Peter graduated with Bachelor of Science in Civil Engineering from Hatfield Polytechnic, Hertfordshire, United Kingdom. Currently, he is spearheading the property and resort development projects in Langkawi and overseeing development projects in Northern Region.

Mr Peter Kuan does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



ANDREW ASHVIN
S/O PODIMHATIA

Managing Director of Group Assets Management at Tropicana Corporation Berhad

Aged 47, Male, Malaysian

Date of Appointment to Executive Position: 1 October 2019

Equipped with 25 years of retail and mixed property management experience, Andrew is also a Certified Marketing Manager, Certified Operations Manager, Certified Administration Manager and a Certified Complex Manager by the Malaysian Association of Shopping & Highrise Complex Management of which he is also a member.

Previous stints with the Penas Group in Penang, Carrefour Malaysia, Mayland Group, the Hong Leong Group and also Suria KLCC Sdn Bhd helped nurture his experience in all aspects of mall and property management in general.

Andrew passionately believes that a mall is more than just bricks and mortar. Each possesses its own character and personality. It is a meeting place, a destination, a melting pot of sorts that creates a unique ambience for commerce, entertainment and experience.

Andrew has been serving the Group for 8 years and heads the Group Assets Management team as Managing Director.

Ms Andrew Ashvin does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



WILLIAM KWAI

Managing Director, International Marketing at Tropicana Corporation Berhad

Aged 40, Male, Chinese

Date of Appointment to Executive Position: 1 February 2020

William has 18 years of rich experience in property industry especially in marketing & sales, project management, property management and customer resources management, just to name a few. His forte lies in understanding market trends through his extensive market research and analysis which has assisted him greatly in making the right shots for product positioning, design and forward planning in every project that he sets his foot in. Prior to embarking Tropicana, he was the Chief Executive Officer in Hong Kong Qia Feng Group.

He graduated in Business English from Fuzhou University, China. Subsequently, he further pursued his Master of Business Administration ("MBA") in South China University of Technology.

William has been regarded as the highly qualified National Real Estate Professional Manager in his country whereby he conducts training for others in real estate project management, real estate marketing & planning as well as covering the subject of Economics.

Presently a Managing Director (based in Shanghai office) overseeing the entire operations and management of marketing & sales in China.

Mr William Kwai does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



HERMAN TAN KAR ENG

Executive Director, Tropicana Golf and Country Resort

Aged 59, Male, Malaysian

Date of Appointment to Executive Position: 1 October 2014

Herman Tan has wide experience in the food & beverage hospitality and club industry having served as Food & Beverage Manager of Federal Hotel, Ferringhi Hotel, Phoenix Hotel Singapore and Hotel Manager Renaissance Cruise. He received his early training in various capacities from Rank Xerox HQ, Grosvenor House Hotel, Buckland House Serviced Apartments and Hotel Tria, all which are London based companies.

His Club and Resort Management experience include being the General Manager of Bukit Kiara Equestrian & Country Resort and Kelab Darul Ehsan. He joined Tropicana Golf & Country Resort as Deputy General Manager in April 2003 and was promoted to General Manager in 2005 and Senior General Manager in 2009. On 1 October 2014, he was promoted to his current position of Executive Director.

Mr Herman Tan does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Senior Management Profiles

**DIN TAN YONG CHIA****Executive Director, Tropicana Corporation Berhad****Aged 27, Male, Malaysian****Date of Appointment to Executive Position: 2 January 2018**

Mr Din Tan graduated with a Bachelor of Science in Management from Cass Business School, City University, London in 2014. He obtained a Master of Science in Management with Information Systems and Digital Innovation ("MISDI") from London School of Economics and Political Science, United Kingdom in 2015.

Mr. Din Tan is the son of Tan Sri Dato' Tan Chee Sing, who is the Group Executive Vice Chairman of Tropicana and major shareholder of Tropicana. He is also the brother of Dato' Dickson Tan and Dion Tan, both of whom are Deputy Group CEO and Group Managing Director respectively.

After an internship with Morgan Stanley in their Private Wealth Management division, Din joined the Digital Marketing division of a local tech startup for a year, prior to joining Tropicana's Marketing Department.

**JARED ANG TZER SHEN****Executive Director, Special Projects at Tropicana Corporation Berhad****Aged 33, Male, Malaysian****Date of Appointment to Executive Position: 1 September 2016**

Mr Jared Ang graduated with a MEng (First Class Honours) in Chemical Engineering from Imperial College London. He started his career in management consulting with A.T.Kearney, where he focused on analytics, strategy and stakeholder management, before obtaining an MBA from INSEAD, where he was awarded the Dean's list and was selected as one of the top twenty students to attend an exchange programme with Wharton Business School. He has been involved in portfolio management and fund raising, covering a variety of sectors including retail, healthcare and education namely Creador owned GHL, OldTown White Coffee, CTOS, and Mr. DIY.

He also presently serves as a Director of Selfie Museum, Finology (LoanStreet), Thai Odyssey, Royce Malaysia, WOW Media Digital Billboards, Renewable Solar Energy, and Tropicana Group of Companies.

Mr. Jared Ang is the son-in-law of Tan Sri Dato' Tan Chee Sing, who is the Group Executive Vice Chairman of Tropicana and major shareholder of Tropicana. He is also the brother-in-law of Dato' Dickson Tan and Dion Tan, both of whom are Deputy Group CEO and Group Managing Director respectively. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**JEFFREY TAN SIEW YANG****Executive Director, Group Legal at Tropicana Corporation Berhad****Aged 46, Male, Malaysian****Date of Appointment to Executive Position: 1 October 2017**

Jeffrey Tan holds the degrees of Bachelor of Laws and Bachelor of Commerce (Accounting) from Monash University, Australia (B.Com/LLB) and Master of Science (Information Technology in Business) from University of Lincoln, United Kingdom (MSc. IT). Before joining the Group, he was formerly a partner at an international law firm, a registered Trade Mark and Industrial Designs Agent and a licensed registered foreign lawyer in Singapore.

Jeffrey has been with the Group for close to 10 years and is a seasoned general counsel. He provides a comprehensive in-house legal service to the Group with many different work streams and practice groups. He has also authored many articles and has presented papers at legal seminars and regional conferences. He was the panel judge for Malaysian law firms and lawyers at the Asian Legal Business Malaysia Law Awards in 2018 and 2019.

Presently an Executive Director of Group Legal, he brings with him substantial experience in corporate, commercial, conveyancing and litigation matters, and has structured, negotiated and completed numerous land acquisitions for the Group and resolved disputed matters successfully. He was the key member in the Group's asset injection corporate exercises involving acquisition of prime land parcels in the Klang Valley, Johor Baru, Penang and Sabah, and in the perpetual sukuk programme for the issuance of unrated and senior ranking perpetual sukuk.

Mr Jeffrey Tan does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**MOHD ZAPI BIN
ABDULLAH****Executive Director, Authority Liaison at Tropicana Corporation Berhad****Aged 47, Male, Malaysian****Date of Appointment to Executive Position: 1 January 2017**

He graduated with BA hons major in Urban and Planning studies from University of Malaya. He has been in property industry for the past 24 years. He was involved in project management, approval management and customer service.

Mr Mohd Zapi Abdullah does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Currently, he is an Executive Director in Tropicana Corporation Berhad. He is the intermediary between the company and the government agencies. He is looking after the approval management for the Central Region.

**ADRIAN CHIN KOK PING****Executive Director, Project at Tropicana Corporation Berhad****Aged 45, Male, Malaysian****Date of Appointment to Executive Position: 8 August 2019**

He is bringing along more than 20 years of extensive experience in master planning, architectural as well as engineering design that spans across Singapore, Malaysia, Vietnam, Indonesia, China and Middle East. Prior to this, he was the Vice President of Group Development Management in Mapletree Investments Pte Ltd, Singapore.

Adrian graduated with Bachelor of Architecture and Bachelor of Environmental Design from University of Tasmania, Australia. He is also a Registered Architect of Singapore Board of Architects ("BOA"), Corporate Member of Singapore Institute of Architects ("SIA"), Chartered Member of Royal Institute of British Architects ("RIBA"), International Associate Member of American Institute of Architects ("AIA") as well as Member of Malaysia Institute of Architects ("PAM").

Among his key expertise includes management of various projects of different sizes and complexity, development of strategic business goals, creation of viable business plans and financial models that will yield and maximise profits from financial management as well as cost analysis, champions project development management from inception till completion and management of stakeholders even in critical situations.

Currently he is in charge of township developments such as Tropicana Gardens, Tropicana Miyu and Tropicana Golf and Country Resort. Beside execution of the projects, he is involved in business planning and development for new land.

Mr Adrian Chin does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**TAN MON SWANG****Executive Director, Group Finance at Tropicana Corporation Berhad****Aged 40, Female, Malaysian****Date of Appointment to Executive Position: 1 January 2020**

Ms Tan Mon Swang is a chartered accountant by profession, graduating with a Bachelor of Accounting (Honours) from University of Science Malaysia. She also holds the status of CPA conferred by Malaysian Institute of Certified Public Accountants ("MICPA") and she is a registered accountant as well as a chartered accountant, Malaysia.

Ms Tan joined Tropicana as the Senior Manager of Finance in December 2011 and has been promoted to several senior management positions, prior to her current position. Currently, she serves as Executive Director who is in charge of the finance of the property and resort development projects in Tropicana Grandhill in Genting Highlands and overseeing finance of the development projects in Southern and Northern Region. Apart from having vast general experience in Finance, her experience also saw her integral involvement in several corporate exercises, including mergers, amalgamation exercise and corporate restructuring. She also coordinated the implementation of Government GST initiatives in 2015 and also has exposure to corporate ratings, structuring corporate debt programs, and general corporate funding.

She has been in finance for the past 17 years in audit, tax, funding and other finance matters for construction, property development and hotel sectors. She started her career at PricewaterhouseCoopers which is one of the four largest professional services firms in the world, which are known as "Big Four" accounting firms. She has experience in audit, tax and business advisory. She has then further developed her property development exposure by joining Sunway Group as the key accountant in one its subsidiary in 2007.

Ms Tan Mon Swang does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

NOTE:

None of the Senior Management of Tropicana has any conviction for offences within the past 5 years (traffic offences excluded from contemplation), and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



The Residences and W Kuala Lumpur, Kuala Lumpur City Centre

A SENSE OF PRIDE

This 55-storey tower is located strategically along Jalan Ampang and is only two minutes from the Petronas Twin Towers. It houses two iconic brands, Tropicana The Residences and the first ever five-star international W Hotel in Malaysia. In totality, the development redefines luxury living in the Klang Valley with its modern conveniences, lush landscaping as well as energy efficient features. The Residences was designed by the world-renowned Skidmore, Owings and Merrill whose impressive portfolio include the Burj Khalifa Tower and One World Trade Centre.

*For more information, please visit
www.tropicanaresidences.com.my*

4

SUSTAINABILITY AT TROPICANA

- 54 Tropicana Group CEO Sustainability Statement
- 56 Sustainability Statement
- 63 • Economic
- 65 • Social
- 76 • Environment

Tropicana Group CEO Sustainability Statement

On behalf of the Group, it brings us immense pride to present Tropicana Corporation Berhad's Sustainability Report, our third in this series, for the 2019 financial year end. Year on year, we build upon our commitment to report the Group's economic, environmental and social ("EES") risks and opportunities with the overarching goal of creating a sustainable value chain that will benefit our stakeholders.

In line with our vision to be a leading property developer in Malaysia that delivers innovative and quality products to enhance stakeholders' value, we undertake the role of integrating sustainable development by establishing reporting and monitoring measures of the Group's EES performance to identify risks and opportunities that are material to us.

Sustainability Governance and Material Matters

During the first two years, we focused our efforts on building a strong foundation to implement sustainable development measures. We achieved this by forming a sustainability framework, comprising a Sustainability Governance Structure and Materiality Matrix. In the short and medium-term, our Sustainability Governance Structure will hold a pivotal role in enforcing sustainable practices endorsed by our Board of Directors. Guided by our Materiality Matrix, the Group successfully identified material sustainability matters that are a priority to the Group's overall business operations and our stakeholders' expectations.

This year, we introduced Occupational Safety and Health as well as Contractor Management as part of our data disclosure; both of which are ranked as 'Medium Priority' in our Materiality Matrix. The Group places a strong emphasis on the safety performance and record of the contractors we hire, ensuring that there are measures in place to protect the safety and well-being of our stakeholders. In the coming years, we strive to continue our excellence in safety records while also implementing measures that would raise our health and safety standards.

In terms of Contractor Management, we emphasise our commitment to responsible management by encouraging a network of open communication between our project team and the contractors we hire. This is to ensure that any risks, concerns, opportunities or areas of improvement can be openly communicated and addressed. We believe that this measure can enhance the way we design, build and develop sustainable commercial and residential projects that would benefit society as a whole.



Ayera Residences, Tropicana Danga Cove, Iskandar Malaysia



Economic Aspects

With the support of our Board of Directors and top management, we navigated the challenging industry by future-proofing our business with sustainable aspirations that would deliver value in the long run. As the Group continues to mature, we endeavour to inculcate aspects of EES into our investment and development considerations.

Our foremost focus remains on ensuring economic stability and maintaining a healthy growth of the business, which would in turn increase stakeholder confidence in the Tropicana brand.



Social Aspects

Social contributions to causes that are within the scope of our Tropicana Foundation continue to receive generous support from the Group. Our main goal is to uplift the well-being of the communities in which we have a presence in. This year, the Tropicana Foundation contributed to various social responsibility causes via sponsorships, contributions and donations that have benefitted programmes and activities targeted to enhance community health, well-being and education.

With respect to our workforce, we highly credit our pool of talents for the Group's continuous success in the industry. To maintain an efficient and skilled workforce, we invested in learning and development training programmes for our employees. This is to ensure that our teams are given various opportunities to enhance their skillsets within the industry, promote career development and ultimately, create job satisfaction across the Group.



Environmental Aspects

From an environmental standpoint, our developments integrate the natural environment by connecting community spaces with efficient land-use. In addition to capitalising on green-oriented building designs, we develop townships with facilities that can fully sustain a functional community with educational, institutional, and business facilities. These amenities are created with the aim of minimising the distance between work, education, living and leisure areas which will subsequently reduce overall travel time and minimise vehicular-related emissions.

While we have many areas to improve on our environmental commitment and initiatives, we undertake this challenge with optimism, catering to the growing public awareness on climate change. In the coming year, we will work to further improve our environmental practices that include energy efficiency, compliance, waste management and biodiversity.



As we continue to improve our reporting mechanism, we endeavour to enhance our data collection and monitoring exercises. This in turn allows us to identify gaps, trends and areas of improvements that can be formalised to further enhance the Group's EES performance in the long run.

On behalf of our Board of Directors and the management team, we would like to extend our appreciation and gratitude to our stakeholders for their continuous commitment, loyalty and confidence in the Group during this challenging economic environment. We will continue to move forward from here, making strides in sustainable development and long-term value creation that would benefit current and future generations alike.

Thank you.

Sustainability Statement

OUR REPORTING FRAMEWORK

About this Statement

Tropicana Corporation Berhad, also referred to as “the Group”, presents the third Sustainability Statement in line with our initiative towards continuous improvement in adopting sustainable development practices. This annual sustainability report highlights key efforts undertaken by the Group:

- Improved data collection measures for reporting and monitoring purposes
- Management approach undertaken to address material sustainability matters that are considered ‘high’ and ‘medium’ priority to the Group
- Ensured the Group’s daily business operations and systems were in place to promote long-term sustainability for our economic, environmental and social aspects.

Reporting Period

Annual Reporting

1 January 2019 to 31 December 2019

Reporting Guidelines

Principal Guidelines

- Bursa Malaysia Sustainability Reporting Framework

Supporting Guidelines as prescribed by Bursa Malaysia (Reference)

- Global Reporting Initiative Standards
 (“GRI Standards”)

Independent Assurance

To date, we have not sought any external assurance for the current Statement and the data we disclose. However, the Group recognises the added value of an independent assessment upon the maturity of our reporting practices.

Reporting Scope

Unless otherwise specified, the information disclosed in this Statement refers to the sustainability initiatives and controls undertaken by Tropicana Corporation Berhad as a Group in Malaysia in which we have direct managerial control over, excluding:

- Our joint ventures; and
- Operations for which the Group has no managerial control over

This Statement also includes information and data from specific projects and our value chain activities, where necessary. The systems and initiatives disclosed within this Statement are reviewed annually. We aspire to continuously improve our reporting, data collection, monitoring and implementation measures that would drive the Group towards achieving our sustainability aspirations.

Feedback

Stakeholders can access this report from our corporate website at www.tropicanacorp.com.my

Tropicana invites feedback from all stakeholders for our continuous improvement.

For further enquiries, please contact:

 **Almaz binti Azmi (Risk Management)**
Tropicana Corporation Berhad
Tel : +603-77101018

 **General Enquiry :**
corpcomm@tropicanacorp.com.my

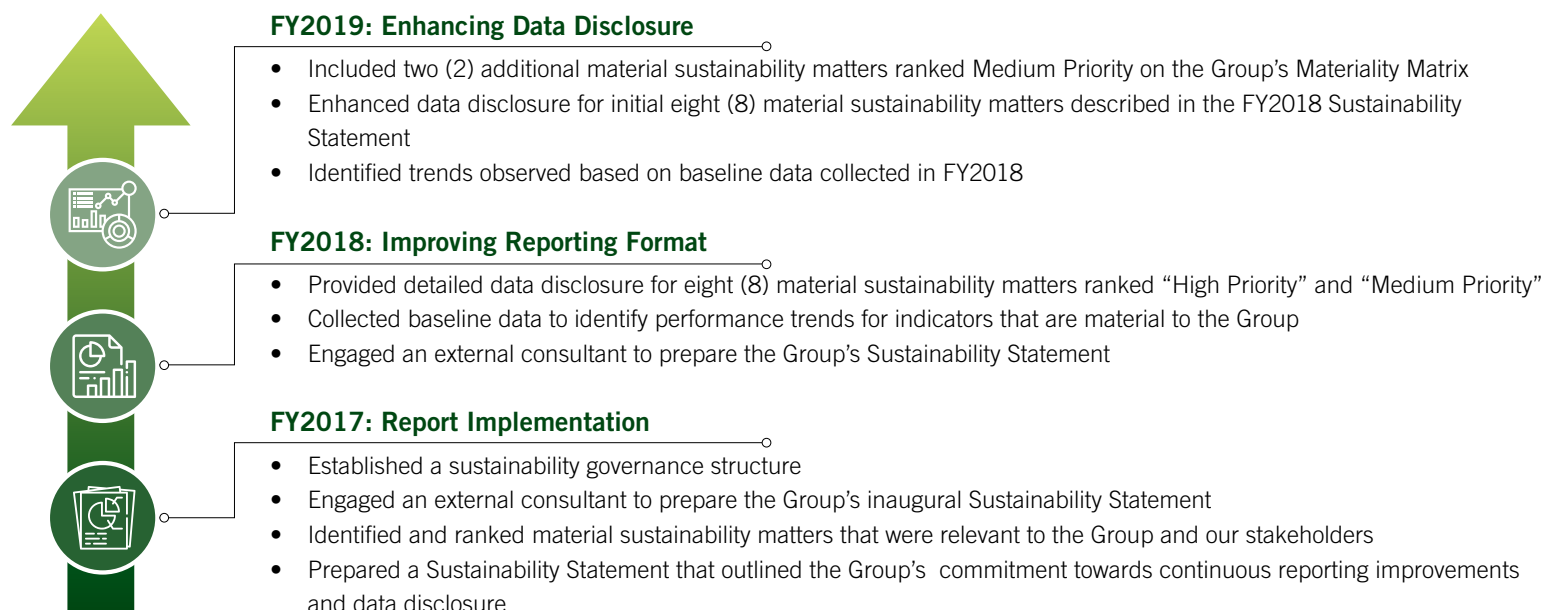
 **Customer Care :**
customercare@tropicanacorp.com.my



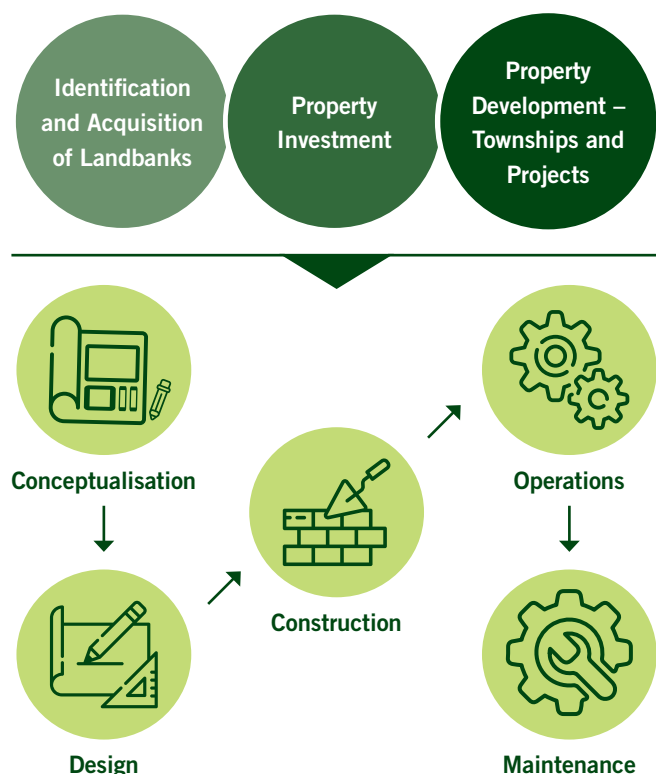
REPORTING PROGRESS

We began our sustainability journey with the formulation of a sustainability governance structure, the identification of our stakeholders and the prioritisation of material sustainability matters that were relevant to the Group and our stakeholders. With the culture of continuous improvement ingrained in our Tropicana's DNA, we strive towards enhancing our data collection and reporting disclosure year after year.

As we work towards assimilating sustainable measures into our daily operations, we continue our commitment to uphold the Group's integrity by ensuring transparent and accountable sustainability reporting practices.



OUR VALUE CHAIN



The illustration describes Tropicana's value chain which includes the identification and acquisition of strategic land, property investments as well as property development projects. Guided by our unique Tropicana's DNA, we build quality homes and innovative developments that reflect property trends and aspirations of purchasers on a national and global market. The Tropicana's DNA focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality.

Our property development process begins with a conceptualisation phase, taking into consideration current property trends and demands by purchasers before designing infrastructures that emphasise on developing a sustainable community for the long-term. As an experienced master planner, our property developments are crafted to suit the lifestyle of our communities. Our townships are built to foster an environment that facilitates community building. Additionally, we strive to develop projects that can instill a sense of pride among our homeowners that call any of our developments their home.

By inculcating the culture of sustainable development within our business operations, we consider economic, environmental and social risks as well as aspirations that are material to Tropicana and our stakeholders. We are optimistic that by applying concepts of sustainability into our daily operations, we can strive towards sustainable growth and deliver value to our stakeholders.

Sustainability Statement

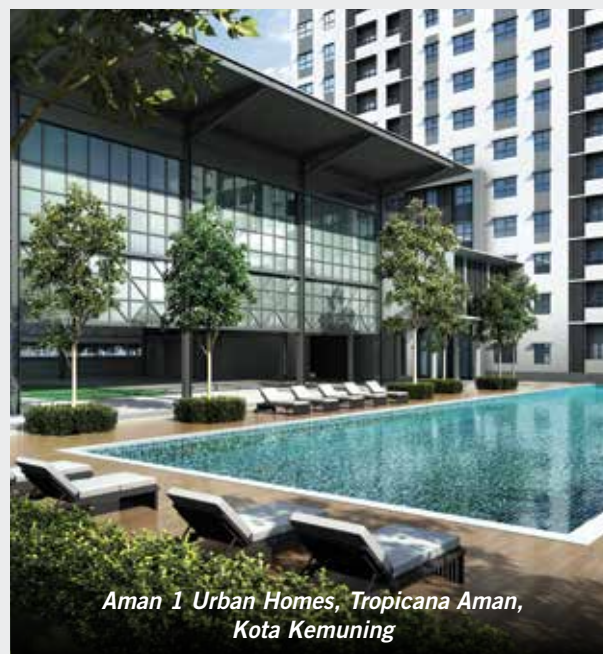
CORPORATE GOVERNANCE

A key component of sustainability is good governance that shapes the decision-making process of an organisation. As one of Malaysia's leading developers, we are guided by the principles of corporate governance, geared towards enhancing value creation for our stakeholders and driving business growth.

Corporate Governance and National Compliance

The Group is primarily guided by the Malaysia Code on Corporate Governance 2017 ("MCCG2017") in securing best practices and principles of corporate governance applied throughout the Group. Further details of our corporate governance framework and practices implemented at the Group is detailed in our FY2019 Annual Report (pages 80 to 94). In FY2019, there were zero reported incidents of non-compliance with laws and regulations. No significant fine or non-monetary sanction was imposed on the Group.

Sound policies, systems and internal controls are enforced to promote an ethical workplace that increases the confidence of our stakeholders. Overseen by our Board of Directors, Tropicana defines its integrity through a series of standard operating procedures, policies, guidelines and levels of authority, all of which are communicated to our employees during their orientation and our internal employee portal.



Aman 1 Urban Homes, Tropicana Aman, Kota Kemuning

**Code of Conduct ("the Code")**

A transparent and ethical corporate culture are values we strive to create at the Group to ensure that our businesses operate at the highest standards of professionalism. Guided by four key business principles, our Code of Conduct enforces our commitment to regulatory compliance and the prioritisation of ethical conduct. Besides the Code's requirement to adhere to local and national laws, the Code further outlines the expectations of the Group towards its employees.

Accessibility: The Employee Handbook is readily available on Tropicana's Employee Portal and Corporate Website.

**Whistleblowing Policy**

In accordance to the Whistleblower Protection Act 2010, employees of the Group and members of the public are given the protection upon any report of misconduct that affect's the Group and its interests. Based on our policy, we are highly committed to assurance and accountability by thoroughly investigating any reports of illegal activities or wrongful behaviour that may impact the integrity, image and performance of the business.

Accessibility: The Employee Handbook is readily available on Tropicana's Employee Portal and Corporate Website.

**Grievance Handling Procedure**

The Group encourages open and honest communication among all employees. In the best interest of the Group and employees, we take any reported misconduct or work-related issues seriously and are committed to address these cases in a fair and transparent manner. Tropicana strongly rejects all forms of grievances that may include biasness against gender, race, ethnicity or creed.

Accessibility: The Employee Handbook is readily available on Tropicana's Employee Portal and Corporate Website.

**Privacy Policy**

The Group fully complies to the stipulations outlined in the Personal Data Protection Act 2010. We endeavour, in accordance to the Act, to implement appropriate security measures and standard procedures to prevent any form of unauthorised or unlawful use of personal data, including accidental loss, damage or destruction to the retained data.

Accessibility: The Employee Handbook is readily available on the Tropicana's Employee Portal.

RISK MANAGEMENT

Tropicana has long committed to sound risk management practices via the implementation of a comprehensive risk management framework that aims to identify, evaluate, minimise and monitor our business risks while also considering potential opportunities that will benefit the Group. As our commitment to sustainable development matures year after year, we are always seeking a balance between profitable opportunities and the impact on society and the environment.

As early as 2012, the Group formulated an Enterprise Risk Management (“**ERM**”) programme and established a Risk Management Department to oversee, evaluate and report on risks and opportunities identified via the risk management framework. The Board of Directors continue to play a key role in endorsing risk management measures proposed by the management, ensuring that appropriate internal controls are embedded across the Group's business operations.

The Risk Management Department has undertaken the responsibility of sustainability reporting from FY2018 onwards. We consider sustainability and risk management as integral processes that drive the Group towards our long-term vision and aspirations to become a leading property developer that delivers innovative and quality products to enhance stakeholders' value.


By implementing sustainability reporting, we look beyond the economic and financial aspects of our business. We take into consideration environmental and social material matters that influences the Group's daily operations and stakeholders' expectations.

For further details on the Group's Risk Management practices, refer to pages 96 to 98 for the Statement of Risk Management and Internal Control in Tropicana's Annual Report FY2019.

SUSTAINABILITY GOVERNANCE

To define and guide the group towards sustainability-focused targets and measure tangible impacts, the Group formalised a sustainability governance structure in FY2017. With our Board of Directors at the apex of Tropicana's sustainability committee, the Board oversees, endorses and gives final approval to sustainability initiatives and strategies to be undertaken by the Group.

With the support of our Deputy Group Chief Executive Officer, the sustainability steering committee is tasked with embedding, measuring and monitoring sustainable practices across the Group to meet our long-term sustainability goals and aspirations. As added measure, the Risk Management Department oversees the data collection and sustainability reporting procedure on an annual basis to ensure our sustainable development efforts addresses the risks and opportunities within the Group's economic, environmental and social reach.

Sustainability Committee	Roles & Responsibilities
 Board of Directors	<ul style="list-style-type: none"> Responsible for sustainability direction of the Group Ensures business strategy considers sustainability matters
 Deputy Group Chief Executive Officer	<ul style="list-style-type: none"> Provides leadership to ensure the implementation of our sustainability agenda in business strategy Develops sustainability strategies and reports to the Board Approves policies, targets and market disclosures on sustainability matters
 Sustainability Steering Committee	<ul style="list-style-type: none"> Supports sustainability strategy implementation Ensures processes and controls are in place within its departments/functions Reports on the performance of processes, controls and management targets Includes the Risk Management Department to collect data and generate a sustainability report to be presented to the Board on an annual basis









*The Residences and W Kuala Lumpur,
Kuala Lumpur City Centre*

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Our stakeholders remain a top priority in guiding the Group's decision-making process to continuously improve our business operations. We take into consideration the impact of our business on the lives of the general public by creating commercial and residential developments that bring communities together to promote a harmonious environment.

To understand the expectations of our stakeholders, we regularly engage with them via a variety of communication channels that effectively shares our on-going and new developments, business strategies and the performance of the Group. The table below outlines our stakeholder engagement methods with six (6) key stakeholders that influences our business operations and material sustainability matters.

Stakeholder Group	Methods of Engagement	Frequency of Engagement
 Customers	<ul style="list-style-type: none"> Customer satisfaction survey Marketing campaigns and events Corporate website and project microsites Social and digital media Tropicana 360 app Direct messaging (SMS and Email/EDM blasts) 	<ul style="list-style-type: none"> Project basis Regularly Continuously Continuously Continuously Continuously
 Employees	<ul style="list-style-type: none"> Human capital development programmes Employee engagement platforms Company intranet and newsletters 	<ul style="list-style-type: none"> Monthly Regularly Continuously
 Investing Community	<ul style="list-style-type: none"> Annual General Meeting Analyst Briefings Quarterly Financial Performance Results Corporate Website Extraordinary General Meeting 	<ul style="list-style-type: none"> Annually Semi-annually Quarterly Continuously As and when required
 Board of Directors	<ul style="list-style-type: none"> Board of Directors, Audit Committee, Risk Management Committee meetings Nomination Committee and Remuneration Committee meetings Investment Committee and Pricing Committee meetings 	<ul style="list-style-type: none"> Quarterly; additional meetings are held as and when required Annually; additional meetings are held as and when required As and when required
 Suppliers	<ul style="list-style-type: none"> Training and coaching for compliance Supplier meetings Local and global supplier sourcing platforms Periodic performance reviews 	<ul style="list-style-type: none"> As and when required Regularly Continuously Annually
 Governing Agencies	<ul style="list-style-type: none"> Formal meetings Pre-consultations 	<ul style="list-style-type: none"> As and when required As and when required

MATERIAL SUSTAINABILITY MATTERS

In creating the building blocks for sustainable development, we conducted a materiality assessment in FY2017, where material matters that were identified, ranked and presented in the form of a materiality matrix signifies matters that impacted our daily business operations and influences our stakeholders' perception about the Group. With the materiality matrix as a guide, we identify the data to be disclosed in this Statement. Year on year, we strive to improve our data disclosure practices by implementing sound monitoring and data collection measures that would generate trends that are relevant to our economic, environment and social risks and opportunities.

Every financial year, our Group management team reviews the materiality matrix for its relevance to the Group and our stakeholders. The materiality matrix was deemed relevant for this reporting cycle with the added disclosure of two (2) additional material sustainability matters: Contractor Management and Occupational Safety and Health. Where possible, we will disclose qualitative and quantitative data on the management's approach to material sustainability matters that are ranked as 'High' and 'Medium' priority based on the materiality matrix.

MATERIAL ASSESSMENT

1

Prioritisation: A total of 18 material sustainability matters were identified and ranked by key management representatives in FY2017 with the guidance of external consultants with knowledge on sustainability reporting.

2

Review: Year on year, key management representatives will review the material sustainability matters to be disclosed as part of the Group's Annual Reporting cycle.

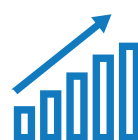
3

Approval: The Board of Directors will then review and endorse the proposed material sustainability matters to be disclosed in the Group's Sustainability Statement on a yearly basis to ensure its relevance to the Group's business operations and stakeholder concerns.

4

New Disclosure: Two (2) new material sustainability matters were included as part of our data disclosure for FY2019 - Contractor Management and Occupational Safety and Health.

OUR MATERIAL SUSTAINABILITY MATTERS



Economic

- Economic Performance
- Procurement Practices
- Innovation
- Indirect Economic Impact



Environment

- Environmental Compliance
- Energy Efficiency
- Waste Effluent
- Product & Services Responsibility (Environment)
- Water Management
- Biodiversity



Social

- Product & Services Responsibility (Social)
- Occupational Safety & Health
- Contractor Management
- Talent Development
- Employee Management
- Supply Chain
- Local Communities
- Social Compliance

MATERIALITY MATRIX



- | | |
|---|---|
| 1 Economic Performance | 11 Product & Services Responsibility (Social) |
| 2 Procurement Practices | 12 Occupational Safety & Health |
| 3 Innovation | 13 Contractor Management |
| 4 Indirect Economic Impact | 14 Talent Development |
| 5 Environmental Compliance | 15 Employee Management |
| 6 Energy Efficiency | 16 Supply Chain |
| 7 Waste Effluent | 17 Local Communities |
| 8 Product & Services Responsibility (Environment) | 18 Social Compliance |
| 9 Water Management | |
| 10 Biodiversity | |

● Economic




● Environment

● Social

Sustainability Statement

MATERIAL SUSTAINABILITY MATTERS

The Group creates value for its stakeholders by identifying and meeting their sustainable lifestyle needs. As part of our efforts to communicate the Group's sustainability initiatives, we endeavour to align our long-term goals to address the risks and opportunities of our material sustainability matters.

Focus Area	Material Sustainability Matters	Relevant Stakeholder(s)	Importance to Tropicana
Economic Pillar 	Economic Performance	<ul style="list-style-type: none"> Board of Directors Investing Communities 	To achieve long-term business growth that benefits current and future stakeholders alike.
	Procurement Practices	<ul style="list-style-type: none"> Suppliers 	To ensure transparency, fairness, accountability and impartiality throughout the entire procurement process.
Social Pillar 	Products and Services Responsibility	<ul style="list-style-type: none"> Customers Investing Communities 	To continuously improve the quality of our deliverables and enhance services that exceed the expectations of our customers.
	Employee Management	<ul style="list-style-type: none"> Employees 	To develop a healthy and productive workforce that represents the Group in an exemplary manner while achieving job satisfaction.
	Talent Development	<ul style="list-style-type: none"> Employees 	To promote a continuous learning environment that enhances the employability of our workforce and provide value-added services to our stakeholders.
	Occupational Safety & Health	<ul style="list-style-type: none"> Suppliers Government Customers Employees 	To protect the wellbeing of our workforce and ensure the safety of all stakeholders are maintained.
	Contractor Management	<ul style="list-style-type: none"> Suppliers Government 	To engage with contractors with values and principles that are aligned to the Group's production outcomes to ensure market demand and expectations are met.
	Community Engagement	<ul style="list-style-type: none"> Customers 	To encourage the culture of giving back while endorsing harmonious living that uplifts the wellbeing of the community.
Environmental Pillar 	Environmental Compliance	<ul style="list-style-type: none"> Government Suppliers Customers 	To minimise environmental impact via compliance and legislative requirements throughout the Group's supply chain.
	Energy Efficiency	<ul style="list-style-type: none"> Government Suppliers Customers Investing Communities 	To create awareness on responsible energy consumption practices and contribute towards minimising carbon emissions.

ECONOMIC

As one of the leading players in the industry, we are highly aware of the role we hold in contributing to the nation's economic growth. Our diverse portfolio of developments coupled with our unique Tropicana's DNA creates lifestyles and harmonious communities that can uplift Malaysia's living standards.

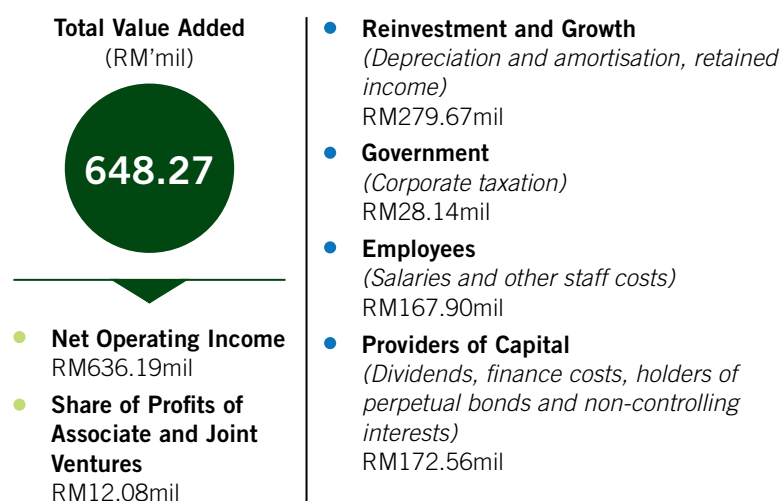


Focus Area	Material Sustainability Matters	Importance to Tropicana	Value Creation
Economic Pillar 	Enhancing Economic Performance	To achieve long-term business growth that benefits current and future stakeholders alike.	Ensure sustainable returns for stakeholders and enhancing the value of the Group's business portfolio.
	Responsible Procurement Practices	To ensure transparency, fairness, accountability and impartiality throughout the entire procurement process.	Playing a role in uplifting the nation's local economy and improving local employment opportunities.

ENHANCING ECONOMIC PERFORMANCE

In 2019, supported by our stakeholders' confidence and a passionate team of leaders with the goal of delivering services excellence beyond customer expectations, we continue to pave our way as one of the leading property developers in Malaysia and continue to expand our growth into the international market.

For the financial year end, the Group generated a revenue of RM1.14 billion and garnered a profit attributable to owners of the parent at RM320.76 million. Despite the challenging market for the industry, we showcase our resilience by consistently delivering results that continues to instill stakeholder confidence as illustrated below:



Further information on our economic performance can be found in:

- Management Disclosure and Analysis: pages 22 to 29
- Performance at a Glance: pages 30 to 31
- Financial Highlights and Insights: pages 32 to 33
- Value Added Statement: page 34
- Audited Financial Statements: pages 104 to 248

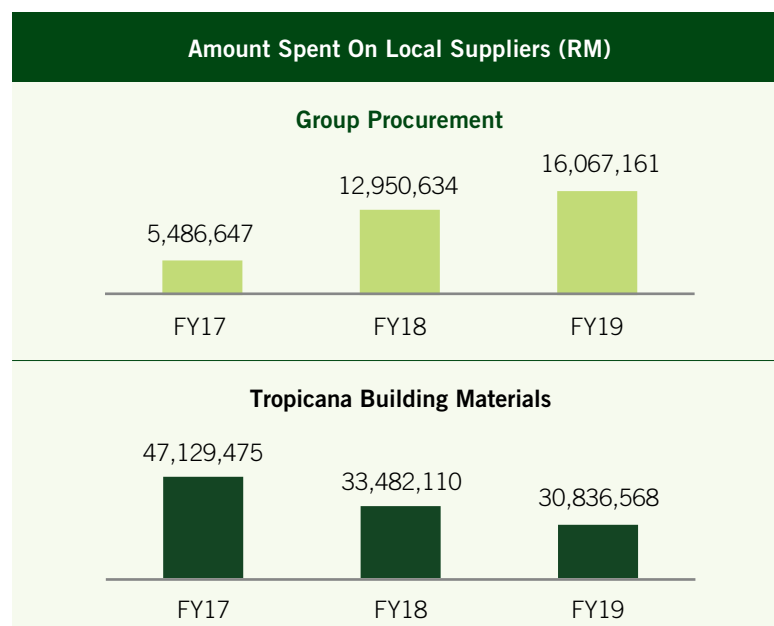
RESPONSIBLE PROCUREMENT PRACTICES

Prioritising Local Suppliers

Boosting Local Businesses

We strongly advocate fair and transparent business practices that contribute towards uplifting the local economy. More than 95% of suppliers engaged by our Group Procurement and Tropicana Building Materials department are sourced from local businesses that adhere to the Group's product quality expectations, cost effectiveness and business ethics standards.

Not only does the Group sees value in prioritising local hiring to stimulate Malaysia's economic growth, this mindset promotes sustainable environmental practices by reducing cross-country travel which would incur higher carbon emissions and costs.



Sustainability Statement

RESPONSIBLE PROCUREMENT PRACTICES

Prioritising Local Suppliers

Fair and Sustainable Tender Practices

As a guideline to be applied throughout the Group, we established a Procurement Policy and Standard Operating Procedure (“SOP”) Manual for the Group Procurement and Tropicana Building Materials department respectively. The guidelines continued to be enforced throughout FY2019.

Both guidelines included vendor selection criteria, survey and assessment methods to ensure a fair and transparent nomination process. The selection assessment procedure is to provide a system that fulfills the purchasing requirements of the Group and ensures that purchased items and/or services conform to specific requirements outlined by the Group, which includes an Approved Suppliers List. The criteria for evaluation includes material price competitiveness, lead time delivery, compliance to quality standards, material availability, technical support and more.

Our survey forms include background reviews and product quality checks to maintain the quality of their deliverables. Upon management agreement, we select our vendors via two types of stringent tender processes based on the project criteria. In the long-term, we believe that our rigorous survey and assessment procedures for suppliers and contractors will further encourage local businesses to improve their own standards in business practices and remain competitive industry players.

Group Procurement Standard Operating Procedure



Business Digitalisation

Embracing The Digital Era

In the era of rapid technological advancement, the industry sees more and more business processes being converted from manual labour to automated systems. Year on year, the Group undertakes measures to adopt digital technology across our value chain to continuously improve the efficiency of our business practices and reduce processing time throughout our daily operations. This year, we adopted a new and improved Human Resource Management System (“HRMS”) and migrated manual procurement application processes to an automated procedure via the e-Procurement (“e-PR”) system.

E-Procurement (“e-PR”)



System Implementation

August 2019

(except for New IPs in East Malaysia, JMB/JMC/RA)



Communication Methods

- Briefings
- Tutorials
- Trainings
- Guidelines on the Intranet
- Administration and Procurement team to manage any inquiries

Benefits of the e-PR

- Centralised control and monitoring of e-PR and e-PO
- Save user time on re-type PO description
- Secure facility for data storage
- Proper workflow approval process for all e-PR and e-PO
- Reports can be easily generated and saves user time on report preparation
- Minimises loss of hardcopy document during manual circulation

Human Resource Management System (“HRMS”)



System Implementation

April 2019

(Claims, E-payslip & Leave Application)



Communication Methods





- Internal Memo
- Briefings
- Tutorials
- Guidelines on the Intranet
- HR team to manage any inquiries

Benefits of the HRMS

- Centralised control and monitoring across all subsidiaries and HQ
- Secure facility for data storage
- Enhanced workflow approval process
- Reports can be easily generated and saves user time on report preparation
- Minimises loss of hardcopy document in manual circulation
- Improved local support team to address any system technical issues

SOCIAL

Our daily operations lead to considerable long-term social impact on local communities, the marketplace and workplace. The nature of our business within the development industry creates products and services that builds community and uplifts national standards on sustainable cities to our stakeholders. Furthermore, as an employer with a workforce of more than 800 employees, our business contributes to employment opportunities, job security and talent development for our employees. More than half of our material matters are within the social aspects of the EES sustainability pillar, which highlights the importance of our stakeholders to the Group's business operations and long-term sustainability.

Focus Area	Material Sustainability Matters	Importance to Tropicana	Value Creation
Social Pillar    	Responsibility to Our Products and Services	To continuously improve the quality of our deliverables and enhance services that exceed the expectations of our customers.	Enhance brand reputation via high quality deliverables that benefit homeowners and the surrounding community.
	Effective Employee Management	To develop a healthy and productive workforce that represents the Group in an exemplary manner while achieving job satisfaction.	Creating value to our workforce by encouraging a harmonious and fair working environment for employees.
	Promoting Talent Development	To promote a continuous learning environment that enhances the employability of our workforce and provide value-added service to our stakeholders.	Develop a formidable workforce that are highly knowledgeable of the industry and provide excellent customer service.
	Preserving Occupational Safety & Health	To protect the wellbeing of our workforce and ensure the safety of all stakeholders are maintained.	Strengthen the culture and awareness of occupational safety and health of our stakeholders.
	Sound Contractor Management	To engage with contractors with values and principles that align with the Group in producing an output that meets the demand and expectations of the market.	Promote efficient contract management that facilitates a beneficial working relationship between the Group and our contractors.
	Contributing to Local Communities	To encourage the culture of giving-back while endorsing harmonious living that uplifts the wellbeing of the community.	Create a culture of giving back, sharing the wealth and prosperity of the Group with local communities in which we operate.



Sustainability Statement

RESPONSIBILITY TO OUR PRODUCTS AND SERVICES

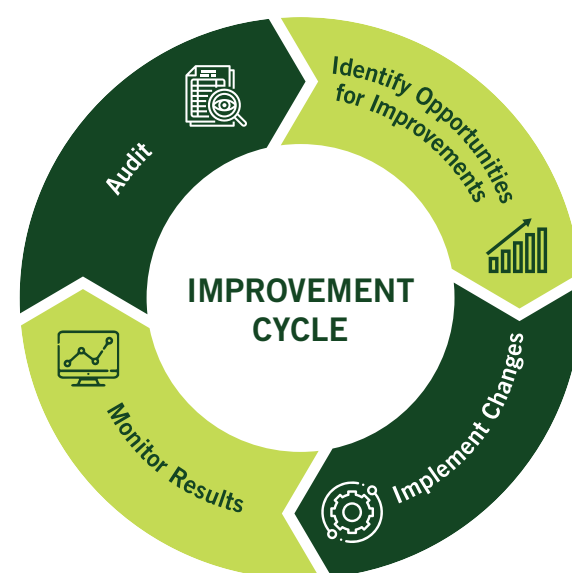
Achieving Quality Excellence

Committing to Continuous Improvement

The Group acknowledges the need for consistent and exemplary quality control of our products to meet the expectations of our customers. Year on year, we strive to enhance our reputation by delivering quality products and services. Therefore our business practices are guided by these key factors:

- Effectiveness of the QMS to meet customers' expectations;
- Ensure Tropicana's QMS is in compliance with statutory, regulatory and ISO 9001 requirements;
- Enhance skills and knowledge of our Tropicana staff via effective training and coaching; and
- Ensure a safe, healthy and conducive working environment at all times.

Our continuous improvement process is guided by a cyclic mechanism that monitors, reports, implements and assesses the Group's business practices to ensure long term sustainability and service excellence.



Certified ISO 9001

In showcasing our efforts to enhance quality standards across our business operations, the Group has successfully achieved ISO 9001:2015 certification for our Quality Management System ("QMS"). Our in-house Quality Assurance ("QA") department are guided by Tropicana's Vision and one of our Business Principles, that is, delivering products that achieves optimum customer satisfaction in terms of product excellence while also enhancing stakeholders' value.



Group Vision

We strive to be the leading property group that delivers innovative and quality products that enhance stakeholders' value.



Business Principle

Our Customers Come First – *In delivering innovative products and services, we work towards optimum customer satisfaction. We recognise and reward our loyal customers, who are our pillars of strength and a driving force behind the success of our Company.*

To communicate Tropicana's commitment to quality excellence, our QA department hosted several training programmes related to ISO 9001 and additional quality standards. The details of which are presented below:

Programme Name	No. of Attendees	Programme Objectives
ISO 9001:2015 Internal Quality Audit	30	<ul style="list-style-type: none"> • Introduce auditing as a tool for the organisation to monitor and achieve an effective Quality Management System • Promote objectivity and consistency in the organisation's Internal Audit process • Improve participants' understanding and involvement in the audit process • Improve audit effectiveness within the organisation
QLASSIC	32	<ul style="list-style-type: none"> • Understand QLASSIC Assessment methods • Acquire adequate knowledge and skills on assessment standard • Learn to conduct internal assessment and improve assessment scores
Root Cause Analysis and Improvement Tools	26	<ul style="list-style-type: none"> • Learn how to establish an effective team environment for root cause analysis • Utilise data and correct investigative tools to identify the root cause of an issue • Generate new ideas to solve the root cause of a problem and select the most appropriate solution using decision matrices • Implement measures to ensure the improvement practices are maintained • Recognise common barriers to root cause analysis and apply techniques to overcome those barriers

QLASSIC Assessment

Building on our ISO 9001- certified QMS, our products are stringently monitored and reviewed based on QLASSIC standards. During the year in review, our QA team conducted more than 10 quality assessments at our active project sites for structural, architectural as well as mechanical and engineering features of our buildings. The assessments were carried out to ensure that work was done in compliance with the Group's expectations and national standards such as those set by CIDB.

Our projects were also subjected to independent quality assessments by CIDB Malaysia to obtain QLASSIC scores and certifications. The table below highlights projects that were independently assessed during FY2019:

Development	Project Type	Assessment Date	QLASSIC Score
Tropicana Gardens (Cyperus)	High Rise, Residential	10 January 2019	76%
Tropicana Aman (Cheria)	Landed, Residential	26 January 2019	65%
Tropicana Aman (Sinaria)	Landed, Commercial	18 February 2019	75%
Tropicana Gardens (Dianthus)	High Rise, Residential	13 December 2019	66%

Customer Privacy

The privacy of our stakeholders remain crucial to the Group throughout our daily business operations. As such, we strictly adhere to the Personal Data Protection Act 2010, respecting and protecting confidential data that has been entrusted to us. During the period under review, Tropicana did not receive any complaints regarding breach of privacy, loss of data, unauthorised access to or disclosure of personal information.

The Group is making a transition towards implementing a robust IT infrastructure that serves as a data-centre with top-of-the-line cyber security, ensuring enhanced user-data privacy and compliance to regulatory requirements.

Tropicana 360

Upon the introduction of the Tropicana 360 ("T360") app during FY2018, we have upgraded the app to enhance its features which include a more user-friendly interface, improved functionality for facilities booking, progress of project development and more. The T360 incorporates our Tropicana's DNA, creating a seamless and innovative home ownership experience that integrates multiple functionalities within a single mobile application that is accessible at all times. The application will continue to be updated as we progress towards a business digitisation era that is geared towards upholding accountability, improving productivity, streamlining business processes and maintain an open communication channel with our customers.



T360 App Enhancements

- Improved app interface for owners to view details of the projects that are in progress
- Access to finance-related records for homeowners
- Seamless engagement with Tropicana's Vacant Possession ("VP") Team
- Enhanced visitor registration and facilities booking process
- Collects buyer feedback on the project
- Instant view of notifications
- Access to exclusive announcements related to the project or any upcoming Tropicana projects

Project	App Downloads	Project	App Downloads
Tropicana Gardens (Cyperus)	100%	Tropicana Heights (Ridgefield)	98%
The Residences	97%	Tropicana Aman (Cheria)	95%
Tropicana Aman (Sinaria)	100%	Tropicana Gardens (Dianthus)	18%

* The percentage indicates the number of T360 app downloaded by homeowners for each respective project.

Sustainability Statement

Meeting Customer Expectations

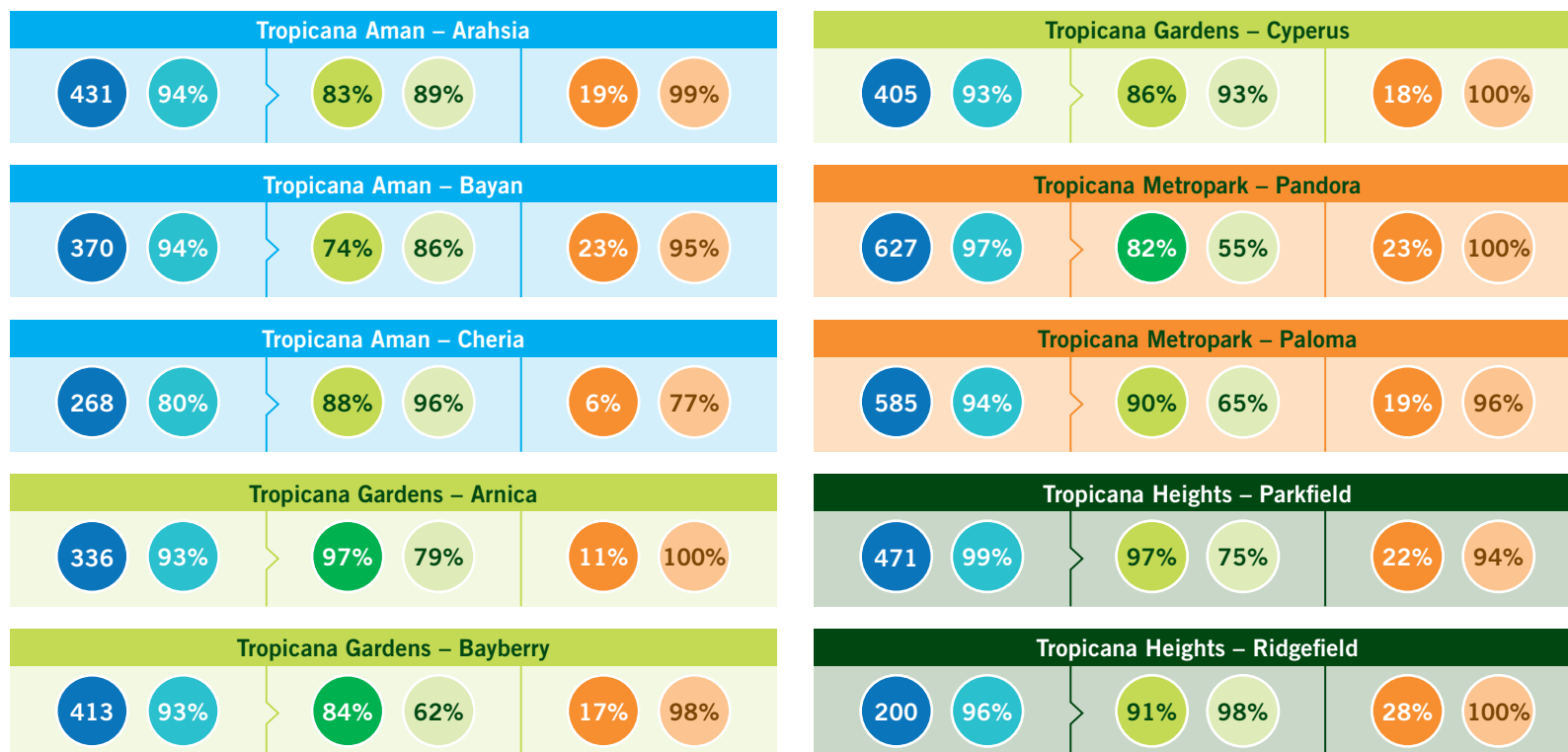
As a renowned industry player that delivers quality products and services, customer satisfaction is a key pillar in our business. In sustaining service excellence that meets customer expectations, we strive to create a sense of pride in owning a Tropicana property, both locally and abroad. We are also working to strengthen our brand reputation on a global platform. To achieve this, we maintain an open communication between the Group and our customers via satisfaction surveys and the T360 app.

We analyse and adapt to the evolving trends within the property market via Customer Satisfaction Surveys (“CSS”) issued during the vacant possession (“VP”) period. The CSS also facilitates our ability to continuously improve the products we build in the future and remain competitive in the industry. Results of the FY2019 CSS are as presented in the following section.



Customer Satisfaction Survey Results

- CSS Distributed
- Would buy another Tropicana product
- Of response rate consisted of complaints
- Response Rate
- Are you satisfied with our products and services?
- Of complaints were resolved by end FY2019
- Would recommend Tropicana products to friends or family



By end of FY2019, a total of 4,106 CSS forms have been distributed to our customers upon project VP at our key developments which are Tropicana Aman, Tropicana Gardens, Tropicana Metropark and Tropicana Heights. On the whole, we maintained a high feedback rate of 94% (3,858 responses) across the four key projects which were compiled, analysed for improvement and complaints addressed.

In addition to the CSS engagement method, our customers were contacted via email, telephone calls, the T360 app and WhatsApp for updates on any upcoming community events hosted by the Group. To report any grievances, we provide a reporting avenue via the T360 app and the General Feedback Management (“GFM”). We follow strict guidelines in addressing any reported grievance cases and verify each case via a structured grievance mechanism as illustrated.

Customer Grievance Mechanism



Customer Care to record any grievance reported via the Customer Service Centre



Management to call for internal meetings to analyse and verify the reported grievance and identify possible solutions

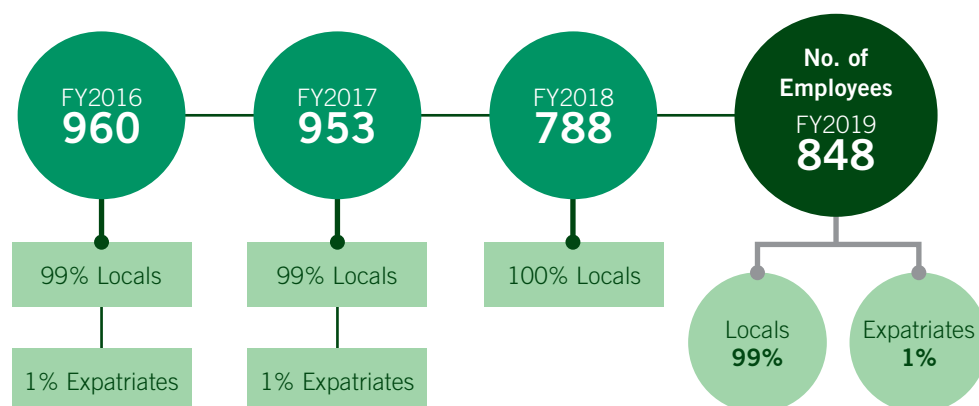


Management to conduct external meetings with the respective customer to discuss the viability of the proposed solution

EFFECTIVE EMPLOYEE MANAGEMENT

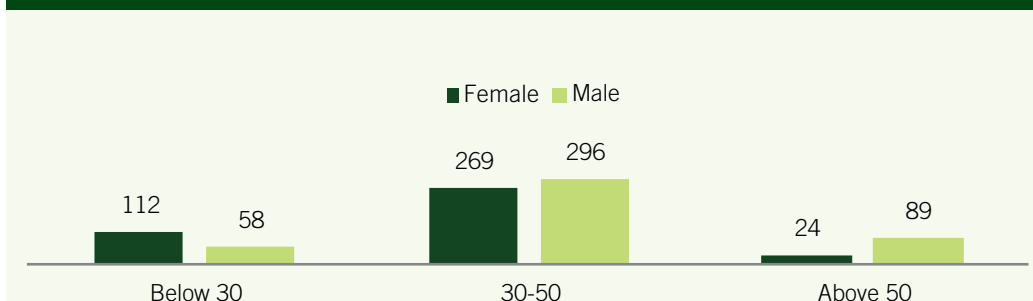
True to the Tropicana's DNA, our employees comprise a team of dedicated, multi-talented and experienced individuals who strive to deliver the best results, in addition to offering exemplary services to our stakeholders. We prioritise equal opportunity across all employment levels, creating a conducive working environment that is based on merit rather than age, gender, race or religion.

FY2019 saw a growth in our total headcount at 848 employees, 99% of which are Malaysians. We believe that we contribute to the nation's growth by prioritising the hiring of locals, providing opportunity for career growth and long-term success in the industry on a national and international scale. Our workforce inclusivity includes the support and encouragement given to our female employees to hold professional positions within the Group, which further translates to a 48% and 52% gender distribution between male and female employees respectively.

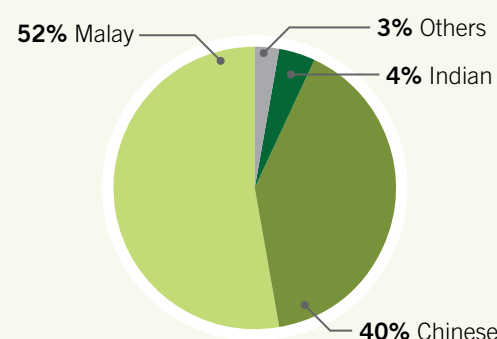


Category (FY2019)	Male	Female
Permanent Employees	390	386
Contract Employees	53	19
Total Employees	443 (52%)	405 (48%)

Employee Distribution by Age Group



Ethnicity



A diverse and inclusive workforce creates a working environment built on respect, tolerance and harmony by integrating different values across different races, religion, age group and ethnicity. At Tropicana, a majority of our workforce are within the 30-50 year old age group. We believe that balancing young talent and seasoned employees creates a conducive workforce that integrates industry experience and new perspectives on current purchasing trends that enhances the Group's adaptability in the ever-changing property industry.

The overall racial composition within the Group is well-represented as a majority of them are Malaysians (Malay, Chinese and Indians), followed by other nationalities which in turn allows us to seamlessly tap into the international markets.

Sustainability Statement

Employee Turnover

We maintain a strong and committed team by providing sound performance management and fair opportunities to improve their career development in the long-term. The Group also offers competitive remuneration packages and benefits to maintain job satisfaction and ensure low turnover rate.

To create a sense of belonging within the Group, we encourage employee engagement through various social activities which include charity runs, tea talks, departmental and festive dinner celebrations. In the coming years, we strive to further improve our engagement platforms, working towards better understanding the needs and expectations of our workforce. We believe that this practice will continue to build a harmonious and productive team that works towards achieving the Group's long-term vision and mission.

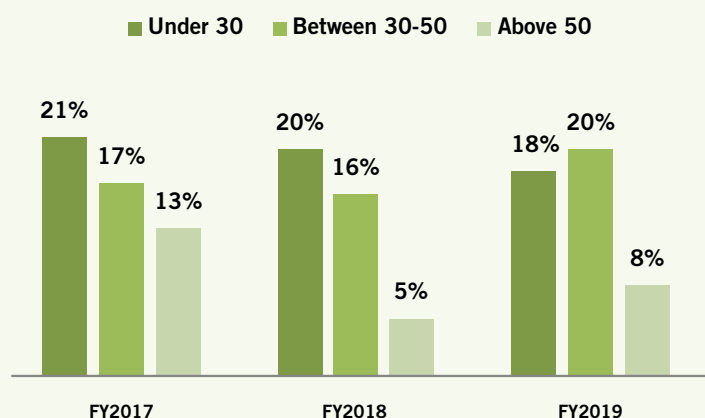


No. of Employee Resignations

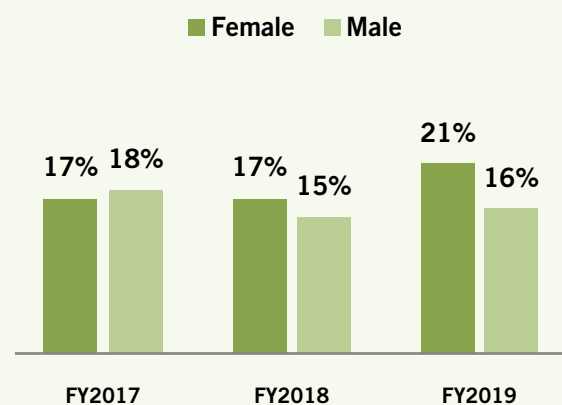
Age Groups	FY2016	FY2017	FY2018	FY2019
Under 30	53	53	59	46
Between 30-50	142	116	109	116
Above 50	27	17	6	8

Gender	FY2016	FY2017	FY2018	FY2019
Female	107	92	92	98
Male	115	94	82	72

Employee Turnover Rate by Age Group (Permanent Employees Only)



Employee Turnover Rate by Gender (Permanent Employees Only)



$$\text{Employee Attrition Rate} = \frac{\text{No. of resignations}}{\text{Opening headcount} + \text{No. of new hires}}$$

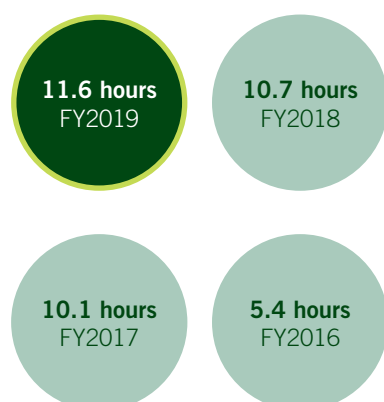
PROMOTING TALENT DEVELOPMENT

With a total of 848 employees, the Group acknowledges the importance of cultivating a work culture that prioritises professional competency and job satisfaction. We believe in building a culture of continuous learning and improvement as this strengthens the quality of our workforce. To achieve business success in this competitive industry, we invest on a variety of internal and external training programmes.

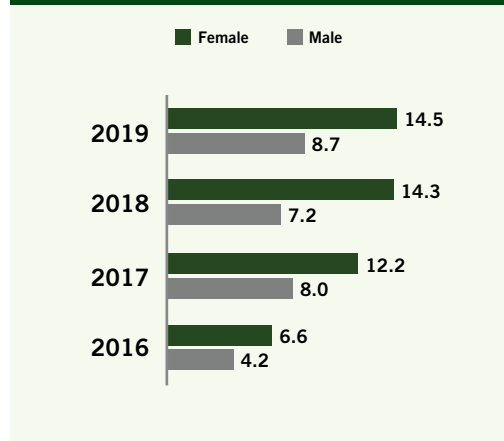
Along with enhancing organisational productivity, we believe in investing in our talent-pool as this will ensure high level of skills amongst our employees, subsequently improving their employability and career success in the long-term. In FY2019, the Group invested a total of RM322,809 on internal and external training programmes that encompass a wide scope of topics which include soft skills, quality assessments, health and wellness awareness, financial sustainability and more. The training cost includes permanent and contract employees who participated in all training programmes throughout the financial year.

Year on year, we have consistently increased our training hours per employee. FY2019 recorded the highest average training hours per employee at 11.6 hours. Our female employees generally attend more training programmes compared to our male employees based on the average training hours by gender. For data presentation and consistency purposes, we present the average training hours for the Group's permanent employees only. In the coming years, we endeavor to enhance our data presentation and widen the scope of our disclosures.

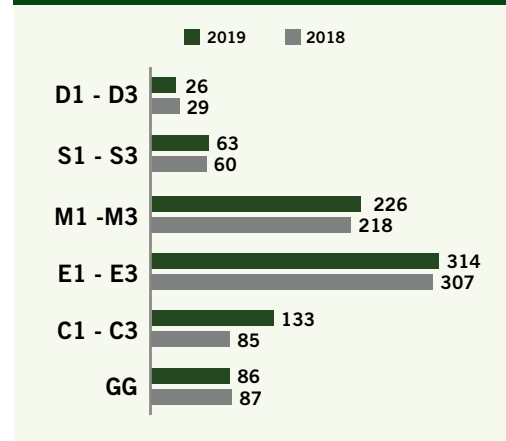
Average Training Hours per Employee



Average Training Hours by Gender



Average Training Hours by Designation



In addition to formal training, we also hosted several informal information sharing sessions coined as 'Tea Talk' for all employees who were interested to attend. The talks covered more informal topics related to general health and well-being, opening engagement opportunities amongst our workforce to create a more harmonious working environment and fulfilling personal life.

Tea Talk Topics	Talk Description
My Life, My Money	Financial intelligence and financial literacy for all employees. This talk served to empower employees with proper knowledge and skills to manage their personal finances more effectively.
Art of Street Crime Survival	Employees were exposed and taught on the strategies involving street crime survival, self-defense and self-protection by personnel from police force (polis bantuan).
Discipline Dilemma	Importance of discipline in moulding children to be more responsible and accountable for their actions and decisions.
Fit for Life. Body for Life	Sharing on the importance of physical activity (exercising) in order to have an optimum health for a fitter, happier and healthier life.
Knowing CPR Can Save Lives	Learn skills and techniques of Cardio Pulmonary Resuscitation ("CPR") as well as experience hands-on practice, monitoring vital signs of life, actions and responses required during emergency and casualty handling.

Sustainability Statement

PROMOTING TALENT DEVELOPMENT

The table below presents several key training programmes held by the Group throughout the reporting period. We believe that it is essential to conduct training sessions that capture the essence of leadership while promoting personal development for our employees to achieve their full potential and continuously improve our products and services delivery to our stakeholders.

Training Programme	Programme Description
Performance Enhancement And Employee Renewal Strategy	<ul style="list-style-type: none"> Developing the right mind-set for growth and development for a successful career, adopting the right and positive attitude towards life and work, effectively and efficiently manage work commitments and creating value-added self-excellence
Basic Presentation Skills (Speak Up & Impress)	<ul style="list-style-type: none"> Crafting and structuring of speech presentation, design and develop eye-catching presentation slide decks, overcoming presentation nerves, evaluating good speech delivery and delivering impactful presentations that will engage the audience
Effective Leadership Skills - Renamed as Managers as Leaders	<ul style="list-style-type: none"> Understanding the “paradigm shift” in “modern” leadership How to be a successful manager/leader How to be an effective and efficient “manager” at work How to coach, manage and lead as a manager/leader Learn the 3 multiplier effects to building a great team How to create healthy manager – subordinate relationship – “Trust” Hiring right candidates through effective behaviour interview techniques Understand the 3 secrets of One Minute Management
Business Writing Skills for Managers	<ul style="list-style-type: none"> Write according to audience’s expectation (both formal and informal writing styles) Write letters, e-mails and brief reports that produce results Write clearly, economically and elegantly Drive your intended meaning with a carefully crafted sentence and well-chosen word Edit grammatical and word choices for greater effect
Time Management	<ul style="list-style-type: none"> To identify the key areas of focus in our work To learn the importance of planning and prioritising To learn the importance of deadlines to improve efficiency
Coaching for Higher Performance	<ul style="list-style-type: none"> Coaching skills towards improving of work efficiency and productivity Empowering subordinates towards owning of deliverables and productivity Learn the Golden rule in driving positive and empowering attitudes in subordinates Learn right skills in asking right probing questions leading to desired behavioural outcome Effective coaching strategy through John C Maxwell modules

Other training programmes include:

- Effective Communication Skills
- Be the Best of You (Includes NLP and EQ Topics)
- Microsoft Excel (Foundation to Intermediate)

- Bridging Generational Gap in Workplace
- Enhancing Critical Thinking Skills (Think Better, Decide Better)
- Write in Business English for Executives

PRESERVING OCCUPATIONAL SAFETY & HEALTH

Safety will always remain at the forefront for all the operations undertaken at the Group. At Tropicana, we continuously work towards building a strong culture and appreciation towards occupational safety and health. Along with leadership excellence, our safety personnel at the project site work diligently to meet the safety standards outlined by national regulations and the Group's expectations. Every year, we strive to reduce the risks that may compromise the safety and health of our stakeholders, applying measures that are practical and financially feasible to minimise the potential impacts of any incident that may occur throughout the reporting period.

SAFETY AT THE PROJECT SITE



At our project sites, every individual who works for the Group, or with us, play an important role in maintaining a safe and healthy environment. We work with our contractors to ensure they understand our safety requirements. Together we build skills and expertise to improve safety performance.

SAFETY AT THE OFFICE



During FY2019, there were no major injuries or incidents recorded at the Tropicana City Office Tower. In the event of minor incidents, we will conduct thorough investigation with the aim to learn and improve our response to future incidents.

We aim for a safety culture that goes beyond compliance to one where people feel that they are listened to, cared for and are comfortable to raise concerns regarding potential risks or malpractices occurring at the workplace. The following measures are currently in place for our contractors, employees and site visitors to adhere to at all our project sites.

Regulatory Compliance	<ul style="list-style-type: none"> Occupational Safety and Health Act 1994 Factories and Machinery Act 1967
Contract Stipulations	<ul style="list-style-type: none"> To monitor and advice on the safety performance at our project sites, it is compulsory for our contractors to provide: <ul style="list-style-type: none"> ▶ 1 person of safety and health officer ("SHO") ▶ 1 person of safety and health supervisor SHO must prepare a timetable for monthly activities and record keeping at the project site for the Group and Architect SHO to conduct the following activities at the project site: <ul style="list-style-type: none"> ▶ Toolbox meetings with subcontractor, supplier and workers ▶ Housekeeping sessions ▶ Hazard and risk management (usage, storage and disposal of diesel, construction waste and etc) ▶ Health management (no stagnant water bodies, mosquito fogging and etc) A Clerk of Work ("COW") is engaged by the Group and seconded to respective consultants for each project. A COW's task includes the verification and monitoring of site safety measures implemented at the project site
Safety Personnel at the Project Site	<ul style="list-style-type: none"> Safety Committee chaired by the Main contractor's Project Manager as stipulated by Department of Occupational Safety and Health ("DOSH") Safety and Health Officer Safety and Health Supervisor Clerk of Work
Safety Reports to the Project Team	<ul style="list-style-type: none"> HSE reports are produced every month, which are reviewed by Head of Project Department and Project Architect
Safety Programmes and Project Site Meetings	<ul style="list-style-type: none"> Safety toolbox meeting focused on health, safety and environment risks and management for all workers (Main contractor, sub-contractor, suppliers and COW) during construction stage Site progress meetings are conducted every fortnightly where pertinent health and safety-related issues will be flagged, and management measures will be outlined Project teams periodically conduct site walks, carry out assessments and audit the contractor on the material submission, variation order, quality of work to ensure adherence to ISO Standards

Sustainability Statement

SOUND CONTRACTOR MANAGEMENT

As front-runners in the property development industry, we heavily rely on our main contractors, sub-contractors, consultants and architects to build residential and commercial properties that represent the quality we strive for. Upon the selection of a main contractor, the appointment of additional sub-contractors remain at the discretion of the main contractor while the Group monitors their overall work progress and quality.

Prior to the initiation of a project's construction stage, our contractors were required to conduct a dilapidation survey. This preliminary process is carried out to assess the existing structural condition of the surrounding buildings and structures before the commencement of a demolition, construction or development.

To ensure that occupational safety and quality excellence are maintained at the project site at all times, we appoint site personnel that may include project site manager, clerk of work, resident architect or site supervisors depending on the scale and cost of a development. Each project developed by Tropicana will also have a dedicated project team that regularly monitors the site progress and reports to the Management. As a foundation to achieving our vision to becoming a leading developer, the contractors we engage in are required to adhere to the following national laws and regulatory requirements:

- Occupational Safety and Health Act 1994 (“**OSHA**”)
- Factory and Machinery Act 1967 (“**FMA**”)
- CIDB Guidelines which includes the submissions of Project Quality Plan
- Environmental Quality Act 1974

In addition to statutory compliance, we have internal evaluation measures to identify the work quality and safety conditions of our contractors.

Frequency of Meetings/Reports	Detail
Weekly	<ul style="list-style-type: none"> • Contractor and consultants meet with Project PIC in the event of a project construction delay
Fortnightly	<ul style="list-style-type: none"> • Project site inspection by Project PIC
Quarterly	<ul style="list-style-type: none"> • Evaluation of contractor performance at project site • Evaluation criteria include work quality, number of man power, management of project, condition of occupational safety, health and environment, and construction timeline
As and When Necessary	<ul style="list-style-type: none"> • In the event of project delays or any risks has been highlighted

Project Quality Assessment

Guidelines QLASSIC	Assessment Methods <ul style="list-style-type: none"> • Project Quality Assurance (“PQA”) team conducts workmanship inspection during the project construction phase • A Pre-Delivery Inspection (“PDI”) is conducted prior to applying for CCC
Target Score QLASSIC Score of 75% and above	

CONTRIBUTING TO LOCAL COMMUNITIES

As a Group, we practice a culture of giving back through a variety of organisations that extend beyond our core business activities. During the reporting period, the Group and 11 of our subsidiaries contributed RM1,069,667 to the community for charitable notions. Supported by Tropicana Foundation, we set out to improve the lives of our stakeholders with philanthropic actions that best reflects the needs of the local communities which include educational and health-related initiatives.

Contributions via Tropicana Group and Respective Subsidiaries	Funds Contributed
Tropicana Corporation Berhad	RM725,500
Tropicana Aman Sdn Bhd	RM231,000
Tropicana Golf & Country Resort Berhad	RM30,000
Tropicana Indah Sdn Bhd	RM27,000
Tropicana Residences Sdn Bhd	RM12,660
Tropicana Danga Bay Sdn Bhd	RM8,000
Tropicana Marketplace Sdn Bhd	RM3,800
Tropicana Kajang Hill Sdn Bhd	RM3,500
Tropicana Macalister Avenue (Penang) Sdn Bhd	RM3,000
Tropicana SJII Education Management Sdn Bhd	RM1,207
Tropicana Innovative Landscape Sdn Bhd	RM1,000
Contributions via Foundation	
Tropicana Foundation	RM18,000
Contributions via Joint Venture	
Tropicana Danga Cove Sdn Bhd	RM5,000
Total	RM 1,069,667

Our biggest contributions are targeted towards supporting health and wellness programmes or organisations, followed by short-term charitable gifts for annual small-scale events. In the long-term, we hope to continue our efforts to build meaningful relationships with communities in where we have a presence and create a positive impact.



Health and Wellness

- Golf tournaments by various participating organisations
- The Purple Wave Walk
- McM 100,000 Steps Challenge
- Community Clean-Up Programme to Combat Against Aedes at MPP Zon 3, Majlis Daerah Kuala Langat
- Staff Training on Listening Skills by the Befrienders KL
- The EDGE Kuala Lumpur Rat Race 2019



Education

- Donation for upgrading of school facilities to Sekolah Jenis Kebangsaan (Cina) Jasin Lalang
- Youth and Cultural Programme by Youth and Cultural Art Adika Club
- Donation for General PIBG Meeting at Sekolah Kebangsaan Ewa Mukimi Air Hangat Langkawi, Kedah




Charitable Contribution

- Hari Raya 2019 Celebration bersama ASNAF organised by Tropicana Golf & Country Resort Berhad
 - ▶ Pertubuhan Kebajikan Islam Peribadi Mulia
 - ▶ Pertubuhan Kebajikan dan Pendidikan Anak Kesayanganku Selangor
 - ▶ Rumah Kasih Harmoni Paya Jaras
- Nelson Mandela International Day
- Contribution to the Sudassa Vihara Buddhist Association, Pulau Pinang building fund

Sustainability Statement

ENVIRONMENT

As developers, we acknowledge our role and responsibility in environmental stewardship amongst our business operations and stakeholders. Our focus is to build integrated developments that compliment the natural environment, minimising any practices that may cause a negative impact on the land in which we develop and the surrounding community. We adopted a continuous improvement approach on our energy consumption, water usage and waste production to ensure that we utilise resources more efficiently throughout the Group's supply chain.

Focus Area	Material Sustainability Matters	Importance to Tropicana	Value Creation
Environmental Pillar 	Adhering to Environmental Compliance	To minimise environmental impact via compliance to legislative requirements throughout the Group's supply chain.	Increase awareness on the importance of environmental conservation and protection by adhering to regulations that aims to protect the natural environment.
	Improving Energy Efficiency	To create a culture of responsible energy consumption practices and contribute towards minimising carbon emission.	Achieve reduction in carbon emissions, energy consumption and overall cost reduction of electricity usage.

IMPROVING ENERGY EFFICIENCY

Our impact on the environment includes energy usage at our project construction sites, property galleries and head offices. We monitor the energy we consume at our head office via electricity billings that are recorded on a monthly basis. As we are preparing to migrate from our current office building to a new head office at Tropicana Gardens, we endeavour to put measures in place that would accurately track and monitor our energy consumption to generate reliable results for future references.

In an effort to promote environmental conscientiousness within our business operations, we obtained the Green Building Index "GBI" and GreenRE certification for two of our key projects in FY2019: Tropicana Gardens and Tropicana Metropark (commercial phase) respectively. We also inculcated energy-saving features that would effectively lower electricity consumption and carbon emissions in our buildings to ensure long-term sustainable energy usage.

Tropicana Danga Bay & Danga Cove Iskandar Malaysia, Johor	Tropicana Metropark Subang Jaya, Selangor	Tropicana Gardens Petaling Jaya, Selangor	Tropicana Heights Kajang, Selangor
<ul style="list-style-type: none"> Installed energy efficient lighting including LEDs Architectural passive cool design Use of natural daylight to reduce the need for artificial lighting Natural ventilation to reduce air conditioning 	<ul style="list-style-type: none"> Installed energy efficient lighting including LEDs Use of natural daylight to reduce the need for artificial lighting Natural ventilation to reduce air conditioning 	<ul style="list-style-type: none"> Use of more fix window to produce effective natural lighting Natural ventilation to reduce air conditioning 	<ul style="list-style-type: none"> LED street lightings at Phase 5 comprising 66 units of super-link units

ADHERING TO ENVIRONMENTAL COMPLIANCE

We strive to ensure our decisions contribute to improvements in environmental sustainability, working in-tandem with qualified consultants in green building initiatives, the local authority, Government and other stakeholders in achieving our targets.

In addition to enhancing our green building features, we emphasise on meeting regulatory requirements across all projects as set out by the Government and local authority. During the reporting period, we are proud to declare zero significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations for all on-going projects.



Compliance to Regulatory Requirements

- Environmental Quality Act 1974
- Environmental Quality (Industrial and Effluent) Regulations 2009
- National Landscape Policy
- Environmental Impact Assessment for prescribed activities
- Town and Country Planning Act 1976



Tropicana Golf & Country Resort Replanting Programme

Responsible Waste Management

As a developer, waste management is a central process throughout the construction of our projects. Waste material generated at our construction sites are responsibly disposed via licensed contractors that do not practice illegal dumping.

To cultivate responsible waste disposal practices, the Group encourages our stakeholders to participate in the act of recycling by providing avenues that promote recycling habits.



- **Programme Launch**
20th April 2019
- **Participating Project**
Tropicana Metropark
- **Objective:**
Install a recycle bin at the Property Gallery for people to dispose unwanted clothing items and reduce contribution to landfills



- **Programme Launch**
1st December 2019
- **Participating Projects**
Tropicana Metropark, Tropicana Aman, Tropicana Gardens, Tropicana Heights, Tropicana Avenue
- **Objective:**
Reduce carbon footprint by encouraging waste segregation and recycling practices. Participants are awarded with Recycle Points ("RP") which are exchangeable for merchandises, cash vouchers, or even convertible to cash



Tropicana Metropark, Subang Jaya

A LEGACY OF EXCELLENCE

Tropicana Metropark is built around its 9.2-acre Central Park that is filled with flowing streams, greenery and open spaces for residents to relax and unwind. This landscaped township emulates the city of Melbourne and its symbiotic relationship with the Yarra River, all within 88 acres of land. Accessibility is a breeze, as the thoughtfully designed township has its own flyover that links directly to the Federal Highway. The development was conceived for younger consumers who desire refined, contemporary, inspired living while being one with nature, all within the same space.

*For more information, please visit
www.tropicanametropark.com.my*

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WHAT WE'VE GOVERNED

- 80 Corporate Governance Overview Statement
- 95 Additional Compliance Information
- 96 Statement on Risk Management and Internal Control
- 99 Audit Committee Report

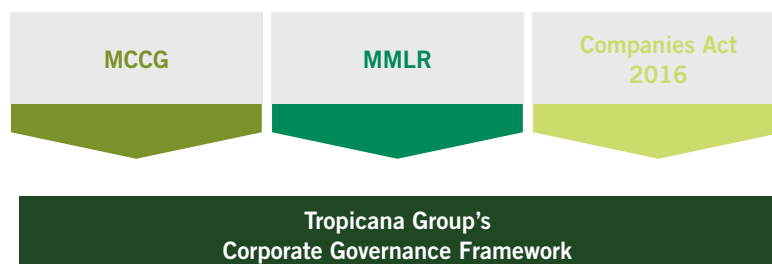
Corporate Governance Overview Statement

The Board of Directors (“**Board**”) of Tropicana Corporation Berhad (“**Tropicana**” or “**the Company**”) is committed to maintain high standards of corporate governance to protect and enhance the shareholders’ value as well as the continued growth and success of the Company and its subsidiaries (“**the Group**”). The Board supports the principles and recommendations of the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“**MCCG**”). The Board will continue to review the existing corporate governance practices throughout the Group and to undertake appropriate actions in embedding the principles and recommendations of the MCCG.

This Corporate Governance Overview Statement (“**Statement**”), which is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”), sets out an overview of the application of the principles in the MCCG in which the Group has applied the principles and the recommendations of the MCCG throughout the financial year ended 31 December 2019 (“**FY2019**”). Details of the application of each practice of the MCCG during FY2019 are disclosed in the Corporate Governance Report (“**CG Report**”) in the format prescribed by Paragraph 15.25(2) of the MMLR of Bursa Malaysia Securities, which is available on the Company’s website at <https://www.tropicana.com.my/about-tropicana/corporate-governance> as well as the website of Bursa Malaysia Securities. This Statement made reference and provide the details on how the Company applied and upheld the three (3) main principles highlighted in the MCCG during FY2019, which are:-



In addition, the Company’s corporate governance framework is based on the following statutory requirements in building the sustainability values:-



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board assumes the following principal responsibilities in discharging its fiduciary duties and leadership functions:-

- reviews and adopts the strategic plan for the Group;
- oversees the conduct of the Group’s businesses to determine whether the businesses are being properly managed;
- identifies principal risks and ensures the implementation of appropriate systems to manage these risks;
- establishes a succession plan for the Company;
- oversees the development and implementation of an investor relations programme for the Company;
- reviews the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- ensures the Company’s financial statements are true and fair and conform with the laws; and
- ensures the Company adheres to high standards of ethics and corporate behaviour.

During FY2019, in addition to routine matters, the Board looked into the Group’s sustainability reporting matters and had adopted a new Remuneration Policy for Directors and Senior Management. On top of that, the Board also assessed the impact of corporate liabilities under the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Board is mindful of the importance of building a sustainable business and therefore, takes into consideration its environmental, social and governance impact when developing the corporate strategy of the Group. The Company's activities in corporate social responsibilities for the year under review are disclosed on page 75 of this Annual Report.

In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board, the Chairman, Vice Chairman, Group Chief Executive Officer ("CEO") and Deputy Group CEO. The Board Charter which is available on the Company's website at <https://www.tropicana.com.my/about-tropicana/corporate-governance/board-charter> sets out processes and procedures for convening Board meetings. Matters specifically reserved for the Board and those delegated to Board Committees are clearly defined in the Board Charter. The Board Charter is reviewed as and when required to be aligned with the practices recommended in the MCGG and provisions in the MMLR of Bursa Malaysia Securities as well as current practices.

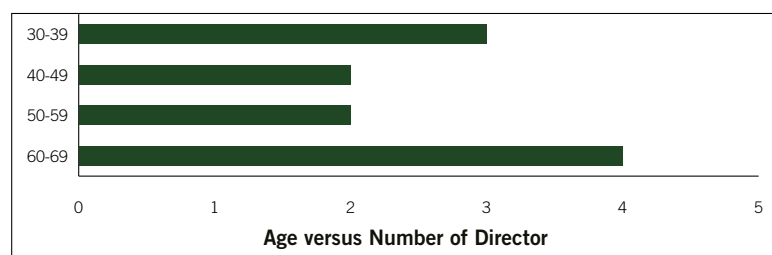
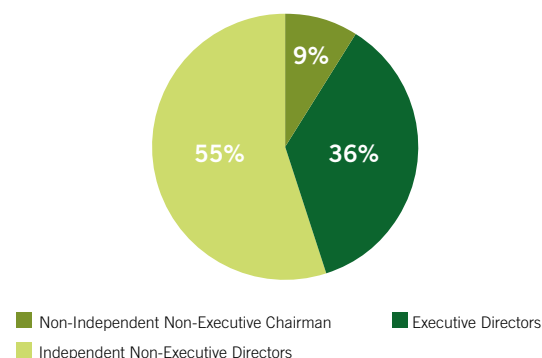
The Chairman leads the Board in establishing and monitoring good corporate governance practices and carries out a leadership role in the conduct of the Board and in his relations with shareholders and other stakeholders. The primary responsibilities of the Chairman are, amongst others, as follows:-

- to lead the Board and to ensure the effectiveness of all aspects of the Board's role;
- to ensure the efficient organisation and conduct of the Board's functions and meetings;
- to facilitate the effective contribution of all Directors at Board meetings;
- to promote constructive and respectful relations among Directors, and between the Board and Management; and
- to ensure effective communication with shareholders and relevant stakeholders.

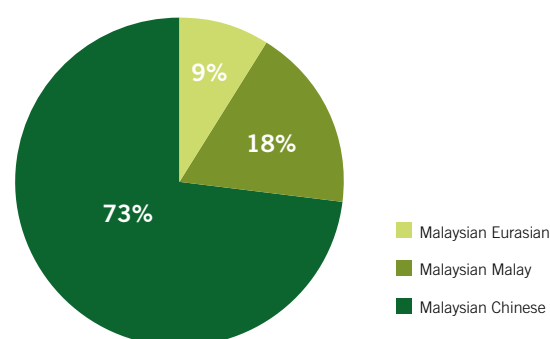
II. Board Composition

Throughout FY2019, the Board composition complies with Paragraph 15.02 of the MMLR of Bursa Malaysia Securities whereby at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are made up of Independent Non-Executive Directors. The Board, as at the date of this Statement consists of eleven (11) members, which made up of one (1) Non-Independent Non-Executive Chairman, six (6) Independent Non-Executive Directors and four (4) Executive Directors.

Board Composition



Nationality / Ethnicity



The Board comprises members from diverse backgrounds ranging from property development, investments, finance and accounting, banking, audit, risk management, legal, business and general management, information technology, public administration and multimedia. The Directors provide the Group with diverse views and a wealth of expertise, experiences and networks to draw upon. The Board's decisions are based on diverse perspectives/insights and are made objectively in the best interests of the Company. The profiles of the Directors are set out on pages 40 to 46 of this Annual Report.

Corporate Governance Overview Statement

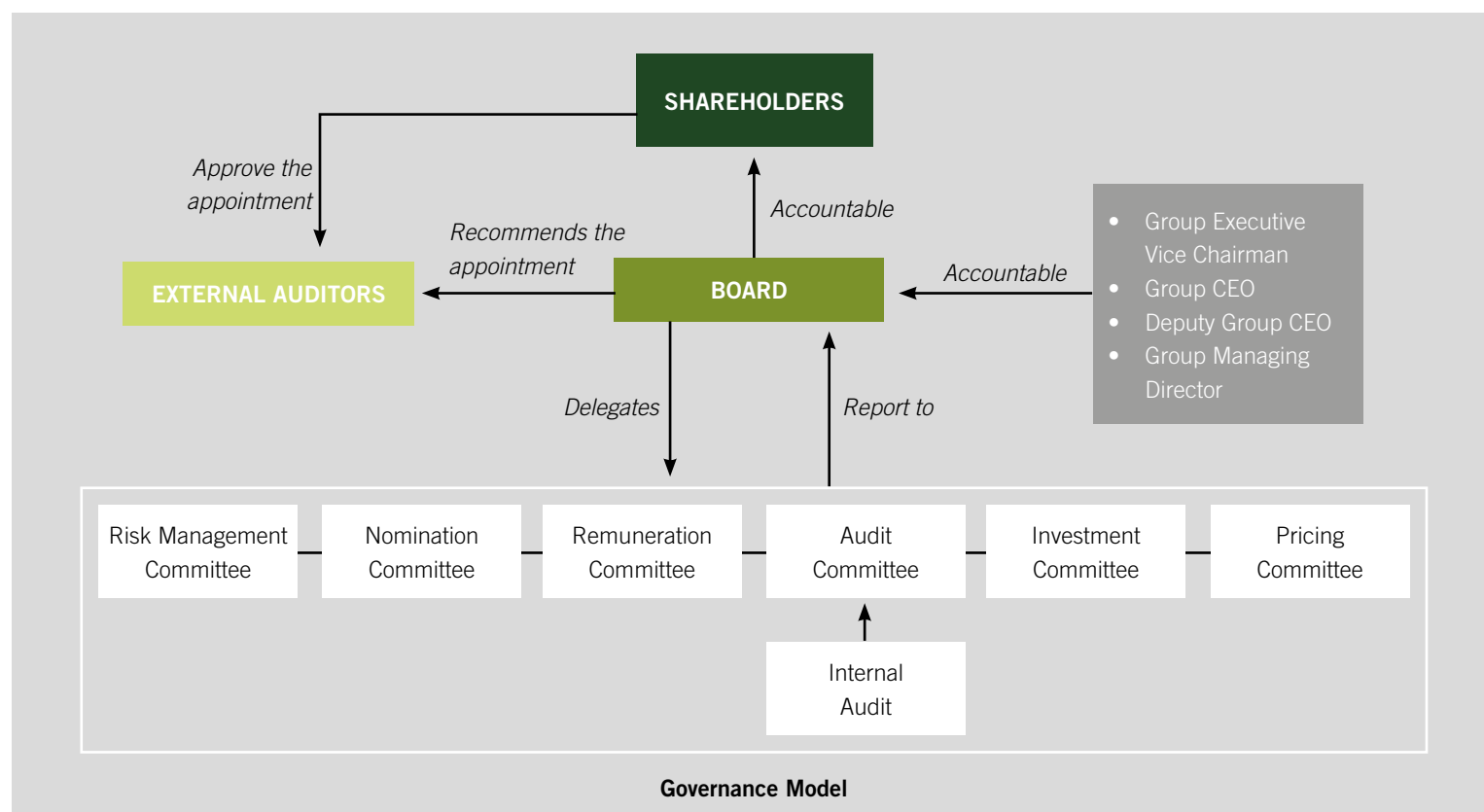
III. Board Independence

The presence of the experienced Independent Non-Executive Directors has ensured proper check and balance in the Board, and provides unbiased and independent views, advice and judgement, besides playing key supporting roles.

There is a clear division of responsibilities at the head of the Company. The Chairman and Group Executive Vice Chairman represent the Board to the shareholders and are responsible for the effective running of the Board. The Group CEO, assisted by the Deputy Group CEO and the Group Managing Director are fully responsible for the effective running of the Group's operations and the implementation of the Board's policies and decisions.

The positions of Chairman and Group CEO are held by different individuals. The clear distinction of responsibilities between the Chairman and the Group CEO ensures a balance of power and authority, such that no individual or small group of individuals can dominate the Board's decision-making. It is mandatory for all members of the Board to declare any of their interests in the transactions undertaken by the Group. In such instances, the interested Director(s) shall abstain from deliberation and the decision-making process.

IV. Governance Model and Framework



The Board delegates the day-to-day management of the Company's businesses to Management under the stewardship of Mr Yeow Wai Siaw, the Group CEO, who is assisted by Dato' Dickson Tan Yong Loong, the Deputy Group CEO and Mr Dion Tan Yong Chien, the Group Managing Director.

Management meetings are held regularly or whenever the needs arise to discuss and review the Group's businesses and concerns, and to make the appropriate day-to-day business and management decisions.

To ensure that the direction and control of the Group is firmly in its hands, and having an oversight of Management, the matters reserved for the Board's decisions are as follows:-

- to approve corporate plans and strategic issues of the Company;
- to approve annual budgets of the Company;
- to approve material acquisitions and disposals of undertakings and assets as well as major investments of the Group;
- to approve new ventures of the Group;
- to approve changes to the control structure of the Company including key policies, capital expenditures, authority levels, treasury policies and risk management policies;
- to approve material borrowings of the Company; and
- to review the financial statements of the Company and the Group on a consolidated basis.

The strategic business plan for the Group is reviewed by the Audit Committee and presented to the Board for approval on an annual basis and the milestones achieved and progress of the strategic plan and financial targets are reported to the Board on a quarterly basis.

The Board has set up an Investment Committee to assist the Board to review any proposed acquisition or disposal of undertakings and assets as well as major investments of the Group including any new ventures of the Group that exceed the threshold of 1% of the Company's shareholders' fund based on the latest audited consolidated financial statements of the Company.

To strengthen the Board's oversight of Management (in addition to the above), the Board has the following agendas at its quarterly meeting:-

- to review reports of the operations of the Group (Northern, Central and Southern regions) by senior management;
- to review reports of the status of marketing and sales of the Group prepared by the Managing Director of Marketing & Sales and Business Development (Non-Board member of Tropicana); and
- to review reports on the development of material litigation(s) and/or any new material litigation of the Group by the Executive Director of Group Legal (Non-Board member of Tropicana).

The Board has delegated specific responsibilities to several Board Committees namely, the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Pricing Committee and Investment Committee to oversee, manage and review specific aspects of the Company's business operations and corporate matters. All the Board Committees operate within their respective approved defined terms of reference and specific authority delegated by the Board. All the Board Committees make recommendation to the Board for approval in respect of the matters under their purview, saved for the Pricing Committee, which has been empowered by the Board to make decision within its terms of reference. The Chairman of the respective Board Committees will report to the Board on the proceedings of each Board Committee meeting and the reporting of the said proceedings will be minuted accordingly. The Board retains full responsibility for the final decision on all matters.

(i) Nomination Committee

As at the date of this Statement, the Nomination Committee consists of four (4) members, all of which are Independent Non-Executive Directors. The composition of the Nomination Committee is as follows:-

Name	Position	Designation
Datuk Wira Lye Ek Seang	Chairman	Independent Non-Executive Director
Datuk Michael Tang Vee Mun	Member	Independent Non-Executive Director
Encik Mohd Najib Bin Abdul Aziz	Member	Independent Non-Executive Director
Encik Hafez Mohd Hashim Bin Razman Md Hashim	Member	Independent Non-Executive Director

At the Fortieth Annual General Meeting of Tropicana ("40th AGM") held on 25 June 2019, the shareholders had approved the re-designation of Datuk Michael Tang Vee Mun from Non-Independent Non-Executive Director to Independent Non-Executive Director in accordance with the MCGG.

The Nomination Committee does not make decisions on behalf of the Board but makes recommendations to the Board for approval.

Corporate Governance Overview Statement

New Appointment to the Board and Senior Management

The Nomination Committee has been given the responsibility to recommend new appointments to the Board, Board Committees and senior management who hold the key pivotal positions in Tropicana and its group of companies (“**Key Personnel**”) on an on-going basis, with a view to ensure that the Board composition meets the needs, objectives and aspirations of the Company. Considerations should be given to the competencies, commitment, contribution and performance of the potential candidates.

The Nomination Committee also reviews the evaluation process and evaluation forms for all Board members in respect of the annual evaluations of the effectiveness of the Board, Board Committees and the contribution of each Director.

The selection criteria of members of the Board are primarily based on the merits of competency, knowledge, experiences, expertise, skills, character, integrity and time commitment of the candidates, and taking into consideration the diversity in gender, ethnicity and age.

Diversity and Inclusion Policy

During FY2019, the Board has adopted a Diversity and Inclusion Policy on 28 November 2019 upon recommendation by the Nomination Committee. Tropicana recognises the importance and benefit of diversity in the workplace and Board level and has committed to create a culture that respects and values each other’s difference and promotes equality and diversity.

To pursue the objective of diversity, Management of Tropicana will ensure that the recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates in terms of skill, knowledge, experience, gender, age, ethnicity, race, religion and cultural background are considered.

In assessing suitable candidate for appointment to the Board and Key Personnel in the Group, the Nomination Committee and the Board also accord due consideration to gender diversity, age, required mix of skills, knowledge and experience, cultural background and other qualities, including core competencies and integrity. The Board recognises the challenges in achieving the right balance of gender diversity on the Board. This will be done over time, taking into account the present size of the Board, the valuable knowledge and experience of the present Board members and the evolving challenges to the Company over time. Nevertheless, the Company has taken its initiative in fulfilling its corporate governance goals on gender diversity by appointing Madam Alice Dora Boucher (“**Madam Alice**”), a female Independent Non-Executive Director to the Board on 26 February 2019.

In cognisant of the importance to promote gender diversity, the Company is committed to putting its efforts in getting more suitable female candidate to join the Board and senior management positions.

Annual Board Evaluation

With regards to the Board evaluation for FY2019, the Nomination Committee conducted annual assessment in the following aspect:-

- (a) effectiveness of the Board as a whole;
- (b) effectiveness of the Board Committees;
- (c) contributions of each individual Director; and
- (d) independence of the Independent Non-Executive Directors.

The criteria on the evaluation of the effectiveness of the Board as a whole related to, amongst others, the appropriate composition and committees in correspondence to the Board’s oversight duties and the development of the Company’s strategy, the right mix of skills and experience to optimise performance, and the clear definition of the roles and responsibilities of the Board and individual Directors.

The criteria on the evaluation of the effectiveness of the Board Committees related to, inter alia, the right composition of each Board Committee in terms of number and expertise, whether each Board Committee properly discharges its duties and responsibilities, and whether each Board Committee provides useful information and recommendations that assist the Board makes better decision.

The criteria on the evaluation of the contributions of each individual Director related to, such as, whether the Director shares his insights, adds value to the Board, applies analytical and conceptual skills to the decision-making process, provides realism and practical advice to Board deliberation, as well as assesses and links short-term issues to the long-term strategy of the Company.

In terms of the assessment on the independence of the Independent Non-Executive Directors, each Independent Non-Executive Director conducted a self-evaluation of his/her independence based on the criteria of independence as defined under Paragraph 1.01 of the MMLR of Bursa Malaysia Securities, and signed-off a confirmation slip accordingly. In addition, each Independent Non-Executive Director self-checked his/her ability to advise the Board on matters relating to any existing transactions where conflict of interests exist and on matters requiring deliberation by Independent Non-Executive Directors such as related party transactions. Each Independent Non-Executive Director also verified and declared his/her tenure of service as Independent Non-Executive Director in the Company in the confirmation slip. Thereafter, the said confirmation slips were reviewed by the Nomination Committee.

Retention of Independent Non-Executive Directors

The Board Charter indicates the restriction for the tenure of an Independent Non-Executive Director to a cumulative term of nine (9) years. An Independent Non-Executive Director may continue to serve on the Board upon reaching the nine (9)-year term limit subject to the Independent Non-Executive Director's re-designation as a Non-Independent Non-Executive Director. In the event that the Board intends to retain the Director as an Independent Non-Executive Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval annually at the general meeting. In justifying the decision, the Nomination Committee is entrusted to assess the Director's suitability to continue as an Independent Non-Executive Director based on the criteria of independence.

The Board took note on the requirements under Practice 4.2 of the MCGG whereby if the Board continues to retain the Independent Non-Executive Director after the twelfth (12th) year tenure of service, the Board should seek annual shareholders' approval through a two (2)-tier voting process.

Activities of the Nomination Committee during FY2019

The Nomination Committee met four (4) times during FY2019. The Nomination Committee had carried out and discharged its duties as below:-

- (a) Reviewed the results of the evaluation of the effectiveness of the Board as a whole, the effectiveness of the Board Committees, the contributions of each individual Director and the independence of the Independent Non-Executive Directors, taking into consideration the required skills mix, experience, competence, integrity and other requisite qualities, including core competencies contributed by the Non-Executive Directors. The said evaluations, which were carried out annually, were properly documented.
- (b) Reviewed and recommended to the Board for approval, the proposed appointment of Madam Alice as an Independent Non-Executive Director of Tropicana. While making recommendation, the Nomination Committee had reviewed Madam Alice's profile, taken into consideration Madam Alice's qualification, background, skills, experiences, time commitment, competencies and disclosure of her other directorships and declaration of her independence as defined under Paragraph 1.01 of the MMLR of Bursa Malaysia Securities.

- (c) Reviewed and recommended the re-election of Directors in accordance with Article 97 and Article 103 of the Company's Constitution at the 40th AGM held on 25 June 2019.
- (d) Reviewed and recommended to the Board for consideration of the re-designation of Datuk Michael Tang Vee Mun, who had served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years and was re-designated as a Non-Independent Non-Executive Director on 13 November 2018, to Independent Non-Executive Director of Tropicana in accordance with the MCGG at the 40th AGM held on 25 June 2019 based on the following reasons:-
 - (i) He fulfils the criteria stated under the definition of "Independent Non-Executive Director" as defined in the MMLR of Bursa Malaysia Securities;
 - (ii) He always demonstrates the values and principles associated with independence in the Board room, promotes good corporate governance practices and facilitates the Board to perform its responsibilities effectively through his independent and objective directorship; and
 - (iii) He discharges his duties and role as an Independent Non-Executive Director effectively due to his insight and good understanding of the Group's various core business operations over time.
- (e) Reviewed and recommended the extract of Nomination Committee report for inclusion in the Annual Report 2018 to the Board for approval.
- (f) Reviewed and recommended the proposed Diversity and Inclusion Policy to the Board for approval.

Corporate Governance Overview Statement

(ii) Remuneration Committee

As at the date of this Statement, the Remuneration Committee consists of three (3) members, all of which are Independent Non-Executive Directors. The composition of the Remuneration Committee is as follows:-

Name	Position	Designation
Datuk Michael Tang Vee Mun	Chairman	Independent Non-Executive Director
Datuk Wira Lye Ek Seang	Member	Independent Non-Executive Director
Encik Mohd Najib Bin Abdul Aziz (Appointed w.e.f. 10.06.2020)	Member	Independent Non-Executive Director
Dato' Dickson Tan Yong Loong (Resigned w.e.f. 10.06.2020)	Member	Deputy Group CEO

The Remuneration Committee assists the Board in its responsibilities of assessing the remuneration packages of the Directors of the Company as well as the Key Personnel of the Group.

The compensation and benefits shall be aligned with the business strategy and long-term objectives of the Group, and shall reflect the calibre, competency, experience, skills, expertise, responsibilities and commitment of the Key Personnel as well as the complexity of the Group's activities. Thus, the components of the compensation and benefits of the Key Personnel shall be structured in a way to link rewards to corporate and individual performance.

In the case of Non-Executive Directors, the level of remuneration shall reflect the contributions, commitment, experience, expertise and responsibilities undertaken by the particular Non-Executive Director concerned and the complexity of the Group's activities.

The Remuneration Committee met two (2) times during FY2019. During FY2019, the Remuneration Committee had reviewed and recommended the following matters to the Board for approval:-

- Proposed 2019 salary increments and bonus for year 2018 for the Executive Directors and the employees of the Company and its group of companies;
- Proposed remuneration packages payable to the Chairman and Group Executive Vice Chairman; and
- Proposed Remuneration Policy for Directors and Senior Management.

The remuneration paid to the top five (5) key senior management personnel for FY2019 is as follows:-

Remuneration Range	Name of Key Senior Management
RM1,150,001 and above	Mr Kelvin Choo Yung Yau

The remuneration of the other top four (4) senior management personnel namely, Tan Sri Dato' Tan Chee Sing, Mr Yeow Wai Siaw, Dato' Dickson Tan Yong Loong and Mr Dion Tan Yong Chien, who are also Executive Directors of the Company, have been disclosed under the Directors' Remuneration section.

Directors' Remuneration

The details of remuneration of the Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during FY2019 are as follows:

1) Non-Executive Directors ¹

	Directors' Fees (RM)	Board Committees' Fees ² (RM)	Meetings Allowances ³ (RM)
Tan Sri Dr Lim Wee Chai	236,219.00	6,000.00	8,000.00
Datuk Michael Tang Vee Mun	150,000.00	32,000.00	16,000.00
Encik Mohd Najib Bin Abdul Aziz	150,000.00	44,000.00	13,000.00
Encik Hafez Mohd Hashim Bin Razman Md Hashim	150,000.00	42,000.00	17,000.00
Mr Loh Chen Peng	150,000.00	26,000.00	13,000.00
Datuk Wira Lye Ek Seang	150,000.00	22,000.00	10,000.00
Madam Alice Dora Boucher (Appointed w.e.f. 26.02.2019)	126,986.00	–	5,000.00

Note:

- ¹ The remuneration of Non-Executive Directors is subject to the approval of shareholders at the Annual General Meeting ("AGM") of the Company.
- ² Fees for being the Chairman and/or members of the Board Committees.
- ³ Meeting allowances for attendance of meetings of the Board and Board Committees.

2) Executive Directors

	Salary (RM)	Bonus (RM)	Defined Contribution Plan (RM)	Other Emoluments (RM)	Total (RM)
Tan Sri Dato' Tan Chee Sing	3,377,419 4,800,000*	–	135,690	1,000,000	4,513,109 4,800,000*
Mr Yeow Wai Siaw	2,416,800	637,671	346,614	229,715	3,630,800
Dato' Dickson Tan Yong Loong	1,786,560	561,800	289,931	60,000	2,698,291
Mr Dion Tan Yong Chien	864,960	272,000	144,563	60,000	1,341,523

Note:

- * Remuneration received from other subsidiaries within the Group.

Corporate Governance Overview Statement

(iii) Pricing Committee

The Pricing Committee shall comprise not fewer than five (5) members, majority of whom shall be Executive Directors and a minimum of two (2) Non-Executive Directors. As at the date of this Statement, the composition of the Pricing Committee is as follows:-

Name	Position	Designation
Encik Mohd Najib Bin Abdul Aziz	Chairman	Independent Non-Executive Director
Mr Dion Tan Yong Chien	Member	Group Managing Director
Mr Yeow Wai Siaw	Member	Group CEO
Datuk Wira Lye Ek Seang	Member	Independent Non-Executive Director
Madam Alice Dora Boucher (Appointed w.e.f. 10.06.2020)	Member	Independent Non-Executive Director
Dato' Dickson Tan Yong Loong (Resigned w.e.f. 10.06.2020)	Member	Deputy Group CEO

The principal objective of the Pricing Committee is to approve the minimum/net selling prices of the new launches of properties to be developed by the Group to ensure that the prices set are market driven.

(iv) Investment Committee

The Investment Committee shall comprise not fewer than five (5) members, with at least two (2) Independent Non-Executive Directors. As at the date of this Statement, the composition of the Investment Committee is as follows:-

Name	Position	Designation
Datuk Michael Tang Vee Mun	Chairman	Independent Non-Executive Director
Tan Sri Dr Lim Wee Chai	Member	Non-Independent Non-Executive Director
Mr Dion Tan Yong Chien	Member	Group Managing Director
Encik Hafez Mohd Hashim Bin Razman Md Hashim	Member	Independent Non-Executive Director
Mr Yeow Wai Siaw	Member	Group CEO
Madam Alice Dora Boucher (Appointed w.e.f. 10.06.2020)	Member	Independent Non-Executive Director
Dato' Dickson Tan Yong Loong (Resigned w.e.f. 10.06.2020)	Member	Deputy Group CEO

The principal objectives of the Investment Committee are to enhance the shareholders' value and to protect the stakeholders' interests and to ensure the continued growth and success of the Company.

The Investment Committee reviews the proposed transactions or proposed investments with a view to strategically allocate the Group's financial resources efficiently and to eliminate or minimise the risk of oversight in investment decisions.

V. Board Meeting and Meetings Attendance

The Board meets at least once every quarter on a scheduled basis and additional meetings will be convened as and when deemed necessary by the Board. The quarterly Board meetings are scheduled in advance at the commencement of the financial year to allow the Directors to plan their appointments ahead and to facilitate full attendance at Board meetings. All proceedings, deliberations and conclusions of Board meetings are minuted by the Company Secretary and are confirmed by the Board members at the next Board meeting and subsequently signed by the Chairman as the correct record of proceedings of the meeting, or signed by the Chairman of the meeting at which the proceedings were held.

A total of seven (7) Board meetings were held during FY2019 and the attendance of each Board member is set out as below:-

Director	Designation	Attendance of Board Meetings
Tan Sri Dr Lim Wee Chai *	Non-Independent Non-Executive Chairman	7/7
Tan Sri Dato' Tan Chee Sing (Appointed on 24.01.2019)	Group Executive Vice Chairman	7/7
Mr Yeow Wai Siaw	Group CEO	7/7
Dato' Dickson Tan Yong Loong	Deputy Group CEO	5/7
Mr Dion Tan Yong Chien	Group Managing Director	7/7
Datuk Michael Tang Vee Mun	Independent Non-Executive Director	6/7
Encik Mohd Najib Bin Abdul Aziz	Independent Non-Executive Director	7/7
Encik Hafez Mohd Hashim Bin Razman Md Hashim	Independent Non-Executive Director	7/7
Mr Loh Chen Peng	Independent Non-Executive Director	7/7
Datuk Wira Lye Ek Seang	Independent Non-Executive Director	6/7
Madam Alice Dora Boucher (Appointed on 26.02.2019)	Independent Non-Executive Director	5/6

Note:

* Re-designated from Non-Independent Non-Executive Deputy Chairman to Non-Independent Non-Executive Chairman on 24 January 2019.

All the existing Directors as at the date of this Statement have complied with the minimum requirement of 50% attendance in respect of Board meetings in FY2019 as stipulated in the MMLR of Bursa Malaysia Securities. In the intervals between Board meetings, for any matters requiring Board's decisions, Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions were then noted by the Board in the next quarterly Board meeting.

The Directors are expected to allocate sufficient time to the Company to perform their duties effectively, including being prepared for the meetings and contributing effectively to the businesses of the Company. Directors of the Company must not hold directorships in more than five (5) public listed companies and they should notify the Board for any change of their directorships and such notification should include an indication of time that will be spent on the new appointment.

VI. Company Secretaries

The appointment and removal of Company Secretaries is a matter of the Board as a whole. The Board recognises the importance that the Company Secretaries should be suitably qualified and capable of carrying out the duties required of the post.

The key roles of the Company Secretaries are to provide unhindered professional advices and services to the Directors as and when the need arises, and to enhance the effective functioning of the Board and to ensure regulatory compliance.

Other primary responsibilities of the Company Secretaries includes:-

- advising the Board and Management on the governance issues;
- ensuring compliance of MMLR of Bursa Malaysia Securities and related statutory obligations;
- attending the Board, Board Committees and general meetings and ensuring the Board meeting procedures are followed and also proper recording of minutes;
- ensuring the proper maintenance of statutory registers and records;
- assisting the Chairman in the preparation and conduct of meetings;
- updating the Directors on any new changes and developments to the statutory or regulatory requirements concerning their duties and responsibilities as well as those concerning the Company; and
- assisting the communications between the Board and Management.

With the new corporate landscape set by the new implementation of the Companies Act 2016 ("**Act**") and MCGG, the Company Secretaries had assessed the requirements of the Act and MCGG, facilitated training for the Board on the approaches envisaged by the Act and MCGG and provided advice to the Board on the application of practices within the Group.

VII. Ethics and Codes

The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles in the said Code of Ethics and finds it suitable for the Company to uphold the same principles. A copy of the said Code of Ethics for Company Directors can be found in the Board Charter marked as "Appendix I" on the Company's website at <https://www.tropicanaCorp.com.my/about-tropicana/corporate-governance/board-charter>.

VIII. Board Charter

The Board is accountable and responsible for the performance and governance activities of the Group with a view of protecting shareholders' value and recognising the interests of all other stakeholders namely, customers, suppliers, contractors, employees, regulators, members of the communities and all others with whom Tropicana interfaces.

The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It serves as a reference point for Board's activities. It is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its Committees, the roles of the top key positions of the Company and the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.

In August 2018, the Board Charter was revised to encompass the changes to the reviews of the Act, MMLR of Bursa Malaysia Securities and principles under the MCGG.

A copy of the Board Charter is available on the Company's website at <https://www.tropicanaCorp.com.my/about-tropicana/corporate-governance/board-charter>.

Corporate Governance Overview Statement

IX. Whistleblowing Policies and Procedures

A formal Whistleblowing Policy (“WBP”) was formed since it was established on 1 June 2017. The WBP is to provide an avenue for all employees of the Group and members of the public to disclose any improper conduct in accordance with the procedures as provided for under the WBP and to provide protection to the employees and members of the public who report such allegations. The WBP is also included in the Group’s Employee’s Handbook.

The WBP is available on the Company’s website at <https://www.tropicana.com.my/about-tropicana/corporate-governance>.

X. Anti-Bribery and Anti-Corruption Policy

A formal Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) was adopted on 29 May 2020. The ABAC Policy serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of business. The ABAC Policy is applicable to all employees, directors (executive and non-executives) and any person who performs services for and on behalf of the Group, which includes contractors, sub-contractors, consultants, suppliers, agents, intermediaries and representatives of the Group.

The ABAC Policy is available on the Company’s website at <https://www.tropicana.com.my/about-tropicana/corporate-governance>.

XI. Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Group’s businesses and affairs to enable them to discharge their duties. All Directors have access to the advices and services of the Company Secretaries and senior management and may seek independent professional advice, at the Company’s expense, if required, in furtherance of their duties.

All Directors are provided with reports and other relevant information on timely manner, covering various aspects of the Group’s operations and performance. The Board is also provided with the agenda and a set of board papers prior to the Board meetings to allow sufficient time for the Directors to peruse, review, consider and deliberate on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making.

Management is responsible for furnishing the Board with all information that may assist the Board in discharging its responsibilities and to facilitate informed decision-making. The in-house Company Secretary attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly recorded. Senior management of the Group, External Auditors and advisors are also invited to attend Board meetings on specific items on the agenda which require clarification. The Board will also be briefed on the latest updates on the Group’s business activities.

The Company Secretaries are responsible for ensuring the procedures of the Board meeting are followed and that applicable rules and regulations are complied with. The Company Secretaries update the Directors on any new changes and developments to the statutory or regulatory requirements concerning their duties and responsibilities as well as general statutory compliances whenever the changes arise.

XII. Appointment and Re-Election to the Board

In accordance with the Company’s Constitution, all Directors who are appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors are subject to re-election by shareholders at the AGM following their appointment. The Constitution also provides that at least one-third (1/3) of the Directors be subjected to re-election by rotation at each AGM, including the Group CEO, Deputy Group CEO, Group Managing Director and Executive Director provided always that all the Directors shall retire from their office at least once in every three (3) years. All retiring Directors are eligible to offer themselves for re-election at the AGM.

The Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

Any proposed candidate for the appointment as Director will be reviewed and recommended by the Nomination Committee to the Board for full deliberation and approval.

XIII. Directors’ Training

All Directors have attended the Mandatory Accreditation Programme (“MAP”) prescribed by Bursa Malaysia Securities. Directors are encouraged to attend continuing education programmes and seminars to keep themselves abreast with current developments in the market place and with new statutory and regulatory requirements. They are provided with updates from time to time on relevant new laws and regulations affecting their directorships and relevant compliances.

Madam Alice who was appointed on 26 February 2019 had attended the MAP to facilitate herself with comprehensive understanding of the roles and responsibilities as director, key obligations of listed companies and director under MMLR of Bursa Malaysia Securities as well as the importance of corporate governance.

The training programmes attended by the Directors of the Company during FY2019 are listed as below:-

Name of Directors	Title of Training Programmes/Seminars	Training Date
Tan Sri Dr Lim Wee Chai	1) 2019 Market Outlook “Navigating Your Investment in a Chaotic World”	12 January 2019
	2) UBS The Year Ahead Outlook 2019	24 January 2019
	3) Power Up 3 “Top Glove Executive Leadership Development”	2 March 2019
	4) The Owners Forum Asia 2019, Singapore	14 & 15 March 2019
	5) Invest Malaysia	19 & 20 March 2019
	6) Sustainability Statement/Reporting	4 April 2019
	7) ICLIF Senior Leadership Development Coaching Module 2: Enlist Coleaders - Influencing.	20 April 2019
	8) Sharing Good Practices of Talk	23 April 2019
	9) ICLIF Senior Leadership Development Coaching Module 3: Developing Future Capabilities - Developing People	1 June 2019
	10) Stewardship Asia Roundtable, Singapore	4 June 2019
	11) Leadership Series Talk	9 July 2019
	12) Credit Suisse Market Outlook Seminar	10 July 2019
	13) 4 th Top Glove Leadership Summit - Shaping the Future via Innovation, Digitalisation and Humanisation	2 August 2019
	14) ICLIF Senior Leadership Development Coaching Module 4: Compelling Vision - Shared Visioning	10 August 2019
	15) Federal of Malaysia Manufacturers (FMM) CEO Forum	5 September 2019
	16) 26 th CLSA Investors' Forum 2019, Hong Kong	9 & 10 September 2019
	17) BNP Paribas Sustainable Future Forum 2019, Singapore	17 September 2019
	18) Tzu Chi Entrepreneur Camp	5 & 6 October 2019
	19) Forbes Global CEO, Singapore	14 to 16 October 2019
	20) UBS: Connected Event at Zurich, Switzerland	23 to 28 October 2019
	21) Seminar on Business Ethics and Integrity: Enhancing Business Success Through Ethical Practice	4 December 2019
	22) ICLIF (Power Up 3) Closing Workshop	7 December 2019
	23) Life Academy Session at Brisbane, Australia	8 to 12 December 2019
Tan Sri Dato' Tan Chee Sing	Sustainability Statement/Reporting	4 April 2019
Mr Yeow Wai Siaw	1) Sustainability Statement/Reporting	4 April 2019
	2) Power of Directors	15 November 2019
Dato' Dickson Tan Yong Loong	Sustainability Statement/Reporting	4 April 2019
Mr Dion Tan Yong Chien	Sustainability Statement/Reporting	4 April 2019
Datuk Michael Tang Vee Mun	1) Sustainability Statement/Reporting	4 April 2019
	2) Implementing Effective Corporate Strategy Using Sun Tzu's Art of War	5 November 2019
Encik Mohd Najib	1) Governance Symposium 2019	7 March 2019
Bin Abdul Aziz	2) Sustainability Statement/Reporting	4 April 2019

Corporate Governance Overview Statement

Name of Directors	Title of Training Programmes/Seminars	Training Date
Encik Hafez Mohd Hashim	1) Sustainability Statement/Reporting	4 April 2019
Bin Razman Md Hashim	2) Fraud Risk Management	14 November 2019
Mr Loh Chen Peng	1) Governance Symposium 2019	7 March 2019
	2) Ring the Bell for Gender Equality 2019	14 March 2019
	3) Audit Committee Breakfast Roundtable 2019	3 April 2019
	4) Sustainability Statement/Reporting	4 April 2019
	5) Audit Committee Conference 2019	15 April 2019
	6) Corporate Governance	3 May 2019
	7) Bursa Malaysia Thought Leadership Series - Leadership Greatness in Turbulent Times: Building Corporate Longevity	26 June 2019
	8) Corporate Governance Advocacy Programme - Cyber Security in the Boardroom Training	27 June 2019
	9) Power Talk	27 June 2019
	10) Institute of Corporate Directors Malaysia (ICDM) International Directors Summit 2019 - The Trust Compass: Resetting the Course	14 & 15 October 2019
Datuk Wira Lye Ek Seang	1) Breakfast Talk Series #3: Sustainability & Business	21 March 2019
	2) Sustainability Statement/Reporting	4 April 2019
	3) Case Study Workshop for Independent Directors	18 April 2019
	4) Corporate Governance Watch: How Does Malaysia Rank?	3 May 2019
	5) Demystifying The Diversity Conundrum: The Road to Business Excellence	12 June 2019
	6) Independent Directors' Programme	27 June 2019
	7) Bursa Malaysia Diversity Xperience: The Board "Agender"	2 October 2019
Madam Alice Dora Boucher	1) Ring the Bell for Gender Equality 2019	14 March 2019
	2) Sustainability Statement/Reporting	4 April 2019
	3) Mandatory Accreditation Programme for Directors of Public Listed Companies	11 & 12 April 2019
	4) Case Study Workshop for Independent Directors	18 April 2019
	5) Corporate Governance Advocacy Programme – Cyber Security in the Boardroom	27 June 2019

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring the financial statements of the Company and the Group are drawn up in accordance with the Financial Reporting Standards and the Act so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2019 and of their financial performance and cash flows for the year then ended.

The Board is committed to providing a clear, balanced and comprehensive meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly announcements of results to shareholders. The Group's audited financial statements for FY2019 are presented on pages 105 to 248 in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**I. Audit Committee**

As at the date of this Statement, the Audit Committee (“AC”) consists of three (3) members, all of which are Independent Non-Executive Directors and two (2) of whom are qualified Accountants. The composition of the Audit Committee is as follows:-

Name	Position	Designation
Encik Mohd Najib Bin Abdul Aziz	Chairman	Independent Non-Executive Director
Encik Hafez Mohd Hashim Bin Razman Md Hashim	Member	Independent Non-Executive Director
Mr Loh Chen Peng	Member	Independent Non-Executive Director

The Audit Committee assists and supports the Board in fulfilling its fiduciary responsibilities in terms of the Group's financial reporting practices, accounting policies, internal controls and in assessing the suitability and independence of the Group's external and internal auditors. The Chairman of the Audit Committee is an Independent Non-Executive Director and is not the Chairman of the Board. In line with MCCG, the Company has revised the terms of reference of the Audit Committee that no former key audit partner could be appointed as a Director (including member of the Audit Committee) before observing a cooling-off period of at least two (2) years.

During FY2019, the External Auditors had confirmed to the Audit Committee members of their independence throughout the conduct of the audit engagement for FY2019 with the Company in accordance with the independence criteria set out under the By Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

The Audit Committee met seven (7) times during FY2019. The activities of the Audit Committee for FY2019 are reported in the Audit Committee Report as set out on pages 99 to 100 of this Annual Report.

Relationship with External Auditors

The Board, through the Audit Committee, has always maintained a formal and transparent relationship with the External Auditors.

During FY2019, the Audit Committee had invited the External Auditors to its meeting held on 20 February 2019 to report the audit findings in respect of the true and fair view of the Group's financial statements for the financial year ended 31 December 2018 (“AFS 2018”), and to report the audit results of the AFS 2018 at its meeting held on 2 April 2019, as well as audit planning memorandum for the Group's financial statements for FY2019 at its meeting held on 22 November 2019.

The Audit Committee also met with the External Auditors without the presence of the Executive Directors and Management of the Company or the Group for two (2) times on 20 February 2019 and 22 November 2019, in order to provide the External Auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.

The External Auditors are encouraged to contact the Audit Committee Chairman or any of the Audit Committee members directly whenever they deem necessary to discuss audit matters or raise any concerns in the course of their audit of the Company's or the Group's financial records or accounting treatments.

II. Risk Management Committee

The Board recognises that proper risk management and internal control are important aspects of the Company's governance, management and operations.

As at the date of this Statement, the Risk Management Committee comprises the following members:

Name	Position	Designation
Encik Hafez Mohd Hashim Bin Razman Md Hashim	Chairman	Independent Non-Executive Director
Mr Dion Tan Yong Chien	Member	Group Managing Director
Datuk Michael Tang Vee Mun	Member	Independent Non-Executive Director
Mr Loh Chen Peng	Member	Independent Non-Executive Director
Madam Alice Dora Boucher (Appointed w.e.f. 10.06.2020)	Member	Independent Non-Executive Director
Dato' Dickson Tan Yong Loong (Resigned w.e.f. 10.06.2020)	Member	Deputy Group CEO

The responsibilities of the Risk Management Committee for risk oversight include, amongst others, to set out the objectives, strategies and scope of risk management activities for the Group and to ensure that the Group's risk management strategy and methodology have been implemented and consistently applied.

Corporate Governance Overview Statement

The Risk Management Committee held four (4) meetings during FY2019 to review the quarterly risk profiles of the Group and to review and recommend the Statement on Risk Management and Internal Control to the Board for approval.

Risk Management and Internal Control

The Board has overall responsibility for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interests and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such system cannot totally eliminate risks and thus, can never be an absolute assurance against the Group failing to achieve its objectives.

The Board has established an in-house internal audit function and the head of internal audit reports directly to the Audit Committee.

The Group's Statement on Risk Management and Internal Control for FY2019 is set out on pages 96 to 98 of this Annual Report.

The notice and agenda of AGM together with the proxy form are given to shareholders at least twenty-eight (28) days before the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each item of special businesses included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Paragraph 8.29A of the MMLR of Bursa Malaysia Securities has mandated all listed issuers to carry out poll voting for any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting. In addition, at least one (1) independent scrutineer will be appointed to validate the votes cast at the general meeting.

During the 40th AGM held on 25 June 2019 and the Extraordinary General Meeting ("EGM") of the Company held on 13 September 2019, shareholders were briefed on the voting procedures and the results of the poll were verified by the independent scrutineer, Commercial Quest Sdn. Bhd. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen. The results of all resolutions proposed at the 40th AGM and EGM were subsequently announced to Bursa Malaysia Securities on the same day.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communications with Shareholders and Relationship with Investors

The Group recognises and practices transparency and accountability to its shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate channels of communications to the shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the annual reports, press releases and the various disclosures and announcements made to Bursa Malaysia Securities from time to time, including the quarterly and annual results. These information and documents are accessible on Bursa Malaysia Securities' website at www.bursamalaysia.com or the Company's website at <https://www.tropicana.com.my/investor-relations/ir-home>. The Company attends to the requests of analysts and fund managers for briefings from time to time.

Tropicana's website at www.tropicana.com.my also provides an avenue for shareholders and members of the public to access information pertaining to the Group, which is being updated regularly.

General Meetings

The Company's AGMs are the principal forum for dialogue and interaction with its shareholders at which the shareholders are annually informed and updated on current developments of the Group. The Board presents an overview of the performance of businesses in the Group and encourages shareholders to participate in the question and answer sessions. The Board members, senior management and the Company's External Auditors as well as advisors, if applicable, are present to respond to the shareholders' questions during the meeting.

COMPLIANCE WITH MCCG

Overall, the Company has applied all the practices encapsulated in MCCG, except for those departures highlighted in the CG Report. The CG Report is available on the Company's website at <https://www.tropicana.com.my/investor-relations/annual-reports>.

The Company will continue to strive for high standards of corporate governance and improve the corporate governance practices throughout the Group.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is committed to ensuring good corporate governance and practices are implemented and maintained throughout Tropicana and its group of companies.

Moving forward, the Board will continue to improve the Company's corporate governance practices by taking steps to address the current departures from the practices stipulated in the MCCG and instill a risk and governance awareness culture and mindset throughout the organisation in the best interests of all stakeholders.

This Statement together with the CG Report were approved by the Board on 10 June 2020.

Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”):-

1) STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

On 21 June 2019, the Company had established a Perpetual Sukuk Programme for the issuance of unrated and senior ranking perpetual sukuk (“**Perpetual Sukuk**”) from time to time, with flexibility for the Company to issue secured and/or unsecured Perpetual Sukuk subject to the aggregate outstanding nominal amount of the Perpetual Sukuk not exceeding RM2.0 billion at any point in time.

During the financial year ended 31 December 2019 (“**FY2019**”), the Company had issued the Perpetual Sukuk and the utilisation of the proceeds raised is as follows:-

Series No.	Date of Issuance	Amount (RM)	Tenure Year	Utilisation of Proceeds
1.0	25 September 2019	248,000,000	5	Financed the working capital requirements and refinanced the corporate and operational debts of the Company and its subsidiaries, associated companies and jointly controlled companies.

2) AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors and/or affiliates by the Company and the Group for FY2019 are as follows:-

	Group (RM)	Company (RM)
Audit Fee	1,211,900	138,000
Non-Audit Fee	23,100	7,350
Total	1,235,000	145,350

3) MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed in the announcement made to Bursa Malaysia Securities pertaining to the outcome of Extraordinary General Meeting (“**EGM**”) on 13 September 2019, where the shareholders of the Company had approved all the resolutions set out in the Notice of EGM dated 22 August 2019 (“**Transactions**”), there were no other material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders’ interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year. The Transactions had been completed as announced to Bursa Malaysia Securities on 29 November 2019.

Statement on Risk Management and Internal Control

TROPICANA'S COMMITMENT TO RESPONSIBLE RISK MANAGEMENT

To safeguard the interest of our business and that of our stakeholders, the Group adopts a robust risk management framework using the guidelines outlined in the Main Market Listing Requirement by Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"). The framework is integrated into the Group's overall management systems, defining the authorities involved, their responsibilities and accountability for implementing relevant internal controls.

THE RISK MANAGEMENT FRAMEWORK

In pursuant to Chapter 15 (Corporate Governance) Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia, the Group emphasises its commitment to risk management and internal control by implementing the Practices and Guidance stipulated in the Malaysian Code of Corporate Governance ("**MCCG**") 2017. The Group also makes informed decisions and sets sound internal control measures by referring to the Statement on Risk Management & Internal Control: Guidelines for Directors of listed issuers as prescribed by Bursa Malaysia.

To ensure compliance with these guidelines, our internal audit department regularly reviews the integrity and effectiveness of the Group's system of internal controls.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board endorses the Group's risk management framework; delegating primary responsibilities for the implementation of the framework across the Group's business operations to Tropicana's Risk Management Committee, the Risk Management Department and Business/Operations Head. The Risk Management Framework includes the ongoing process of identifying, evaluating, responding, managing and monitoring risks that may affect the Group's business performance, ensuring that optimum operational function is maintained at an acceptable risk appetite while striving to achieve Tropicana's overall strategic objectives.

Details of the Risk Management Framework are periodically reviewed by the Board.

The Board acknowledges and approves the ongoing processes outlined in the Risk Management Framework for the financial year under review, ensuring that internal control systems are in place and effective measures are applied to responsibly manage, rather than eliminate, risks to our financial and operational processes and achieve the Group's long term business goals while remaining fully compliant to regulatory requirements.

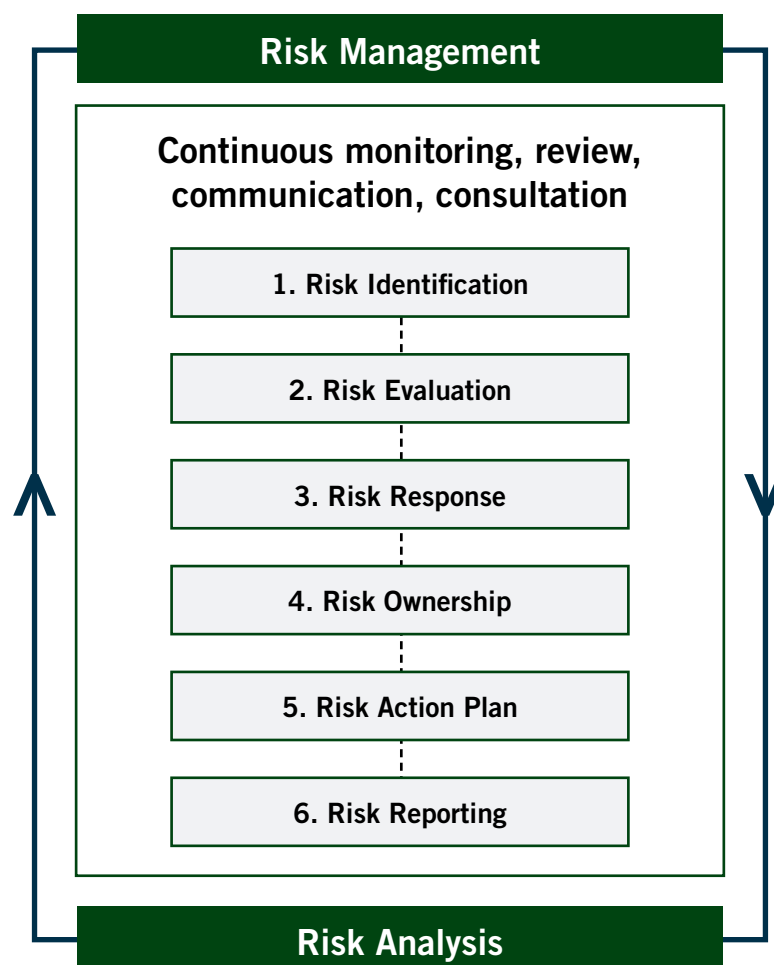
These systems manage risks relevant to the Group's business goals and can only provide reasonable, not absolute, assurance against material misstatement, fraud or loss. For the purpose of this review, the extent of responsibility does not extend to include that of the Group's associated companies.

RISK MANAGEMENT GOVERNANCE AND PROCESSES

In emphasising the Board's continued commitment to developing an effective Risk Management Framework, a Risk Management Department and the Enterprise Risk Management Programme ("**ERM**") were formalised in the year 2012. The monitoring role of risk management is assigned to the Group's Risk Management Committee ("**RMC**") with the Board at its apex of the governance structure. The RMC comprises representatives from the Board of Directors, the Chief Executive Officer and Top Management with the support from the Group's Risk Management Department. The RMC reviews and endorses the Risk Management Process ("**RMP**"), receiving quarterly updates on the following matters:

- The Group's risk register, encompassing significant and potential risks;
- Changes in risk status upon the implementation of mitigation measures; and
- Summary reports on the progress of agreed action plans for risk management.

Details of the Risk governance structure as implemented by Tropicana is presented below.



	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> Oversees the implementation of the Risk Management Framework Endorses and provides final approval to all risk management strategies and planning
Risk Management Committee ("RMC")	<ul style="list-style-type: none"> Receives quarterly updates of the Group's risk management progress Advises on risk management measures to be initiated by the Risk Management Department and applied by the Business/Operations Head
Risk Management Department	<ul style="list-style-type: none"> Review adequacy and effectiveness of risk management process and system Review and present to the RMC, the broad terms risk guidelines and risk appetite of the Group on a periodic basis Review identified key risks of the Group's operations Guide Business/Operations Head in identifying, evaluating and managing key risks Report to the RMC on material and pervasive findings which exceeded the risk appetite and make appropriate recommendations
Business/Operations Head	<ul style="list-style-type: none"> Implements the risk management processes approved by the Board Submits quarterly updates via the risk register to the Risk Management Department to be presented to the RMC for review and evaluation Identifies potential and actual risks associated to their respective process and highlights the risk in the risk register

INTEGRATING RISK MANAGEMENT WITH SUSTAINABILITY

As the Group strives towards continuous improvement of its business processes, the comprehensive risk management framework considers the sustainability of internal controls with regards to minimising business risks without compromising potential opportunities. We seek to find a balance between focusing on business gains and considering our impacts on the environment and society.

INTERNAL CONTROL SYSTEMS

- The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group.
- In addition, the Board of Directors and its various Board Committees are all governed by clearly defined terms of reference. The following are the Board and Management Committees which have been established to assist the Board in discharging its duties:
 - ❖ Audit Committee
 - ❖ Risk Management Committee
 - ❖ Nomination Committee
 - ❖ Remuneration Committee
 - ❖ Pricing Committee
 - ❖ Investment Committee
- The Group has a clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority will continue to be reviewed periodically and updated in line with changes in the organisation.
- Internal control activities have been established in all business segments within the Group with clearly defined lines of responsibilities, authority limits for procurement and capital expenditure, awarding of contracts, approving operating expenditures and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.

Statement on Risk Management and Internal Control

- Documented policies, procedures and standard operating procedures are in place to guide employees in their day to day work. These policies and procedures are reviewed and revised regularly to meet changing business and operational needs and regulatory requirements.
- Regular management and operation meetings are conducted by senior management which comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Managing Directors, Executive Directors and divisional heads.
- Board meetings are held quarterly with a formal agenda on matters for discussion. The Board monitors the Group's performance by reviewing the quarterly results and examines the announcement to be made to Bursa Malaysia Securities Berhad.
- An Integrated Management System consisting of ISO 9001:2015 has been established and implemented to continuously provide high quality products.
- Established guidelines for recruitment, human resource development and performance appraisal to enhance employees competency levels have been disseminated to all employees. A performance management system is in place to monitor, appraise and reward employees'.
- Established training and development programme's are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations as well as to inculcate the Group's culture of continuous learning.
- The Audit Committee is tasked with the duty of reviewing and monitoring the effectiveness of the Group's internal control systems. In carrying out this responsibility, the Audit Committee relies on the support of Group Internal Audit Department ("**GIAD**") which carries out internal audits on various operating units within the Group based on a risk-based audit plan approved annually by the Audit Committee.

Based on these audits, GIAD provides the Audit Committee with periodic reports highlighting observations, recommendations and management action plans to improve the internal control systems. In addition, the Audit Committee reviews and deliberates on any matters relating to internal controls highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG**") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants ("**MIA**") for inclusion in the Annual Report of the Group for the year ended 31st December 2019, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard shareholders' investments and the Group's assets.

In addition, the Board has received assurance from the Group Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating effectively, in all material aspects to meet the Group's objectives during the financial year under review. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 10 June 2020.

Audit Committee Report

The Board of Directors of Tropicana Corporation Berhad (“**Tropicana**” or “**Company**”) presents the Audit Committee Report of Tropicana for the financial year ended 31 December 2019 (“**FY2019**”) as follows:-

A. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprised the following Directors during the FY2019:-

	Attendance
Mohd Najib Bin Abdul Aziz (Chairman/Independent Non-Executive Director)	6/7
Hafez Mohd Hashim Bin Razman Md Hashim (Member/Independent Non-Executive Director)	6/7
Loh Chen Peng (Member/Independent Non-Executive Director)	7/7

As at 31 December 2019, the Audit Committee was made up of no fewer than three (3) members, who were all Independent Non-Executive Directors, including the Audit Committee Chairman. Mr. Mohd Najib Bin Abdul Aziz is a member of the Malaysian Institute of Accountants (“**MIA**”) and the Institute of Chartered Accountants in Australia (“**ICAA**”). Mr. Loh Chen Peng is a member of Malaysia Institute of Certified Public Accountants (“**MICPA**”).

All members of the Audit Committee are financially literate. The composition of the Audit Committee meets the provisions of paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

B. MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee held seven (7) meetings during the FY2019. The attendance record is as indicated in the table under item A above.

The Executive Directors of the Board, which included the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Managing Director and Senior Management attended the Audit Committee meetings held in FY2019 upon invitation by the Chairman of the Audit Committee. The Group’s Head of Internal Audit attended all the Audit Committee meetings.

The External Auditors’ attended four (4) of the Audit Committee meetings held on 24 January 2019, 20 February 2019, 2 April 2019 and 22 November 2019 during the financial year under review.

During the FY2019, the Board was satisfied that the Audit Committee and its members have been able to discharge its functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee.

The Audit Committee has direct access to the External Auditors and internal auditors, or vice versa.

C. TERM OF REFERENCE

The Audit Committee has discharged its functions and carried out its duties as set out in the Term of Reference (“**TOR**”).

The TOR is available for reference on the Company’s website at <https://www.tropicanaacorp.com.my/investor-relations/board-charter>.

D. SUMMARY OF WORKS OF THE AUDIT COMMITTEE FOR THE FY2019

During the financial year under review, the Audit Committee had carried out the following works in discharging its functions and duties, which are in line with its responsibilities as set out in its TOR.

Financial Reporting

- Reviewed all the unaudited quarterly financial results of the Group focusing particularly on any change in the accounting policies and its implementation, significant matters highlighted, the going concern assumption and compliance with accounting standards and regulatory requirements and any other legal requirements for recommendation to the Board for approval before release to Bursa Securities.
- Reviewed the audited financial statements of the Company and the Group for the financial year ended 31 December 2018 (“**FY2018**”) and ensured that the statements comply with the Financial Reporting Standards for recommendation to the Board for approval.
- Reviewed the significant matters highlighted by auditors in the financial statements and significant judgements made by Management.
- Reviewed the adequacy of the processes and controls were in place for effective and efficient financial reporting and disclosure under the Malaysian Financial Reporting Standards (“**MFRS**”), International Financial Reporting Standards (“**IFRS**”) and the requirements of Companies Act 2016 and MMLR of Bursa Securities.

Audit Committee Report

Matters Relating to External Audit

- Reviewed and discussed with the External Auditors' Messrs. Ernst & Young PLT, on their significant audit findings in respect to the financial statements of the Group for the FY2018.
- Held two (2) private sessions on 20 February 2019 and 22 November 2019 with the External Auditors without the presence of the Executive Directors and Management, to review key issues within their sphere of coverage and responsibilities in regards to the Audit of the Financial Statements of the Group for FY2018. It was noted that Audit Committee members had confirmed that they did not have any knowledge of fraud within the Group.
- Reviewed the External Auditors' Group Audit Plan, which outlines the audit strategy and approach for the FY2019.
- Evaluated the External Auditors' suitability, objectivity and independence, taking into consideration their competency, audit quality and manpower resource capacity in performing the audit of the Group.
- Discussed and deliberated with the External Auditors on the scope of audit and non-audit related services, the concept of materiality, areas of audit emphasis, proposed fees comprising of audit fees and other fees and the audit timelines.
- Reviewed the performance of the External Auditors and proposed to the Board for their subsequent recommendation to shareholders for re-appointment of the External Auditors at the Annual General Meeting.

Matters Relating to Internal Audit

- Reviewed and approved the Annual Internal Audit Plan for FY2019 proposed by the Internal Auditors to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas. Also considered the adequacy of the manpower resources of the internal audit team to carry out the activities envisaged in the internal audit plan.
- Reviewed the reports prepared by the Internal Auditors with regards to the findings of the audit activities in line with the internal audit programme, the recommendations and the management response.

- Monitored the outcome of follow-up audits to ascertain the extent to which agreed action plans have been implemented by Management.
- Reviewed the reports on recurrent related party transactions of revenue nature to monitor the thresholds of the recurrent related party transactions to ensure compliance with MMLR of Bursa Securities.

Annual Reporting

- Reviewed the Audit Committee report, Statement of Risk Management and Internal Control and the Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of accounting matters requiring judgement and recommended the same to the Board for approval.

Others

- Reviewed the business plan for the financial years 2019-2021.
- Reviewed related party transactions that transpired within the Group to ensure that the transactions entered into were at arm's length basis based on normal commercial terms and compliance with MMLR of Bursa Securities.

E. INTERNAL AUDIT FUNCTION

Overview

The Audit Committee is supported by an independent and adequately resourced in-house Group Internal Audit Department ("GIAD") in the discharge of its duties and responsibilities. The function of GIAD is guided by its Internal Audit Charter which defines the authority, duties, and responsibilities and independence of all GIAD members.

GIAD is headed by Ms. Rachel Ng Kim Gek, an associate member of The Institute of Internal Auditors Malaysia, a member of CPA (Australia) and a member of Malaysian Institute of Accountants.

GIAD reports functionally to the Audit Committee and maintains its impartiality, proficiency and due professional care. The principal responsibility of GIAD is to provide independent and objective assurance and advisory services designed to add value and improve the operations of the Group. This includes the continuous examination and evaluation of the adequacy and effectiveness of the Group's risk management, internal control and governance processes.

The audit approach and objectives are based on the guidance of the Institute of Internal Auditors' International Professional Practices Framework ("IPPF") and the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework. Reference is made to the frameworks in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management.

Activities

- Reviewed and tested the system of internal controls on key operating processes based on the approved internal audit plan using a risk-based approach, and progressively issuing detailed internal audit reports to the Audit Committee.

During FY2019, fifteen (15) internal audit reports which incorporates key control issues, significant risks, recommendations to improve on matters raised during the course of the audits and managements comments and remedial actions were issued. These internal audit reports together with follow up reports were tabled at the quarterly Audit Committee meetings for deliberation. None of the audit findings have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

- Prepared the annual audit plan for deliberation and approval by the Audit Committee.
- Conducted follow up reviews on a quarterly basis to determine the adequacy, effectiveness and timeliness of implementation of remedial actions by Management.
- Reviewed recurring related party transactions on a quarterly basis on the adequacy, appropriateness and compliance of existing established procedures on monitoring of recurrent related party transactions.

Resources and Continuous Development

There are nine (9) internal auditors in the Group including the Head of Internal Audit with professional qualifications and are members of The Institute of Internal Auditors Malaysia. All internal audit staff are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job-training.

None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The total costs incurred for the internal audit function of the Group for FY2019 was RM1,002,023 (2018: RM819,000).

The Audit Committee Report is made in accordance with a resolution of the Board dated 10 June 2020.

THE HEIGHTS OF PLACEMAKING

Tropicana Grandhill is the latest curated integrated development created for all walks of life, blooming within nature's embrace. The 112-acre visionary development centralises its concept around holistic living enveloped by nature's beauty. Located 3,000 feet above sea level, the development enjoys the cool atmosphere of Genting Highlands, promoting tranquillity as it is enveloped by mountainous landscapes and forest greenery. The first phase, Tropicana TwinPines Serviced Suites will feature two residential towers equipped with modern concept facilities and hotel-styled amenities and services.

*For more information, please visit
www.tropicanaGrandhill.com.my*

6

FINANCIAL STATEMENTS AND OTHER INFORMATION

104	Statement of Directors' Responsibility
105	Financial Statements
249	Analysis of Shareholdings
252	Analysis of Irredeemable Convertible Preference Shares Holdings
254	List of Properties
266	Corporate Directory
268	Notice of Annual General Meeting
275	Administrative Guide Proxy Form



TwinPines Serviced Suites, Tropicana Grandhill, Genting Highlands

Statement of Directors' Responsibility

The Directors are required by the Companies Act 2016 (“**the Act**”) to prepare the financial statements for each financial year which have been properly drawn up in accordance with the provisions of the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the applicable Financial Reporting Standards in Malaysia.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking such steps as are reasonably open to them to preserve the interests of stakeholders, to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 18, 19 and 20 to the financial statements respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) net of tax for the financial year	339,335	(58,818)
Profit/(loss) attributable to:		
Owners of the parent	320,759	(63,479)
Holders of perpetual bond	4,661	4,661
Non-controlling interests	13,915	–
	339,335	(58,818)

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2018 were as follows:

	RM'000
In respect of the financial year ended 31 December 2019:	
First interim single-tier dividend of 2.78 sen per ordinary share declared on 15 January 2019 and paid on 20 February 2019	39,963
Second interim single-tier share dividend paid by way of distribution of treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company. The share dividend was declared on 3 September 2019 and 42,787,501 ordinary shares were credited into entitled depositors' securities accounts on 4 October 2019	38,171

The directors do not recommend a final dividend in respect of the financial year ended 31 December 2019.

Directors' Report

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued share capital by way of:

- (i) the issuance of 8,389 ordinary shares of RM1 each for cash pursuant to the exercise of Warrants 2009/2019 at an exercise price of RM1 per ordinary share; and
- (ii) the issuance of 982,386,093 Irredeemable Convertible Preference Shares ("ICPS") of RM1.20 each for acquisitions of certain subsidiaries during the financial year. The salient terms of the ICPS are disclosed in Note 30 to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The new ICPS issued during the financial year ranked equally amongst themselves, and rank ahead in priority to the holders of ordinary shares and all other classes of shares (if any) of the Company.

On 25 September 2019, the Company issued perpetual sukuk of RM248 million for working capital, investment, capital expenditure and general corporate purposes. The salient terms of the perpetual sukuk are disclosed in Note 30 to the financial statements.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dr Lim Wee Chai	
Tan Sri Dato' Tan Chee Sing	(Appointed on 24 January 2019)
Yeow Wai Siaw	
Dato' Dickson Tan Yong Loong	
Dion Tan Yong Chien	
Datuk Tang Vee Mun	
Mohd Najib Bin Abdul Aziz	
Hafez Mohd Hashim Bin Razman Md Hashim	
Loh Chen Peng	
Datuk Wira Lye Ek Seang	
Alice Dora Boucher	(Appointed on 26 February 2019)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Tan Sri Dato' Lim Kang Hoo	
Tan Sri Dato' Nik Hashim Bin Nik Abdul Rahman	
Tan Sri Datuk Lee Fook Long	
Tan Sri Datuk Seri Lim Keng Cheng	
Dato' Br. Paul Ho Kok Chee	
Dato' Gan Nyap Liou @ Gan Nyap Liow	
Dato' Haji Ismail Bin Karim	
Dato' Ng Tian Sang @ Ng Kek Chuan	
Dato' Tan Kim Kuan	
Datuk Lim Thean Shiang	
Datuk Seri Haji Rizuan Bin Abdul Hamid	
Andrew Ashvin a/l Podimhatia	
Chin Kok Ping	(Appointed on 1 February 2020)
Ching Hong Tat	(Appointed on 31 December 2019)
Choo Yung Yau	
Chua Guit Hong	

DIRECTORS (CONT'D.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are: (cont'd.)

Diana Tan Sheik Ni	
Dillon Tan Yong Chin	
Din Tan Yong Chia	
Hii Pik Lin	
Howard Ng How Er	(Appointed on 29 November 2019)
Jared Ang Tzer Shen	
Jeffrey Tan Siew Yang	
Lee Han Ming	
Lee Sor Phaik	
Liew Mee Ping	(Appointed on 13 May 2020)
Liew Voon Keong	
Lim Chen Heng	
Lim Lai Seng	
Lim Soon Mun @ Albert	(Appointed on 13 May 2020)
Loong Mei Yin	
Low Yung Hui	(Appointed on 30 January 2019)
Michael Sng Beng Hock	
Mohd Muhidin Bin Faharuddin	(Appointed on 1 February 2020)
Mohd Suriga Bin Md Sachari	
Mohd Zapi Bin Abdullah	
Nor Azlina Binti Amran	
Phuar Bee Ling	
Roslan Bin Mohamed	(Appointed on 25 February 2020)
Roslan Bin Yahya	
Tan Chien Chyi	
Tan Chien Wen	
Tan Chien Yih	
Tan Kar Eng	
Tan Teow Keat	
Tang Chee Heng	
Ung Lay Ting	
Wong Khai Shiuan	
Norita Binti Mohd Sidek	(Resigned on 15 January 2019)
Seah Peik Hock	(Resigned on 28 January 2019)
Woo Min Oon	(Resigned on 26 February 2019)
Mohamad Fahmi Bin Amin	(Appointed on 1 March 2019 and resigned on 31 March 2019)
Dato' Khoo Poh Chye	(Resigned on 8 April 2019)
Yap Kian Mun	(Appointed on 8 February 2019 and resigned on 27 June 2019)
Norulhuda Binti Abu Bakar	(Appointed on 12 June 2019 and resigned on 27 June 2019)
Chan Boon Lay	(Resigned on 28 November 2019)
Ching Kok Chen	(Appointed on 28 January 2019 and resigned on 28 November 2019)
Jeffrey Chuah Jia Lun	(Appointed on 28 January 2019 and resigned on 28 November 2019)
Ewe Teik Kwong	(Appointed on 26 February 2019 and resigned on 28 November 2019)
Khoo Beng Foo	(Resigned on 28 November 2019)
Liew Kong Min	(Appointed on 26 February 2019 and resigned on 28 November 2019)
Loh Yoon Kong	(Resigned on 28 November 2019)
Mohamad Sharif Bin Mok Som	(Appointed on 15 January 2019 and resigned on 1 February 2020)
Siti Zubaidah Binti Abdul Jabar	(Resigned on 1 February 2020)
Mohd Sohimin Bin Mohd Alayedin	(Resigned on 31 March 2020)

Directors' Report

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in ordinary shares, irredeemable convertible preference shares and/or warrants over ordinary shares in the Company and its related corporations during the financial year were as follows:

	Tropicana Corporation Berhad			
	Number of ordinary shares			
	At 1 January 2019/date of appointment	Acquired	Disposed	At 31 December 2019
Direct interest				
Tan Sri Dr Lim Wee Chai	150,702,783	4,521,082	–	155,223,865
Tan Sri Dato' Tan Chee Sing	361,645,957	10,433,995	(13,845,904)	358,234,048
Datuk Wira Lye Ek Seang	2,893,619	86,808	–	2,980,427
Loh Chen Peng	51,257	1,537	–	52,794

	Tropicana Corporation Berhad			
	Number of ordinary shares			
	At date of appointment	Acquired	Disposed	At 31 December 2019
Deemed Interest				
Tan Sri Dato' Tan Chee Sing ¹	553,910,834	18,058,430	(16,790,000)	555,179,264

DIRECTORS' INTERESTS (CONT'D.)

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in ordinary shares, irredeemable convertible preference shares and/or warrants over ordinary shares in the Company and its related corporations during the financial year were as follows: (cont'd.)

Tropicana Corporation Berhad				
Number of Irredeemable Convertible Preference Shares				
At date of appointment	Acquired ³	Disposed	At 31 December 2019	
Deemed Interest				
Tan Sri Dato' Tan Chee Sing ²	–	982,386,093	–	982,386,093

Tropicana Corporation Berhad				
Number of Warrants 2009/2019				
At date of appointment	Acquired	Expired ⁴	At 31 December 2019	
Direct interest				
Tan Sri Dato' Tan Chee Sing	49,304,036	–	(49,304,036)	–

Tropicana Corporation Berhad				
Number of Warrants 2009/2019				
At date of appointment	Acquired	Expired ⁴	At 31 December 2019	
Deemed Interest				
Tan Sri Dato' Tan Chee Sing ⁵	24,800,950	–	(24,800,950)	–

¹ Deemed interest by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd, Impeccable Ace Sdn Bhd pursuant to Section 8 of the Companies Act 2016 and spouse and child's interests pursuant to Section 59(11) of the Companies Act 2016.

² Deemed interest by virtue of his interests in T Shares 1 Sdn Bhd (formerly known as Trop Forest Garden Sdn Bhd), Dasen Resources Sdn Bhd (formerly known as Trop Forest Green Sdn Bhd) and DIT Sdn Bhd (formerly known as T Sanctuary Riverine Sdn Bhd) pursuant to Section 8 of the Companies Act 2016.

³ First allotment of ICPS on 29 November 2019.

⁴ Expiry of Warrants 2009/2019 on 6 December 2019.

⁵ Deemed interest by virtue of his interests in Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in ordinary shares, irredeemable convertible preference shares and/or warrants over ordinary shares in the Company or its related corporations during the financial year.

Directors' Report

DIRECTORS' INDEMNITY

During the financial year, the total amount of indemnity coverage and insurance premium paid for directors and officers of the Group and of the Company were RM30,000,000 and RM36,050 respectively.

TREASURY SHARES

During the financial year, the Company:

- (i) repurchased 30,512,400 of its issued ordinary shares from the open market at an average price of RM0.88 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016; and
- (ii) declared a second interim single-tier share dividend in respect of the financial year ended 31 December 2019 paid by way of distribution of 42,787,501 treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company. The treasury shares were repurchased at an average price of RM0.89 per share.

As at 31 December 2019, the number of treasury shares held are 15,491,741 ordinary shares. Such treasury shares are held at carrying amount of RM13,648,000 and further relevant details are disclosed in Note 28(b) to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due;
- (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from recognition of gain on bargain purchase resulting from the acquisition of new subsidiaries and the adoption of new accounting standards, MFRS 16 Leases as disclosed respectively in Notes 18 and 35 to the financial statements; and
- (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant and subsequent events are disclosed respectively in Notes 43 and 44 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The remuneration of the auditors of the Group and of the Company is disclosed in Note 9 to the financial statements.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 June 2020.

Dato' Dickson Tan Yong Loong

Dion Tan Yong Chien

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Dickson Tan Yong Loong and Dion Tan Yong Chien, being two of the directors of Tropicana Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 119 to 248 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 June 2020.

Dato' Dickson Tan Yong Loong

Dion Tan Yong Chien

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lim Lai Seng, being the officer primarily responsible for the financial management of Tropicana Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 119 to 248 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Lim Lai Seng
at Petaling Jaya in the State of
Selangor Darul Ehsan on 10 June 2020.

Lim Lai Seng
[MIA 15154]

Before me,
Commissioner of Oaths

Independent Auditors' Report

To the members of Tropicana Corporation Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tropicana Corporation Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 119 to 248.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue and cost of sales in respect of property development activities

(Refer to Note 4 and Note 5 to the financial statements)

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 December 2019, property development revenue of RM677,713,000 and cost of sales of RM392,328,000 accounted for approximately 60% and 61% of the Group's revenue and cost of sales respectively. For these property development contracts where revenue is recognised over time, the Group uses the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects in accounting for the progress towards complete satisfaction of the Group's performance obligation.

Independent Auditors' Report

To the members of Tropicana Corporation Berhad (Incorporated in Malaysia)

KEY AUDIT MATTERS (CONT'D.)

Revenue and cost of sales in respect of property development activities (cont'd.)

(Refer to Note 4 and Note 5 to the financial statements) (cont'd.)

We identified revenue and cost of sales in respect of property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine progress towards complete satisfaction of the Group's performance obligation and gross profit margin of the property development activities undertaken by the Group).

How our audit addressed this matter

To address these areas of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost, gross profit margin and progress towards complete satisfaction of the Group's performance obligation of the property development activities;
- For significant property development phases, we read the sale and purchase agreements entered into with the customers to obtain an understanding of the specific terms and conditions;
- We evaluated the assumptions applied in estimating the total property development costs for each property development phase by examining documentary evidence such as letters of award issued to contractors to support the total budgeted costs. We also considered the historical accuracy of management's forecasts for the similar property development projects in evaluating the estimated total property development costs; and
- We evaluated the determination of the progress towards complete satisfaction of the Group's performance obligations by examining supporting evidence such as contractors' progress claims and suppliers' invoices.
- We observed the progress of the property development phases by performing site visits and examined physical progress reports. We also discussed the status of on-going property development phases with management, finance personnel and project officials.

Valuation of investment properties

(Refer to Note 17 to the financial statements)

The Group adopts fair value model for its investment properties. When estimating the fair value of a property, the objective is to estimate the price that would be received from the sale of the investment property in an orderly transaction between market participants at the reporting date under current market conditions. In addition, the fair value should reflect, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.

KEY AUDIT MATTERS (CONT'D.)**Valuation of investment properties (cont'd.)**

(Refer to Note 17 to the financial statements) (cont'd.)

How our audit addressed the matter

Our audit procedures focused on the valuations performed by firms of independent valuers, which included amongst others the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models; and
- We also assessed whether the yield rate used in the valuation models reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive.

Business combination

(Refer to Note 18 to the financial statements)

The Group and the Company acquired several subsidiaries during the financial year. We identified these acquisitions of Acquiree Companies as disclosed in Note 18(a)(xxii) to the financial statements as areas requiring audit focus for the reasons below.

Acquisition of Acquiree Companies that has been accounted for as a business combination ("**MFRS 3**") involves significant and complex judgements in the determination of the fair value of the assets and liabilities acquired.

Included in the identifiable assets of Acquiree Companies as at date of acquisition is inventories of RM3,325.9 million, representing the land held for development and property development costs, which accounted for approximately 92% of total identifiable assets of Acquiree Companies. The Group estimated the fair value these inventories on date of acquisition based on several methods such as income approach and comparison approach. Such valuations include a number of significant and complex judgements in the determination of the fair value of the inventories. Accordingly, we consider this to be an area of audit focus.

How our audit address this matter

To address these areas of audit focus, we performed, amongst others, the following procedures:

- We assessed the competence, capabilities and objectivity of the independent valuers appointed by management and evaluated the reasonableness of their conclusions in relation to the key assumptions used;
- We assessed the reasonableness of the key assumptions and methodologies adopted by the independent valuers in estimating the fair value of the identifiable assets, inventories in the valuation whether such key assumptions and methodologies used are within a reasonable range of expectations; and
- We read the sales and purchase agreement, confirmed that the accounting treatment is in accordance to MFRS 3 Business Combinations, and reviewed the financial statements for appropriate disclosure.

Independent Auditors' Report

To the members of Tropicana Corporation Berhad (Incorporated in Malaysia)

KEY AUDIT MATTERS (CONT'D.)

Impairment of property, plant and equipment

(Refer to Note 15 to the financial statements)

The Group is required to perform impairment test of CGU whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

The management determined that there is an indication of impairment of property, plant and equipment relating to its hotel operation ("**Hotel Building**") due to economic performance of hotel operation is below expectations.

Accordingly, the Group engaged a firm of independent valuers to estimate the fair value of the Hotel Building by using income approach, which involves future cash inflows and outflows that will be derived from its hotel operations and discounting them with an appropriate commercial yield rate. The aforementioned impairment review gave rise to an impairment loss of the Hotel Building of RM50.5 million representing 14% of the Group's profit before tax. This impairment review process involved assumptions that are highly judgemental and we consider this to be an area of audit focus.

How our audit address this matter

To address these areas of audit focus, we performed, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We assessed the reasonableness of the key assumptions and methodologies adopted by the independent valuers in estimating the fair value of the Hotel Building in the valuation and whether such key assumptions and methodologies used are within a reasonable range of expectations;
- As part of our evaluations of the fair value of the Hotel Building, we had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models; and
- We assessed the appropriateness of the commercial yield rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

To the members of Tropicana Corporation Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 18 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
10 June 2020

Hoh Yoon Hoong

No. 02990/08/2020 J
Chartered Accountant

Statements of Comprehensive Income

For the financial year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Revenue	4	1,135,843	1,635,471	72,197	46,297
Cost of sales	5	(639,408)	(1,116,287)	(24,276)	(17,376)
Gross profit		496,435	519,184	47,921	28,921
Other income	6	371,743	103,943	1,379	130
Selling and marketing expenses		(27,877)	(20,731)	–	–
Administrative expenses		(268,493)	(228,617)	(40,006)	(23,666)
Other expenses		(159,029)	(15,450)	(62,994)	(6,383)
Operating profit/(loss)		412,779	358,329	(53,700)	(998)
Finance income	7	18,468	27,792	31,978	30,782
Finance costs	8	(75,850)	(66,855)	(36,332)	(44,665)
Share of results of joint ventures		11,258	419	–	–
Share of results of an associate		819	546	–	–
Profit/(loss) before tax	9	367,474	320,231	(58,054)	(14,881)
Income tax expense	12	(28,139)	(140,400)	(764)	(1,206)
Profit/(loss) net of tax for the financial year		339,335	179,831	(58,818)	(16,087)
Other comprehensive income/(loss) to be reclassified to profit and loss in subsequent period					
Foreign currency translation		65	(19)	–	–
Total comprehensive income/(loss)		339,400	179,812	(58,818)	(16,087)
Profit/(loss) attributable to:					
Owners of the parent		320,759	170,029	(63,479)	(16,087)
Holders of perpetual bond		4,661	–	4,661	–
Non-controlling interests		13,915	9,802	–	–
		339,335	179,831	(58,818)	(16,087)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		320,824	170,010	(63,479)	(16,087)
Holders of perpetual bond		4,661	–	4,661	–
Non-controlling interests		13,915	9,802	–	–
		339,400	179,812	(58,818)	(16,087)
Earnings per share attributable to owners of the parent (sen per share)					
- Basic	13	22.28	11.65		
- Diluted	13	20.99	11.65		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Financial Position - Group

As at 31 December 2019

	Note	2019 RM'000	2018 RM'000
Assets			
Non-current assets			
Property, plant and equipment	15	764,954	887,009
Inventories	16	6,154,933	2,639,007
Investment properties	17	1,377,034	574,732
Right-of-use assets	35	138,952	–
Investment in an associate	19	90,565	52,569
Investments in joint ventures	20	264,985	240,343
Other investments	21	312	312
Intangible assets	22	1,037	27,130
Deferred tax assets	31	111,348	84,545
Trade and other receivables	23	10,294	14,676
Contract assets	24	18,675	17,618
		8,933,089	4,537,941
Current assets			
Inventories	16	749,513	1,667,036
Trade and other receivables	23	442,755	488,705
Contract cost assets	25	20,552	46,516
Contract assets	24	285,036	288,955
Tax recoverable		28,391	30,789
Cash and bank balances	26	754,949	975,774
		2,281,196	3,497,775
Assets classified as held for sale	27	75,700	59,100
Total assets		11,289,985	8,094,816

	Note	2019 RM'000	2018 RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	28	2,044,322	2,044,314
Irredeemable convertible preference shares	30	1,004,593	–
Treasury shares	28	(13,648)	(25,094)
Other reserves	29	1,626,715	1,384,450
		4,661,982	3,403,670
Perpetual bond	30	252,661	–
Non-controlling interests		734,045	409,205
Total equity		5,648,688	3,812,875
Non-current liabilities			
Deferred tax liabilities	31	505,055	192,434
Borrowings	32	1,576,912	1,333,071
Trade and other payables	33	501,190	733,467
Irredeemable convertible preference shares	30	163,355	–
Contract liabilities	34	135,524	137,621
Tax payable		3,400	–
Lease liabilities	35	3,650	–
		2,889,086	2,396,593
Current liabilities			
Borrowings	32	942,203	623,114
Trade and other payables	33	1,599,617	1,168,523
Irredeemable convertible preference shares	30	10,915	–
Contract liabilities	34	174,806	19,703
Tax payable		21,465	74,008
Lease liabilities	35	3,205	–
		2,752,211	1,885,348
Total liabilities		5,641,297	4,281,941
Total equity and liabilities		11,289,985	8,094,816

Statement of Financial Position - Company

As at 31 December 2019

	Note	2019 RM'000	2018 RM'000
Assets			
Non-current assets			
Property, plant and equipment	15	1,821	1,405
Right-of-use assets	35	1,204	–
Investments in subsidiaries	18	2,989,848	2,809,100
Other investments	21	312	312
Deferred tax assets	31	811	771
Trade and other receivables	23	389	389
		2,994,385	2,811,977
Current assets			
Trade and other receivables	23	1,554,286	443,970
Cash and bank balances	26	52,011	40,623
		1,606,297	484,593
Total assets		4,600,682	3,296,570
Equity and liabilities			
Equity			
Share capital	28	2,044,322	2,044,314
Irredeemable convertible preference shares	30	1,004,593	–
Treasury shares	28	(13,648)	(25,094)
Other reserves	29	500,743	642,356
		3,536,010	2,661,576
Perpetual bond	30	252,661	–
Total equity		3,788,671	2,661,576

	Note	2019 RM'000	2018 RM'000
Non-current liabilities			
Borrowings	32	128,104	163,985
Irredeemable convertible preference shares	30	163,355	–
Lease liabilities	35	300	–
		291,759	163,985
Current liabilities			
Borrowings	32	207,986	274,412
Trade and other payables	33	299,856	196,581
Irredeemable convertible preference shares	30	10,915	–
Tax payable		578	16
Lease liabilities	35	917	–
		520,252	471,009
Total liabilities		812,011	634,994
Total equity and liabilities		4,600,682	3,296,570

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Changes in Equity - Group

For the financial year ended 31 December 2019

	Attributable to owners of the parent										
	Irredeemable convertible preference shares					Non-distributable					
	Share capital RM'000	Share preference shares RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrants 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
	Note 28	Note 30	Note 28	Note 29(a)	Note 29(b)	Note 29(c)			Note 30		
At 1 January 2019	2,044,314	-	(25,094)	(129)	45,960	1,338,619	1,384,450	3,403,670	-	409,205	3,812,875
Total comprehensive income	-	-	-	65	-	320,759	320,824	320,824	-	13,915	334,739
Distribution for the financial year	-	-	-	-	-	-	-	-	4,661	-	4,661
Transactions with owners:											
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	-	11,862	11,862
Redemption of preference shares from non-controlling interests	-	-	-	-	-	-	-	-	-	(5,200)	(5,200)
Issuance of perpetual bond	-	-	-	-	-	-	-	-	248,000	-	248,000
Ordinary shares issued pursuant to:											
- warrants exercise	8	-	-	-	-	-	-	8	-	-	8
Expiry of warrants	-	-	-	-	(45,960)	45,960	-	-	-	-	-
Shares issued for acquisition of subsidiaries	-	1,004,593	-	-	-	-	-	1,004,593	-	-	1,004,593
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	237,701	237,701
Acquisition of non-controlling interest	-	-	-	-	-	(425)	(425)	(425)	-	66,562	66,137
Purchase of treasury shares	-	-	(26,725)	-	-	-	-	(26,725)	-	-	(26,725)
Dividends paid via:											
- distribution of treasury shares	-	-	38,171	-	-	(38,171)	(38,171)	-	-	-	-
- cash	-	-	-	-	-	(39,963)	(39,963)	(39,963)	-	-	(39,963)
Total transactions with owners	8	1,004,593	11,446	-	(45,960)	(32,599)	(78,559)	937,488	248,000	310,925	1,496,413
At 31 December 2019	2,044,322	1,004,593	(13,648)	(64)	-	1,626,779	1,626,715	4,661,982	252,661	734,045	5,648,688
At 1 January 2018	2,044,314	-	(6,692)	(110)	45,960	1,192,010	1,237,860	3,275,482	-	311,996	3,587,478
Total comprehensive (loss)/income	-	-	-	(19)	-	170,029	170,010	170,010	-	9,802	179,812
Transactions with owners:											
Issuance of ordinary shares and preference shares to non-controlling interests	-	-	-	-	-	-	-	-	-	23,366	23,366
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	64,689	64,689
Purchase of treasury shares	-	-	(18,402)	-	-	-	-	(18,402)	-	-	(18,402)
Dividend paid via:											
- cash	-	-	-	-	-	(23,420)	(23,420)	(23,420)	-	(648)	(24,068)
Total transactions with owners	-	-	(18,402)	-	-	(23,420)	(23,420)	(41,822)	-	87,407	45,585
At 31 December 2018	2,044,314	-	(25,094)	(129)	45,960	1,338,619	1,384,450	3,403,670	-	409,205	3,812,875

Statement of Changes in Equity - Company

For the financial year ended 31 December 2019

	Attributable to owners of the parent									
	Non-distributable									
	Share capital RM'000 Note 28	Irredeemable convertible preference shares RM'000 Note 30	Treasury shares RM'000 Note 28	Warrants 2009/2019 reserve RM'000 Note 29(b)	Retained earnings RM'000 Note 29(c)	Total reserves RM'000	Perpetual bond RM'000 Note 30	Total equity RM'000		
At 1 January 2019	2,044,314	-	(25,094)	45,960	596,396	642,356	-	2,661,576		
Total comprehensive loss	-	-	-	-	(63,479)	(63,479)	-	(63,479)		
Distribution for the financial year	-	-	-	-	-	-	4,661	4,661		
Transactions with owners:										
Issuance of perpetual bond	-	-	-	-	-	-	248,000	248,000		
Ordinary shares issued pursuant to:										
- warrants exercise	8	-	-	-	-	-	-	8		
Expiry of warrants	-	-	-	(45,960)	45,960	-	-	-		
Shares issued for acquisition of subsidiaries	-	1,004,593	-	-	-	-	-	1,004,593		
Purchase of treasury shares	-	-	(26,725)	-	-	-	-	(26,725)		
Dividends paid via:										
- distribution of treasury shares	-	-	38,171	-	(38,171)	(38,171)	-	-		
- cash	-	-	-	-	(39,963)	(39,963)	-	(39,963)		
Total transactions with owners	8	1,004,593	11,446	(45,960)	(32,174)	(78,134)	248,000	1,185,913		
At 31 December 2019	2,044,322	1,004,593	(13,648)	-	500,743	500,743	252,661	3,788,671		
At 1 January 2018	2,044,314	-	(6,692)	45,960	635,903	681,863	-	2,719,485		
Total comprehensive loss	-	-	-	-	(16,087)	(16,087)	-	(16,087)		
Transactions with owners:										
Purchase of treasury shares	-	-	(18,402)	-	-	-	-	(18,402)		
Dividend paid via:										
- cash	-	-	-	-	(23,420)	(23,420)	-	(23,420)		
Total transactions with owners	-	-	(18,402)	-	(23,420)	(23,420)	-	(41,822)		
At 31 December 2018	2,044,314	-	(25,094)	45,960	596,396	642,356	-	2,661,576		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of Cash Flows - Group

For the financial year ended 31 December 2019

	2019 RM'000	2018 RM'000
Cash flows from operating activities		
Profit before tax	367,474	320,231
Adjustments for:		
Depreciation of property, plant and equipment	27,168	24,258
Depreciation of right-of-use assets	9,606	–
Amortisation of intangible assets	271	106
Finance income	(18,468)	(27,792)
Finance costs	75,850	66,855
Share of results of an associate	(819)	(546)
Share of results of joint ventures	(11,258)	(419)
Unrealised profit arising from transaction with joint venture	7,741	–
Gain on a bargain purchase	(321,346)	(15,911)
Reversal of impairment loss on trade and other receivables	(7,113)	(3,028)
Gain on disposal of:		
- property, plant and equipment, net	(327)	(10,246)
- joint venture	–	(24,427)
- assets classified as held for sale, net	(322)	–
Unrealised foreign exchange loss/(gain), net	2	(1)
Amortisation of deferred license fees	(4,466)	(4,402)
Amortisation of security retainers accumulation fund	11	11
Unrealised returns on security retainers accumulation fund	(216)	(281)
Net fair value loss/(gain) on investment properties	674	(31,422)
Impairment loss on property, plant and equipment	50,767	–
Impairment loss on trade and other receivables	1,588	10,255
Impairment loss on intangible assets	25,643	1,475
Property, plant and equipment written off	4,976	48
Loss on disposal of investment properties	3,255	–
Inventories written down	56,314	–
Bad debts written off	839	80
Property development costs written off	16,996	–
Operating profit before working capital changes	284,840	304,844
Changes in working capital:		
Trade and other receivables	372,477	89,021
Contract cost assets	165,040	103,727
Contract assets	11,319	109,432
Inventories	(74,014)	(206,110)
Trade and other payables	(499,516)	(114,032)
Contract liabilities	(87,265)	4,721
Finance costs paid	(173,374)	(114,729)
Net taxes paid	(104,954)	(128,825)
Net cash (used in)/generated from operating activities	(105,447)	48,049

	2019 RM'000	2018 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(49,638)	(96,250)
Purchase of investment properties	(400,934)	(712)
Acquisition of intangible assets	–	(1,593)
Acquisition of minority interest	(6,205)	–
Net cash inflow/(outflow) on acquisition of subsidiaries	14,877	(41,241)
Deposit paid on acquisition of a subsidiary	(48,400)	–
Proceeds from disposal of property, plant and equipment	575	12,850
Proceeds from disposal of investment properties	44,745	–
Proceeds from disposal of assets held for sale	59,422	–
Proceeds from disposal of a joint venture, net	–	178,442
Subscription of shares in joint ventures	(3,325)	(5,378)
Advances to an associate	(37,177)	(15,000)
Advances to a joint venture	(17,800)	–
Finance costs paid	(1,812)	(6,435)
Finance income received	18,468	27,792
Net cash (used in)/generated from investing activities	(427,204)	52,475
Cash flows from financing activities		
Payment of borrowing costs	(10,497)	(10,841)
Repayment of principal portion of lease liabilities	(5,594)	–
Drawdown from borrowings	756,777	1,001,281
Repayment of borrowings	(610,738)	(1,039,627)
Repayment of hire purchase	(1,264)	(1,456)
Proceeds from issuance of warrants	8	–
Proceeds from issuance of perpetual bond	248,000	–
Uplift of debt service reserve, escrow accounts and deposits with licensed banks not available for use	85,675	129,262
Proceeds from issuance of shares to non-controlling interests	11,862	23,366
Redemption of preference shares from non-controlling interests	(5,200)	–
Purchase of treasury shares	(26,725)	(18,402)
Dividends paid to non-controlling interest	–	(648)
Dividends paid to shareholders of the Company	(39,963)	(23,420)
Net cash generated from financing activities	402,341	59,515
Net (decrease)/increase in cash and cash equivalents	(130,310)	160,039
Effects of foreign exchange rate changes	65	(19)
Cash and cash equivalents at beginning of financial year	721,583	561,563
Cash and cash equivalents at end of financial year (Note 26)	591,338	721,583

Statement of Cash Flows - Company

For the financial year ended 31 December 2019

	2019 RM'000	2018 RM'000
Cash flows from operating activities		
Loss before tax	(58,054)	(14,881)
Adjustments for:		
Depreciation of property, plant and equipment	548	456
Depreciation of right-of-use assets	1,671	–
Finance income	(31,978)	(30,782)
Finance costs	36,332	44,665
Net gain on disposal of property, plant and equipment	–	(24)
Impairment loss on trade and other receivables	–	12
Impairment loss on investments in subsidiaries	62,916	6,266
Dividend income	(46,263)	(28,000)
Operating loss before working capital changes	(34,828)	(22,288)
Changes in working capital:		
Trade and other receivables	(898,167)	(21,472)
Trade and other payables	806,849	177,428
Cash (used in)/generated from operations	(126,146)	133,668
Finance costs paid	(23,254)	(27,964)
Net tax paid	(242)	(2,176)
Net cash (used in)/generated from operating activities	(149,642)	103,528
Cash flows from investing activities		
Purchase of property, plant and equipment	(964)	(317)
Dividend income	46,263	–
Finance income received	31,978	30,782
Proceeds from disposal of property, plant and equipment	–	24
Subscription of additional shares in subsidiaries, net of expenses	(6,560)	(57,666)
Proceeds from capital reduction	13,800	–
Net cash generated from/(used in) investing activities	84,517	(27,177)
Cash flows from financing activities		
Drawdown from borrowings	44,154	69,360
Repayment of borrowings	(143,140)	(119,845)
Repayment of hire purchase	(81)	(41)
Proceeds from issuance of warrants	8	–
Proceeds from issuance of perpetual bond	248,000	–
(Placements)/uplift of debt service reserve, escrow accounts and deposits with licensed banks not available for use	(1,019)	12,339
Purchase of treasury shares	(26,725)	(18,402)
Repayment of principal portion of lease liabilities	(1,774)	–
Dividends paid to shareholders of the Company	(39,963)	(23,420)
Net cash generated from/(used in) financing activities	79,460	(80,009)
Net increase/(decrease) in cash and cash equivalents	14,335	(3,658)
Cash and cash equivalents at beginning of financial year	1,042	4,700
Cash and cash equivalents at end of financial year (Note 26)	15,377	1,042

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2019

1. CORPORATE INFORMATION

Tropicana Corporation Berhad (“**the Company**”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot LG-A1, Lower Ground Floor, 3 Damansara, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Level 2, 7, 9, 10, 11 & 12, Tropicana City Office Tower, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 18, 19 and 20 respectively. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 June 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”), International Financial Reporting Standards (“**IFRS**”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“**RM**”) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies arising from adoption of new MFRSs and Amendments to MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year, except for the adoption of the following MFRSs and amendments to MFRSs:

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

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3 and MFRS 11	Previously Held Interest in a Joint Arrangements (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

The adoption of the above MFRSs and Amendments to MFRSs does not have any material impact on the financial statements of the Group and of the Company, except for the adoption of MFRS 16.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies arising from adoption of new MFRSs and Amendments to MFRSs (cont'd.)

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group or the Company is the lessor.

The Group and the Company adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group and the Company elected to use the transition practical expedient not to reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group and the Company applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

The effects of adoption of MFRS 16 as at 1 January 2019, (decrease)/increase, is as follows:

	Group RM'000	Company RM'000
Assets		
Non-current assets		
Property, plant and equipment	(136,469)	–
Right-of-use assets	144,993	2,875
Total assets	8,524	2,875
Liabilities		
Non-current liability		
Lease liabilities	3,333	1,217
Current liability		
Lease liabilities	5,191	1,658
Total liabilities	8,524	2,875

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies arising from adoption of new MFRSs and Amendments to MFRSs (cont'd.)

MFRS 16 Leases (cont'd.)

The Group and the Company have lease contracts for various items of premises and motor vehicles. Before the adoption of MFRS 16, the Group and the Company classified each of their leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.18 Leases for the accounting policy prior to 1 January 2019.

Upon adoption of MFRS 16, the Group and the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.18 Leases for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group and the Company.

Leases previously classified as finance leases

The Group and the Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal to the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 were applied to these leases from 1 January 2019.

Leases previously accounted for as operating leases

The Group and the Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of the incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group and the Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Changes in accounting policies arising from adoption of new MFRSs and Amendments to MFRSs (cont'd.)

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.68% per annum.

The reconciliation between the operating lease commitments disclosed applying MFRS 117 as at 31 December 2018 to the lease liabilities recognised as at 1 January 2019 is as follows:

	Group RM'000	Company RM'000
Operating leases commitment as at 31 December 2018	5,503	815
Weighted average incremental borrowing rate as at 1 January 2019	5.68%	5.68%
Discounted operating leases commitments as at 1 January 2019	5,086	652
Less:		
Commitments relating to short-term leases	(193)	—
Commitments relating to leases of low-value assets	(193)	—
Others	(55)	—
Add:		
Commitments relating to the lease previously not included in operating leases commitments as at 31 December 2018	3,433	2,178
Lease payments relating to renewal periods not included in operating leases commitments as at 31 December 2018	446	45
Lease liabilities recognised as at 1 January 2019	8,524	2,875

2.3 Standards issued but not yet effective

The standards, amendments to MFRSs and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 3	Definition of Business
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to IC Interpretation 12	Service Concession Arrangements
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets-Web Site Costs

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2021:

MFRS 17 Insurance Contracts

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

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

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

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group transactions, balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control over a subsidiary, the Group would derecognise all assets (including goodwill), liabilities and non-controlling interests at their carrying amount of the subsidiary and to recognise the fair value of the consideration received.

The gain or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within scope of MFRS 139, it is measured in accordance with the appropriate MFRSs. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company applied the practical expedient, the Group and the Company have initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

(a) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost are disclosed in Note 37.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with the net changes in fair value recognised in the statement of comprehensive income.

This category includes investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on investments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

(a) Financial assets (cont'd.)

Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that an asset is impaired.

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

(b) Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, for which the Group and the Company is obligated to incur, if applicable.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of parts that are replaced is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, has unlimited useful life, and therefore is not depreciated.

Construction in-progress are not depreciated as these assets are not yet available for use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Freehold buildings: 20 to 50 years
- Leasehold buildings: 20 to 50 years
- Golf course: 99 years
- Plant and machineries: 5 to 20 years
- Office furniture, fittings and equipment: 4 to 10 years
- Motor vehicles: 5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Property, plant and equipment (cont'd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

2.8 Inventories

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is carried at lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs are stated at the lower of costs and net realisable value. The cost of land, related development costs common to entire development project and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(c) Completed development properties

Completed development properties represent completed residential properties and commercial properties.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to project and direct building costs.

(d) Consumable stores and spares

Inventories of consumables stores and spares are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis.

The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Investment properties

Investment properties are properties which are held either to earn rentals or for capital appreciation or for both and are not substantially occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is completed, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.10 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associate and joint ventures), inventories, deferred tax assets, investment properties measured at fair value and non-current assets (or disposal groups) held for sale, are reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Impairment of non-financial assets (cont'd.)

The value in use calculation is based on a discounted cash flow ("DCF") model. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

The impairment loss is recognised in profit or loss immediately except for a property previously revalued when the revaluation was taken to OCI up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation surplus.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill that has an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment loss on goodwill is not reversed in subsequent periods.

2.11 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment. Contract assets are subject to impairment in accordance of MFRS 9 Financial Instruments.

A contract liability is the obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

2.12 Contract cost assets

(a) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Contract cost assets (cont'd.)

(b) Costs to fulfill a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

2.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.13 Intangible assets (cont'd.)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

2.14 Cash and cash equivalents

Cash and bank balances comprise cash at banks, cash in hand and short-term deposits with a maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of statements of cash flows, cash and cash equivalents, if any, consist of cash and bank balances, net of outstanding bank overdrafts as they are considered an integral part of the Group's and of the Company's cash management.

2.15 Share capital and Sukuk Musharakah ("Perpetual bond")

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value. Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon approval of shareholders in a general meeting.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction, which would otherwise have been avoided.

The Group measures a liability to distribute non cash assets as a dividend to the owners of the parent at fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs, is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, reissuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

Perpetual bond is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity. Perpetual bond holders' entitlement is accounted for as an appropriation in equity and the distribution is recognised in the period in which it is paid.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.16 Irredeemable convertible preference shares ("ICPS")

ICPS is a financial instruments that contains both a liability and an equity component that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition the liability component of the ICPS is measured at amortised cost using the effective interest method. The equity component of the ICPS is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the ICPS is recognised in profit or loss. On conversion, the ICPS is reclassified to equity, no gain or loss is recognised on conversion.

2.17 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses, if any. The land use rights are amortised over their lease terms.

The Group has assessed and classified land use rights as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term.

2.18 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its investment with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.19 Investments in an associate and joint ventures

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Investments in an associate and joint ventures (cont'd.)

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The Group recognises the excess of the unrealised profit over the carrying amount of the associate as deferred income.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investments in the associate or joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment loss as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of results of an associate and joint venture' in the Group's statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in an associate and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Current financial year

(a) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follow:

- Leasehold land: leasehold period between 92 years to 875 years.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. MFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Leases (cont'd.)

(b) As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Lease income is recognised over the lease term on a straight-line basis. Contingent rents are recognised as revenue in the period in which they are earned.

Previous financial year

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases in terms of which the Group and the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they have incurred in connection with the borrowing of funds.

The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

2.22 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is credited to the assets when the costs for which the benefit of the grant is intended to compensate are incurred.

When the Group receives a grant of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.23 Taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as real property gain taxes payable on disposal of properties, if any.

Taxation in profit or loss comprises current and deferred tax.

(a) Income tax - current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Taxes (cont'd.)

(b) Income tax - deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associate and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged in the same or a different period, directly to equity, in which the deferred tax will be charged or credited directly to equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Taxes (cont'd.)

(c) Malaysian Goods and Services Tax ("GST")

On and after 1 April 2015, revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

GST ceased to be effective on 1 September 2018.

(d) Sale and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.24 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.25 Sinking fund

Sinking fund of the Group is established for the purpose of covering periodic major repairs or capital replacements costs in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from the members during the financial year are credited to this account.

The amount credited into the sinking fund account during the financial year is subsequently paid to a fund which is kept in a separate trust account and administered by a Trustee.

Monies in the sinking fund are invested by the Trustee. Any income arising out of the investment is accrued to the fund.

2.26 Deferred license fees

License fees are received upon admission of new members to the golf and country resort of the Group, and are recognised in the profit or loss over the remaining terms of the membership licenses, which would be expiring on 9 October 2051.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.27 Employee benefits

(a) Short term benefits

Wages, salaries, other monetary and non-monetary benefits are measured on an undiscounted basis and are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group and the Company.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.28 Foreign currencies

The individual financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in Ringgit Malaysia, which is also the Company's functional currency.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.28 Foreign currencies (cont'd.)

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.29 Revenue

(a) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

The Group has determined that it has a significant financing component related to the sales of its property units being developed under the deferred payment scheme. As a result of this the amount of the promised consideration is adjusted for the significant financing component and the related interest income is recognised using the effective interest method over the term of the deferment.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.29 Revenue (cont'd.)

(b) Revenue from construction contracts

Under such contracts, the Group is engaged in professional landscape construction and management services. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. The fair value of the revenue, which is based on fixed price under the agreement will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

(c) Sale of goods

Revenue from sale of goods such as sale of completed properties, land and building materials is measured at fair value of the consideration receivable and is recognised upon the transfer of significant control of the goods to the customer.

(d) Recreation and resort operations

Revenue from recreational club operations including subscription fees but excluding club membership fees are recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Recreational club membership fees which are received upfront are recognised on a straight-line basis over the tenure of the respective memberships.

(e) Rental of hotel rooms

Revenue from rental of hotel rooms, sale of food and beverages and other related income are recognised upon provision of the services.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Interest income

Interest income is recognised by using the EIR method.

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(i) Management and maintenance fees

Management and maintenance fees are recognised when services are rendered.

(j) Private school operations

Tuition fees are recognised on an accrual basis whereas enrolment, registration, resource and other fees are recognised on a receipt basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.30 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.31 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.32 Fair value measurement

The Group and the Company measure financial instruments such as derivatives and non-financial assets such as investment properties, at fair value at each reporting date. The fair values of financial instruments measured at amortised cost are disclosed in Note 38.

The fair value of an asset or a liability, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group and the Company measure the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group and the Company have considered the following characteristics when determining fair value:

- (a) The condition and location of the assets; and
- (b) Restrictions, if any, on the sale or use of the assets.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.32 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- (b) Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.33 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS for the financial year is calculated by dividing profit or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS for the financial year is calculated by adjusting profit or loss attributable to owners of the parent by the weighted average number of ordinary shares and ICPS outstanding for the effects of all dilutive potential ordinary shares.

2.34 Current and non-current classification

The Group and the Company present their assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to be sold or consumed within the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. All other liabilities are classified as non-current.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the next financial year.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Property development

The Group recognises certain of its property development revenue and expenses in the statements of comprehensive income by using an input method which is based on costs incurred for work performed up to the reporting period relative to the total expected cost to the satisfaction of those performance obligations.

Significant judgement is required in determining the measure of progress, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies. The total unrecognised tax losses and unutilised capital allowances of the Group are disclosed in Note 12.

(c) Provision of expected credit loss of trade receivables, other receivables and contract assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the receivables and contract assets are disclosed in Notes 23 and 24 respectively.

(d) Impairment of investments in subsidiaries

The Company conducts impairment reviews of investments in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether these investments are impaired requires an estimation of their recoverable amounts which is the higher of the asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from these assets including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2019

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

3.1 Key sources of estimation uncertainty (cont'd.)

(d) Impairment of investments in subsidiaries (cont'd.)

During the financial year, after reviewing the business environment as well as the Company's strategies, past and future performance of its investments in subsidiaries, management concluded that there were impairment losses in the investment in subsidiaries amounting to RM62,916,000 as disclosed in Note 18.

(e) Fair valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. Significant judgement is required in determining the fair value which may be derived based on different valuation methods. In making the judgement, the Group engaged independent valuation specialists to determine the fair values as disclosed in Note 17.

(f) Impact of the Coronavirus (COVID-19) outbreak

In assessing the expected credit loss, the Group and the Company considered reasonable and supportable information at the reporting date. At the reporting date, the Group and the Company evaluated the likelihood of the severity and impact of the COVID-19 outbreak and concluded that COVID-19 would not significantly affect the estimation of expected losses of financial assets. Accordingly, the methods, assumptions and information used to measure the ECL did not incorporate any forward-looking information relating to the effects of COVID-19.

Subsequent to the reporting date, the Group and the Company changed its risk management practices in response to the COVID-19 outbreak and extended the payment terms for certain trade receivables. Accordingly, the Group and the Company changed their ECL methodology in order to better estimate the impact of the outbreak in accordance with the requirements of MFRS 9. The simplified ECL models adopted by the Group and the Company as at 31 December 2019 were not designed for the current economic shocks due to COVID-19. The Group and the Company have accordingly, calculated any overlays and adjustments to these simplified models. In addition, due to the abnormal circumstances caused by COVID-19, it may take time for the Group and the Company to detect actual changes in risk indicators for a specific customer. In order to accelerate the reflection of changes in credit quality not yet detected at an individual customer level, the Group and the Company adjust the ratings and the probabilities of default on a collective basis, considering risk characteristics such as the industry or geographical location of the customers.

Whilst it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Government's varying efforts to combat the outbreak and support businesses, it is likely that the ECL would increase within the next financial year.

3.2 Judgement made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from there involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue from contracts with customers	1,101,163	1,599,225	25,934	18,297
Revenue from other sources:				
- Rental and related income from investment properties	32,013	34,761	–	–
- Dividend income from subsidiaries (Note 36(a))	–	–	46,263	28,000
- Others	2,667	1,485	–	–
	1,135,843	1,635,471	72,197	46,297

Disaggregation of the revenue from contracts with customers:

Major goods and services

Sale of development properties	677,713	1,213,332	–	–
Sale of land	213,592	215,664	–	–
Sale of building materials	30,837	33,482	–	–
Revenue from recreation and resort operations	49,603	44,666	–	–
Property management and maintenance fees	9,184	14,246	–	–
Revenue from private school operations	48,381	42,010	–	–
Revenue from landscape services	7,259	16,935	–	–
Revenue from hotel operations	64,594	18,890	–	–
Management fees from subsidiaries (Note 36(a))	–	–	25,934	18,297
Revenue from contracts with customers	1,101,163	1,599,225	25,934	18,297

Geographical market

Malaysia	1,101,163	1,599,225	25,934	18,297
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Timing of revenue recognition

- at a point in time	459,382	362,166	25,934	18,297
- over time	641,781	1,237,059	–	–
	1,101,163	1,599,225	25,934	18,297

Revenue from contracts with customers of the Group includes RM19,703,000 (2018: RM17,303,000) that was included in contract liabilities at the beginning of the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2019

5. COST OF SALES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cost of development properties:				
- current year	417,018	795,361	–	–
- overprovision of property development costs in prior years	(24,690)	(4,124)	–	–
Cost of land sold (Note 16(a) and Note 16(c))	71,474	194,922	–	–
Cost of inventories sold	46,775	14,198	–	–
Cost of building materials sold	26,740	29,576	–	–
Cost of services rendered:				
- recreation and resort operations	19,925	18,742	–	–
- property management and maintenance fees	8,805	9,715	–	–
- investment properties	7,216	8,014	–	–
- landscape services	5,098	13,909	–	–
- private school operations	25,108	23,864	–	–
- hotel operations	35,318	10,806	–	–
- management fees	–	–	24,276	17,376
Others	621	1,304	–	–
	639,408	1,116,287	24,276	17,376

6. OTHER INCOME

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Gain on a bargain purchase (Note 18(c))	321,346	15,911	–	–
Reversal of impairment loss on trade and other receivables	7,113	3,028	–	–
Management fees	15,658	7,741	–	–
Rental income	5,254	4,361	1,236	–
Late payment interest	3,296	3,371	–	–
Gain on disposal of:				
- property, plant and equipment, net	327	10,246	–	24
- joint venture	–	24,427	–	–
- assets classified as held for sale	860	–	–	–
Fair value gain on investment properties	–	31,422	–	–
Forfeiture of deposits	3,179	1,296	–	–
Bad debts recovered	135	–	–	–
Foreign exchange gain:				
- unrealised	3	3	–	–
- realised	–	7	–	–
Others	14,572	2,130	143	106
	371,743	103,943	1,379	130

7. FINANCE INCOME

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance income from:				
- deposits with licensed banks	9,059	15,115	1,144	1,341
- Housing Development Accounts	8,299	11,158	–	–
- amounts due from subsidiaries (Note 36(a))	–	–	30,834	29,441
- others	1,110	1,519	–	–
	18,468	27,792	31,978	30,782

8. FINANCE COSTS

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Finance costs on:				
- amounts due to subsidiaries (Note 36(a))	–	–	12,236	15,607
- borrowings	65,426	54,206	23,254	27,964
- unwinding of discount on trade and other payables	9	54	–	–
- amortisation of borrowing costs (Note 32)	10,055	12,595	726	1,094
- accretion of lease liabilities interest (Note 35(b))	360	–	116	–
Total finance costs	75,850	66,855	36,332	44,665

Notes to the Financial Statements

For the financial year ended 31 December 2019

9. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Employee benefits expenses (Note 10)	167,897	130,620	23,513	15,704
Auditors' remuneration:				
- audit fee	1,212	987	335	264
- non-audit fee	23	58	7	7
Depreciation of property, plant and equipment (Note 15)	27,168	24,258	548	456
Depreciation of right-of-use assets (Note 35)	9,606	—	1,671	—
Amortisation of intangible assets (Note 22)	271	106	—	—
Minimum operating lease payments:				
- office premises	—	3,502	—	1,420
- office equipment	—	109	—	—
Amortisation of deferred license fees (Note 34(a))	(4,466)	(4,402)	—	—
Amortisation of security retainers accumulation fund (Note 23(b)(ii))	11	11	—	—
Unrealised returns on security retainers accumulation fund (Note 23(b)(ii))	(216)	(281)	—	—
Net fair value loss on investment properties (Note 17)	674	—	—	—
Impairment loss on:				
- property, plant and equipment (Note 15)	50,767	—	—	—
- trade and other receivables	1,588	10,255	—	12
- investments in subsidiaries (Note 18)	—	—	62,916	6,266
- intangible assets (Note 22)	25,643	1,475	—	—
Property, plant and equipment written off	4,976	48	—	—
Loss on disposal of:				
- investment properties	3,255	—	—	—
- assets classified as held for sale	538	—	—	—
Loss on foreign exchange:				
- realised	131	235	—	—
- unrealised	5	2	—	—
Inventories written down	56,314	—	—	—
Bad debts written off	839	80	—	—
Direct operating expenses arising from investment properties	7,216	8,014	—	—
Management fees charged by a subsidiary (Note 36(a))	—	—	6,398	5,594
Property development costs written off (Note 16(b))	16,996	—	—	—
Liquidated ascertained damages to purchasers	3,401	1,409	—	—
Liquidated ascertained damages from contractors	(12,860)	—	—	—
Expenses relating to short-term leases	515	—	—	—
Expenses relating to low-value assets	287	—	—	—

Included in auditors' remuneration of the Company amounting to RM197,300 (2018: RM139,000) is borne and paid by the Company on behalf of its subsidiaries.

10. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries, bonus and other emoluments	119,962	93,205	17,587	11,246
Contributions to defined contribution plan	12,701	11,125	1,569	1,192
Other benefits	35,234	26,290	4,357	3,266
Total employee benefits expenses (Note 9)	167,897	130,620	23,513	15,704
Less: Amount included in cost of sales	(37,193)	(10,562)	(22,146)	(14,347)
Included in administrative expenses	130,704	120,058	1,367	1,357

Included in employee benefits expenses of the Group and of the Company are directors' remuneration amounting to RM32,375,000 (2018: RM24,386,000) and RM13,551,000 (2018: RM7,530,000) respectively as disclosed in Note 11.

11. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors of the Company				
Executive:				
Salaries, bonus and other emoluments	16,067	5,760	11,267	5,554
Contributions to defined contribution plan	917	694	917	669
	16,984	6,454	12,184	6,223
Non-executive:				
Fees	1,285	1,121	1,285	1,121
Other emoluments	82	186	82	186
	1,367	1,307	1,367	1,307
Total directors' remuneration of the Company	18,351	7,761	13,551	7,530
Directors of the subsidiaries				
Executive:				
Salaries, bonus and other emoluments	12,087	14,907	–	–
Contributions to defined contribution plan	1,393	1,185	–	–
	13,480	16,092	–	–
Non-executive:				
Fees	406	395	–	–
Other emoluments	138	138	–	–
	544	533	–	–
Total directors' remuneration of the subsidiaries	14,024	16,625	–	–
Total directors' remuneration (Notes 10 and 36(e))	32,375	24,386	13,551	7,530

Notes to the Financial Statements

For the financial year ended 31 December 2019

11. DIRECTORS' REMUNERATION (CONT'D.)

Analysis of directors' remuneration:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Total executive directors' remuneration	30,464	22,546	12,184	6,223
Total non-executive directors' remuneration	1,911	1,840	1,367	1,307
Total directors' remuneration	32,375	24,386	13,551	7,530

The aggregate remuneration of directors of the Company are analysed into appropriate bands as follows:

	Group Number of directors		Company Number of directors	
	2019	2018	2019	2018
Executive directors:				
RM950,001 - RM1,050,000	–	1	–	1
RM1,050,001 - RM1,100,000	–	–	–	–
RM1,100,001 - RM1,150,000	–	–	–	–
RM1,150,001 - RM1,200,000	–	–	–	–
RM1,200,001 - RM1,600,000	1	1	1	1
RM1,600,001 - RM1,650,000	–	–	–	1
RM1,650,001 - RM2,400,000	–	1	–	–
RM2,400,001 - RM2,450,000	–	1	–	1
RM2,450,001 - RM2,500,000	–	–	–	–
RM2,500,001 - RM2,550,000	–	–	–	–
RM2,550,001 - RM2,750,000	1	–	1	–
RM2,750,001 - RM2,800,000	–	–	–	–
RM2,800,001 - RM3,750,000	1	–	1	–
RM3,750,001 - RM3,800,000	–	–	–	–
RM3,800,001 - RM4,600,000	–	–	1	–
RM4,600,001 - RM9,400,000	1	–	–	–
Non-executive directors:				
RM10,001 - RM50,000	–	2	–	2
RM50,001 - RM100,000	–	3	–	3
RM100,001 - RM150,000	1	–	1	–
RM150,001 - RM200,000	3	2	3	2
RM200,001 - RM250,000	2	3	2	3
RM250,001 - RM300,000	1	–	1	–

12. INCOME TAX EXPENSE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current income tax:				
Malaysian income tax	57,279	146,020	1,261	1,082
(Over)/underprovision in prior years	(2,646)	28,417	(457)	713
	54,633	174,437	804	1,795
Real property gain tax:				
Current financial year	2,290	4,070	–	–
(Over)/underprovision in prior years	(398)	34	–	–
	1,892	4,104	–	–
	56,525	178,541	804	1,795
Deferred tax (Note 31):				
Origination and reversal of temporary differences	4,662	(34,442)	(49)	(402)
(Over)/underprovision in prior years	(33,048)	(3,699)	9	(187)
	(28,386)	(38,141)	(40)	(589)
Total income tax expense	28,139	140,400	764	1,206

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements

For the financial year ended 31 December 2019

12. INCOME TAX EXPENSE (CONT'D.)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate are as follows:

	2019 RM'000	2018 RM'000
Group		
Profit before tax	367,474	320,231
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	88,194	76,855
Tax incentive and income not subject to tax	(75,900)	(11,245)
Expenses not deductible for tax purposes	52,963	32,732
Effect on income taxed under real property gain tax	210	4,070
Effect on different tax rates used	–	3,299
Deferred tax assets not recognised	15,072	11,473
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(13,409)	(1,304)
Share of results of joint ventures	(2,702)	(101)
Share of results of an associate	(197)	(131)
Overprovision of deferred tax in prior years	(33,048)	(3,699)
(Over)/underprovision of tax expense in prior years	(2,646)	28,417
(Over)/underprovision of real property gain tax in prior years	(398)	34
Income tax expense	28,139	140,400
Company		
Loss before tax	(58,054)	(14,881)
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	(13,933)	(3,571)
Income not subject to tax	(11,867)	(6,720)
Expenses not deductible for tax purposes	27,012	10,971
Under/(over)provision of deferred tax in prior years	9	(187)
(Over)/underprovision of tax expense in prior years	(457)	713
Income tax expense	764	1,206

12. INCOME TAX EXPENSE (CONT'D.)

Tax savings during the financial year arising from:

	Group	
	2019 RM'000	2018 RM'000
Utilisation of previously unused tax losses and unabsorbed capital allowances	55,871	5,433

The following are deferred tax assets which have not been recognised by the Group as they have arisen in companies that have a recent history of losses or in companies where future taxable profit may be insufficient to trigger the utilisation of these items.

	Group	
	2019 RM'000	2018 RM'000
Unabsorbed capital allowances	52,759	266
Unused tax losses	18,362	34,711
Other deductible temporary differences	39,538	68,751
	110,659	103,728

In accordance with the provision in Finance Act 2018, the unused tax losses are available for utilisation in the next seven years, for which, any excess at the end of the seventh year, will be disregarded. Deferred tax assets have not been recognised in respect of unabsorbed capital allowances and unused tax losses because it is probable that the future taxable profit of certain loss-making subsidiaries would not be available against which the tax losses and unabsorbed capital allowances can be utilised.

Notes to the Financial Statements

For the financial year ended 31 December 2019

13. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing net profit for the financial year, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019 RM'000	2018 RM'000
Net profit attributable to owners of the parent	320,759	170,029
	Number of shares ('000)	
	2019	2018
Weighted average number of ordinary shares for basic earnings per share computation	1,439,689	1,459,079
Basic earnings per share (sen)	22.28	11.65

Diluted

Diluted earnings per share is calculated by dividing the net profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares and ICPS outstanding during the financial year adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2019 RM'000	2018 RM'000
Net profit attributable to owners of the parent	320,759	170,029
	Number of shares ('000)	
	2019	2018
Weighted average number of ordinary shares for basic earnings per share computation	1,439,689	1,459,079
Effect of conversion of ICPS to ordinary shares	88,818	–
Weighted average number of ordinary shares for diluted earnings per share computation	1,528,507	1,459,079
Diluted earnings per share (sen)	20.99	11.65

There were no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of authorisation of these financial statements.

14. DIVIDENDS

	Dividends in respect of financial year		Dividends recognised in financial year	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Group and Company				
First interim dividend for 2019:				
First interim single-tier dividend of 2.78 sen per ordinary share paid by way of cash	39,963	–	39,963	–
Second interim dividend for 2019:				
Second interim single-tier share dividend paid by way of distribution of treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company	38,171	–	38,171	–
First interim dividend for 2018:				
First interim single-tier dividend of 1.6 sen per ordinary share paid by way of cash	–	23,420	–	23,420
	78,134	23,420	78,134	23,420

The directors do not recommend a final dividend in respect of the financial year ended 31 December 2019.

Notes to the Financial Statements

For the financial year ended 31 December 2019

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Construction in-progress RM'000	Golf course RM'000	Plant and machineries RM'000	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
Group Cost										
At 1 January 2019	74,763	310,506	175,457	244,878	111,809	53,832	34,306	99,144	13,305	1,118,000
Effect of adoption of MFRS16	-	-	(175,457)	-	-	-	-	-	-	(175,457)
At 1 January 2019 (restated)	74,763	310,506	-	244,878	111,809	53,832	34,306	99,144	13,305	942,543
Additions	223	-	-	1,714	39,334	291	640	6,247	1,535	49,984
Disposals	-	-	-	-	-	-	-	(2,273)	(1,472)	(3,745)
Write off	-	(2,280)	-	(8,726)	(1,172)	-	(194)	(3,548)	(8)	(15,928)
Transfer from property development costs (Note 16(b))	-	-	-	-	50,111	-	-	-	-	50,111
Acquisition of subsidiaries	-	-	-	4,342	-	-	-	2,142	362	6,846
Reclassifications	(315)	315	-	-	-	-	-	-	-	-
Adjustments ¹	-	(5,858)	-	-	-	-	-	-	-	(5,858)
At 31 December 2019	74,671	302,683	-	242,208	200,082	54,123	34,752	101,712	13,722	1,023,953
Accumulated depreciation										
At 1 January 2019	-	2,120	38,988	70,890	-	20,801	29,412	57,945	10,835	230,991
Effect of adoption of MFRS16	-	-	(38,988)	-	-	-	-	-	-	(38,988)
At 1 January 2019 (restated)	-	2,120	-	70,890	-	20,801	29,412	57,945	10,835	192,003
Depreciation (Note 9)	-	5,952	-	8,281	-	942	1,412	9,322	1,259	27,168
Acquisition of subsidiaries	-	-	-	1,161	-	-	-	2,137	212	3,510
Disposals	-	-	-	-	-	-	-	(2,113)	(1,384)	(3,497)
Write off	-	-	-	(8,547)	-	-	(187)	(2,210)	(8)	(10,952)
At 31 December 2019	-	8,072	-	71,785	-	21,743	30,637	65,081	10,914	208,232
Accumulated impairment losses										
At 1 January 2019	-	-	-	-	-	-	-	-	-	-
Impairment loss (Note 9)	-	50,536	-	-	231	-	-	-	-	50,767
At 31 December 2019	-	50,536	-	-	231	-	-	-	-	50,767
Carrying amount	74,671	244,075	-	170,423	199,851	32,380	4,115	36,631	2,808	764,954

¹ During the financial year, the Group has finalised certain costs incurred for one of its freehold buildings RM5,858,000 (2018: RM8,927,000) was adjusted against other payables.

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land	Freehold buildings	Leasehold land	Leasehold buildings	Construction in-progress	Golf course	Plant and machineries	Office furniture, fittings and equipments	Motor vehicles	Total
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2018										
Additions	74,687	-	175,641	258,715	340,159	53,832	34,869	85,897	14,005	1,037,805
Disposals	437	-	-	550	89,524	-	1,144	9,729	1,488	102,872
Write off	-	-	(184)	(4,366)	-	-	-	(221)	(2,183)	(6,954)
Transfer (to)/from property development costs	-	-	-	(1,100)	-	-	(1,707)	(3,765)	(5)	(6,577)
(Note 16(b))	(361)	-	-	-	142	-	-	-	-	(219)
Adjustments ¹	-	-	-	(8,921)	-	-	-	(6)	-	(8,927)
Reclassifications	-	310,506	-	-	(318,016)	-	-	7,510	-	-
At 31 December 2018	74,763	310,506	175,457	244,878	111,809	53,832	34,306	99,144	13,305	1,118,000
Accumulated depreciation										
At 1 January 2018										
Depreciation (Note 9)	-	-	38,074	65,285	-	19,859	29,554	53,678	11,162	217,612
Disposals	-	2,120	1,031	8,760	-	942	1,562	8,062	1,781	24,258
Write off	-	-	(117)	(2,055)	-	-	-	(75)	(2,103)	(4,350)
	-	-	-	(1,100)	-	-	(1,704)	(3,720)	(5)	(6,529)
At 31 December 2018	-	2,120	38,988	70,890	-	20,801	29,412	57,945	10,835	230,991
Carrying amount	74,763	308,386	136,469	173,988	111,809	33,031	4,894	41,199	2,470	887,009

Notes to the Financial Statements

For the financial year ended 31 December 2019

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
Company			
Cost			
At 1 January 2019	11,092	519	11,611
Additions	12	952	964
At 31 December 2019	11,104	1,471	12,575
Accumulated depreciation			
At 1 January 2019	10,142	64	10,206
Depreciation (Note 9)	393	155	548
At 31 December 2019	10,535	219	10,754
Carrying amount	569	1,252	1,821
Cost			
At 1 January 2018	10,922	254	11,176
Additions	170	512	682
Disposals	–	(247)	(247)
At 31 December 2018	11,092	519	11,611
Accumulated depreciation			
At 1 January 2018	9,743	254	9,997
Depreciation (Note 9)	399	57	456
Disposals	–	(247)	(247)
At 31 December 2018	10,142	64	10,206
Carrying amount	950	455	1,405

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) The carrying amounts of property, plant and equipment pledged as securities for borrowings as disclosed in Note 32 are as follows:

	Group	
	2019	2018
	RM'000	RM'000
Freehold land and buildings	321,477	388,955
Leasehold land and buildings	283,468	289,306
Golf course	32,379	33,030
Construction in-progress	214,644	–
	851,968	711,291

- (b) Finance costs capitalised during the financial year under construction in-progress of the Group amounted to RM1,812,000 (2018: RM6,257,000).
- (c) The Group's construction in-progress relates mainly to expenditure for:
- (i) a proposed hotel located at Jalan Macalister, Penang which is expected to be completed in 2020; and
 - (ii) a proposed office tower located at Persiaran Surian, Tropicana, Petaling Jaya, Selangor which is expected to be completed in 2020.
- (d) During the financial year, a subsidiary of the Group, Tropicana Residences Sdn Bhd, carried out a review of the recoverable amount of its hotel building as the economic performance of the Hotel fell below expectations. An impairment loss of RM50,536,000 (2018: RM nil), representing the write-down of the hotel building to the recoverable amount was recognised and disclosed under "Other-expenses" line item of the statements of comprehensive income for the financial year ended 31 December 2019. The recoverable amount of the hotel building was determined based on its fair value less costs to sell.

Description of valuation techniques used and key inputs to determine the fair value of the hotel building:

	Valuation techniques	Significant unobservable inputs	Range
Hotel building	Income approach	Gross operating profit	28% to 34%
		Occupancy rate	68% to 75%
		Discount rate	6%
		Average monthly income	RM1,500,000

- (e) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM346,000 (2018: RM365,000) and RM nil (2018: RM365,000) by means of hire purchase respectively. The cash outflow on acquisition of property, plant and equipment of the Group and of the Company amounted to RM49,638,000 (2018: RM96,250,000) and RM964,000 (2018: RM317,000) respectively.

The carrying amounts of the Group's and of the Company's property, plant and equipment held under hire purchase at the end of the financial year were RM1,481,000 (2018: RM1,456,000) and RM276,000 (2018: RM455,000) respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2019

16. INVENTORIES

	Group	
	2019 RM'000	2018 RM'000
Cost		
Non-current		
Land held for property development	6,154,933	2,639,007
Current		
Completed development properties	192,625	127,165
Consumable stores and spares	2,161	2,105
Property development costs	423,377	1,537,766
Land held for sales	131,350	–
	749,513	1,667,036
Total inventories	6,904,446	4,306,043

(a) Land held for property development

	Group	
	2019 RM'000	2018 RM'000
Cost		
At 1 January		
Freehold land	970,478	1,122,789
Leasehold land	1,668,529	925,310
	2,639,007	2,048,099
Additions	118,394	217,462
Acquisition of subsidiaries	3,251,016	645,000
Transfer from/(to) property development costs (Note 16(b))	389,031	(15,525)
Adjustment	(114,575)	(61,107)
Transfer to land held for sales (Note 16(c))	(69,950)	–
Disposals (Note 5)	(57,990)	(194,922)
At 31 December	6,154,933	2,639,007

Finance costs capitalised during the financial year under land held for property development amounted to RM59,184,000 (2018: RM23,713,000).

16. INVENTORIES (CONT'D.)**(b) Property development costs**

	Group	
	2019 RM'000	2018 RM'000
Cost		
At 1 January	1,537,766	1,355,065
Development costs incurred	161,972	428,173
Land costs	–	217
Transfers (to)/from:		
Land held for property development (Note 16(a))	(389,031)	15,525
Investment properties (Note 17)	(525,742)	(44,969)
Property, plant and equipment (Note 15)	(50,111)	219
Completed development properties	(155,405)	(105,467)
Contract cost assets (Note 25)	(139,076)	(110,997)
Write off (Note 9)	(16,996)	–
At 31 December	423,377	1,537,766

Finance costs capitalised during the financial year under property development costs amounted to RM42,119,000 (2018: RM28,475,000).

(c) Land held for sales

	Group	
	2019 RM'000	2018 RM'000
Cost		
At 1 January	–	–
Acquisition of subsidiaries	74,884	–
Disposal (Note 5)	(13,484)	–
Transfer from land held for property development (Note 16(a))	69,950	–
At 31 December	131,350	–

Certain inventories with carrying amount of RM1,737,409,000 (2018: RM1,168,656,000) are pledged as securities for bank borrowings as disclosed in Note 32.

Notes to the Financial Statements

For the financial year ended 31 December 2019

17. INVESTMENT PROPERTIES

	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Construction in-progress RM'000	Total RM'000
Group				
At 1 January 2019	178,733	314,436	81,563	574,732
Additions	–	346,581	54,353	400,934
Fair value adjustment:				
- (loss)/gain (Note 9)	–	(871)	197	(674)
Transfer from property development costs (Note 16(b))	–	522,019	3,723	525,742
Transfer to assets classified as held for sale (Note 27)	(30,000)	(45,700)	–	(75,700)
Disposals	–	(48,000)	–	(48,000)
At 31 December 2019	148,733	1,088,465	139,836	1,377,034
At 1 January 2018	205,281	273,960	80,858	560,099
Additions	–	185	705	890
Adjustments ¹	–	(3,548)	–	(3,548)
Fair value adjustment:				
- (loss)/gain (Note 6)	(3,748)	35,170	–	31,422
Transfer from property development costs (Note 16(b))	–	44,969	–	44,969
Transfer to assets classified as held for sale (Note 27)	(22,800)	(36,300)	–	(59,100)
At 31 December 2018	178,733	314,436	81,563	574,732

¹ In the previous financial year, the Group has finalised certain costs incurred for the investment properties amounting to RM3,548,000.

In the previous financial year, finance costs capitalised under investment properties under construction amounted to RM178,000.

The carrying amounts of the investment properties pledged as securities for bank borrowings as disclosed in Note 32 are as follows:

	Group	
	2019 RM'000	2018 RM'000
Freehold land and buildings	132,000	162,000
Leasehold land and buildings	1,087,500	225,300
Construction in-progress	57,872	–
	1,277,372	387,300

17. INVESTMENT PROPERTIES (CONT'D.)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Investment properties are stated at fair value, which had been determined based on valuations as at 31 December 2019 and 31 December 2018 performed by accredited independent valuers who are specialists in valuing these types of investment properties. The fair value of the properties had been determined using the cost method, comparison method, income approach by residual method and investment method depending on the nature of the properties.

Included in the construction in-progress amounting to RM81,964,000 (2018: RM81,563,000) is stated at cost as management believes that the fair value cannot be reliably determined due to the nature and the amount of remaining project risks.

Fair value hierarchy disclosures for investment properties is disclosed in Note 38.

Reconciliation of fair values:

	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Construction in-progress RM'000
At 1 January 2019	178,733	314,436	–
Additions	–	346,581	53,952
Re-measurement recognised in profit or loss	–	(871)	197
Transfer from property development costs (Note 16(b))	–	522,019	3,723
Transfer to assets classified as held for sale (Note 27)	(30,000)	(45,700)	–
Disposals	–	(48,000)	–
At 31 December 2019	148,733	1,088,465	57,872
At 1 January 2018	205,281	273,960	–
Additions	–	185	–
Adjustments ¹	–	(3,548)	–
Re-measurement recognised in profit or loss	(3,748)	35,170	–
Transfer from property development costs (Note 16(b))	–	44,969	–
Transfer to assets classified as held for sale (Note 27)	(22,800)	(36,300)	–
At 31 December 2018	178,733	314,436	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

17. INVESTMENT PROPERTIES (CONT'D.)

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation techniques	Significant unobservable inputs	Range
Commercial building	Investment method**	Estimated rental value per sqft per month	RM1.00 to RM6.00
		Expected market rental growth	–
		Long-term vacancy rate	5% to 10%
		Yield rate	3.75% to 8.0%
Commercial building	Cost method	Buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.	RM20 per sq ft to RM230 per sq ft
Construction in-progress	Income approach by residual method	This approach is based on residual value of property after deduction of full cost of development and profit from sales proceed of completed development and discounted at an appropriate rate to reflect the inherent risk and holding cost for the period of development to arrive at the current market value.	
		Estimated rental value per sqft per month	RM4.80
		Development period	0.75 year
		Long-term vacancy rate	5%
Land	Comparison method	Yield rate	8%
		The comparison method entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size and tenure.	-50% to 30%

** The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019	2018
	RM'000	RM'000
Unquoted shares in Malaysia, at cost	3,324,599	3,098,173
Discount on amounts due from subsidiaries	47,910	47,910
	3,372,509	3,146,083
Less: Accumulated impairment losses	(382,661)	(336,983)
	2,989,848	2,809,100
	Company	
	2019	2018
	RM'000	RM'000
Movement in the accumulated impairment losses:		
At 1 January	336,983	330,717
Charge for the financial year (Note 9)	62,916	6,266
Write off	(17,238)	–
At 31 December	382,661	336,983

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Advent Nexus Sdn Bhd	Malaysia	Providing hotel management services	100	100	–	–
Arah Pelangi Sdn Bhd	Malaysia	Property development	100	100	–	–
Bakat Rampai Sdn Bhd (“ BRSB ”)	Malaysia	Investment holding	100	100	–	–
Subsidiaries of BRSB:						
Dicorp Land Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana City Sdn Bhd (“ TCSB ”)	Malaysia	Property development and property investment	100	100	–	–
Subsidiaries of TCSB:						
Dicasa Management Services Sdn Bhd	Malaysia	Property management and maintenance services	100	100	–	–
Tropicana City Management Sdn Bhd	Malaysia	Property management services	100	100	–	–
Tropicana Kajang Hill Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Parking Sdn Bhd	Malaysia	Management of car parking facilities	100	100	–	–
Tropicana Indah Realty Sdn Bhd (“ TIRSB ”)	Malaysia	Investment holding	100	100	–	–
Subsidiary of TIRSB:						
Tropicana Indah Sdn Bhd (“ TISB ”)	Malaysia	Property development	70	70	30	30
BK Utilities Sdn Bhd	Malaysia	Water treatment and water supply	100	–	–	–
Capricorn Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Comets Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Daya Petaling Sdn Bhd	Malaysia	Property investment	100	100	–	–
GP Views Development Sdn Bhd	Malaysia	Property investment and development activities	100	–	–	–
Kuasa Cekapmas Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Lavender Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Limestone Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Marvelscape Sdn Bhd	Malaysia	Investment holding and property development	100	–	–	–
Megaxis Sdn Bhd	Malaysia	Investment holding	100	–	–	–
Mighty Valley Sdn Bhd	Malaysia	Investment holding, property investment and trading	100	–	–	–
Misty Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Moonlight Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Myxon (M) Sdn Bhd	Malaysia	Construction	100	100	–	–
Pixelcloud Sdn Bhd	Malaysia	Investment holding	100	–	–	–
Pluto Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Raindust Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Rainforest Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Skytree Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Sparkling Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Stardust Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Starling Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Suasana Metro Sdn Bhd	Malaysia	Property investment and development activities	70	–	30	–
Suci Padu Resources Sdn Bhd	Malaysia	Property development	100	–	–	–
Sumber Saujana Sdn Bhd (“SSSB”)	Malaysia	Investment holding	100	100	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019	2018	2019	2018
			%	%	%	%
Subsidiary of SSSB:						
Tropicana Saujana Sdn Bhd	Malaysia	Investment holding	100	100	–	–
Supreme Converge Sdn Bhd	Malaysia	Investment holding	100	100	–	–
Tropicana Acehub Sdn Bhd (formerly known as (“fka”) Acehub Fortune Sdn Bhd (“TAHSB”))	Malaysia	Investment holding	100	–	–	–
Subsidiary of TAHSB:						
Lido Waterfront Boulevard Sdn Bhd (“LWBSB”)	Malaysia	Property investment and development activities	65	–	35	–
Tropicana Aman Sdn Bhd (“TASB”)	Malaysia	Property development	100	100	–	–
Subsidiary of TASB:						
Sapphire Step Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Building Materials Sdn Bhd	Malaysia	Trading of building materials	100	100	–	–
Tropicana Bukit Bintang Development Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Business Consulting (Shenzhen) Pte. Ltd. *	People’s Republic of China	Provision of consultancy services for related services on conferences and exhibitions	100	100	–	–
Tropicana Central Department Store Sdn Bhd	Malaysia	Management and operation of department store	100	–	–	–
Tropicana Central Garden Mall Sdn Bhd	Malaysia	Management and operation of mall	100	–	–	–
Tropicana Cheras Sdn Bhd	Malaysia	Property development	100	100	–	–

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana City Development Sdn Bhd (fka Tropicana Construction Management Sdn Bhd)	Malaysia	Property development and property investment	100	100	–	–
Tropicana Coliseum (Ipoh) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Collections (MM2H) Sdn Bhd	Malaysia	Provision of MM2H application services	100	100	–	–
Tropicana Corporate Solutions Sdn Bhd	Malaysia	Provision of financing and other related services	100	100	–	–
Tropicana Credit & Leasing Sdn Bhd	Malaysia	Money lending and credit financing services	100	100	–	–
Tropicana Danga Bay Land Sdn Bhd ("TDBLSB")	Malaysia	Investment holding	100	100	–	–
Subsidiaries of TDBLSB:						
Desiran Realiti Sdn Bhd	Malaysia	Investment holding	100	100	–	–
Tropicana Danga Bay Sdn Bhd ("TDBSB")	Malaysia	Property development, investment holding and property investment	60	60	40	40
Subsidiary of TDBSB:						
Tropicana Danga Bay Pte. Ltd.* ^	Singapore	Provision of promotions, marketing and services related to property development	–	100	–	–
Tropicana Danga Cove Holding Sdn Bhd	Malaysia	Investment holding	100	100	–	–
Tropicana Danga Lagoon Development Sdn Bhd (fka Danga Lagoon Development Sdn Bhd ("TDLDSB"))	Malaysia	Property investment, development activities and investment holding	100	–	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]		
			2019	2018	2019	2018	
			%	%	%	%	
Subsidiaries of TDLSB:							
Tropicana Danga Lagoon Land Sdn Bhd (fka Danga Lagoon Land Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–	
Tropicana Danga Lapanbelas Sdn Bhd (fka Danga Lapanbelas Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–	
Tropicana Danga Lagoon Garden Sdn Bhd (fka Danga Lagoon Garden Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–	
Tropicana Danga Lagoon Sdn Bhd (“TDLSB”)	Malaysia	Property development and investment holding	100	80	–	20	
Subsidiary of TDLSB:							
Tropicana Lagoon Sdn Bhd	Malaysia	Property development	100	100	–	–	
Tropicana Danga Senibong Holding Sdn Bhd (“TDSHSB”)	Malaysia	Investment holding	100	100	–	–	
Subsidiary of TDSHSB:							
Tropicana Danga Senibong Sdn Bhd **	Malaysia	Property development	70	70	30	30	
Tropicana Development (Johor Bahru) Sdn Bhd	Malaysia	Property development	100	100	–	–	
Tropicana Development (Penang) Sdn Bhd	Malaysia	Property agent and investment holding	100	100	–	–	
Tropicana Development (Sabah) Sdn Bhd	Malaysia	Property investment	100	100	–	–	
Tropicana Development (Sg. Besi) Sdn Bhd	Malaysia	Property development and investment holding	100	100	–	–	
Tropicana Education Management Sdn Bhd	Malaysia	Property investment	85	85	15	15	

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Firstwide Sdn Bhd (fka Firstwide Plus Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–
Tropicana Global Development Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Golf & Country Resort Berhad ("TGCRB")	Malaysia	Property development, sale of land, recreation and resort	100	100	–	–
Subsidiaries of TGCRB:						
Tropicana Desa Mentari Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Management Services Sdn Bhd	Malaysia	Property management and maintenance services	100	100	–	–
Tropicana Sungai Buloh Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Harapan Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Innovative Landscape Sdn Bhd	Malaysia	Provision of landscape services	100	100	–	–
Tropicana Investment Consulting Pte. Ltd. *	People's Republic of China	Business information consultation, enterprise management consultation and exhibition service	100	100	–	–
Tropicana Jalan Selangor Development Sdn Bhd ^	Malaysia	Property investment	–	100	–	–
Tropicana Jaya Sdn Bhd	Malaysia	Investment holding and property investment	100	100	–	–
Tropicana Kemayan Development Sdn Bhd	Malaysia	Investment holding	100	100	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Kia Peng Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Kiara Lestari Development Sdn Bhd (fka T Kiara Lestari Development Sdn Bhd)	Malaysia	Property investment	100	–	–	–
Tropicana Kiara Lestari Land Sdn Bhd (fka T Kiara Lestari Land Sdn Bhd)	Malaysia	Property investment	100	–	–	–
Tropicana KK City Sdn Bhd ^	Malaysia	Property investment	–	100	–	–
Tropicana KL Development Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Lahad Datu Development Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Land (Sandakan) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Land Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Landmark Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Lido Development Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Lingkaran Utama Sdn Bhd (fka Lingkaran Utama Sdn Bhd ("TLUSB"))	Malaysia	Property investment, development activities and investment holding	100	–	–	–
Subsidiary of TLUSB:						
Tropicana Southern Gallery Sdn Bhd (fka Southern Gallery Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Lintas Development Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Macalister Avenue (Penang) Sdn Bhd	Malaysia	Hotel operation, property development and property investment	100	100	–	–
Tropicana Marketplace Sdn Bhd ("TMPSB")	Malaysia	Provision of sales and marketing activities	100	100	–	–
Subsidiary of TMPSB:						
Marketplace (Hong Kong) Limited (fka Tropicana Marketplace (Hong Kong) Limited) *	Hong Kong	Provisional sales and activities and consultancy	100	–	–	–
Tropicana Mengalum Holdings Sdn Bhd ("TMHSB")	Malaysia	Property development and property investment	100	100	–	–
Subsidiary of TMHSB:						
Tropicana Fishery & Fruits Sdn Bhd (fka Tropicana Mengalum Development Sdn Bhd)	Malaysia	Agriculture, fishery and trading	100	100	–	–
Tropicana Mentari Development Sdn Bhd ("TMDSB")	Malaysia	Investment holding	100	100	–	–
Subsidiaries of TMDSB:						
Tropicana Sierra Sdn Bhd	Malaysia	Property development	100	100	–	–
Urban Discovery Sdn Bhd	Malaysia	Investment holding and property investment	100	–	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Metro Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Metropark Sdn Bhd ("TMSB")	Malaysia	Property development	100	100	–	–
Subsidiary of TMSB:						
Tropicana Gems Education Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Paisley Sdn Bhd	Malaysia	General trading, investment holding and property	100	100	–	–
Tropicana Plaza Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Properties (Keningau) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Properties (Klang) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Properties (Puchong) Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Properties (Sabah) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Properties (Sandakan) Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Property Management Sdn Bhd	Malaysia	Property management services	100	100	–	–
Tropicana Rahang Development Sdn Bhd	Malaysia	Investment holding	100	100	–	–
Tropicana Residences Sdn Bhd	Malaysia	Hotel operations, property development and property investment	100	100	–	–
Tropicana Resort Holding Sdn Bhd ("TRHSB")	Malaysia	Investment holding	100	100	–	–
Subsidiary of TRHSB:						
Tropicana Danga Bay Resort Sdn Bhd	Malaysia	Property development and property investment	60	60	40	40

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Rhythm Crest Sdn Bhd (fka Rhythm Crest Sdn Bhd)	Malaysia	Property investment and development activities	100	–	–	–
Tropicana Sadong Jaya Development Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Sanctuary Holdings Sdn Bhd ("TSHSB")	Malaysia	Investment holding	–	50.1	–	49.9
Subsidiary of TSHSB:						
Tropicana Sanctuary Development Sdn Bhd ("TSDSB")	Malaysia	Property investment and development activities	70	35.07	30	64.93
Tropicana Scenic Development Sdn Bhd	Malaysia	Property investment and development activities	100	–	–	–
Tropicana Senibong Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Tropicana Serdang Suria Sdn Bhd	Malaysia	Property development	100	100	–	–
Tropicana Shared Services Sdn Bhd	Malaysia	Provision of management services	100	100	–	–
Tropicana SJII Education Management Sdn Bhd	Malaysia	Provision of education services	51	51	49	49
Tropicana Subang South Development Sdn Bhd	Malaysia	Property development and investment holding	100	100	–	–
Tropicana Tawau Development Sdn Bhd	Malaysia	Property investment	100	100	–	–
Tropicana Technology Sdn Bhd	Malaysia	Research and development of software	100	100	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group [#]		Effective interest held by NCI interests [#]	
			2019 %	2018 %	2019 %	2018 %
Tropicana Urban Homes Sdn Bhd	Malaysia	Property development and property investment	100	49	–	51
Tropicana Wisma TT Sdn Bhd	Malaysia	Property development and property investment	100	100	–	–
Twinkle Realty Sdn Bhd	Malaysia	Property development	100	–	–	–
Ultimate Support Sdn Bhd	Malaysia	Provision of network application services	100	100	–	–
Waves Realty Sdn Bhd	Malaysia	Property development	100	–	–	–

All subsidiaries are audited by Ernst & Young PLT, Malaysia except as indicated below:

* Audit by firms other than Ernst & Young PLT

Equals to the proportion of voting rights held

^ Struck off pursuant to Section 550 of the Companies Act 2016

** In the Members' Voluntary Liquidation

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below. The financial information presented below are amounts before inter-company elimination:

(i) Summarised statements of financial position

	TISB 2019 RM'000	TISB 2018 RM'000	TDBSB 2019 RM'000	TDBSB 2018 RM'000	TSDSB 2019 RM'000	TSDSB 2018 RM'000	LWBSB 2019 RM'000	LWBSB 2018 RM'000
Non-current assets	1,002,586	17,776	385,651	383,491	83,805	70,542	834,848	–
Current assets	279,507	900,733	112,174	150,634	2,160	57,925	22,327	–
Non-current liabilities	(400,436)	(283,007)	(5)	(1,139)	(28,990)	(73,824)	(37,498)	–
Current liabilities	(409,059)	(209,263)	(22,405)	(41,523)	(90,173)	(81,804)	(824,909)	–
Net assets	472,598	426,239	475,415	491,463	(33,198)	(27,161)	(5,232)	–

(ii) Summarised statements of comprehensive income

	TISB 2019 RM'000	TISB 2018 RM'000	TDBSB 2019 RM'000	TDBSB 2018 RM'000	TSDSB 2019 RM'000	TSDSB 2018 RM'000	LWBSB 2019 RM'000	LWBSB 2018 RM'000
Revenue	109,232	216,238	(1,269)	64,694	–	–	97,435	–
Profit/(loss) net of tax for the financial year	14,602	48,060	(3,049)	13,649	(6,038)	(5,478)	70,197	–
Profit/(loss) attributable to owners of the parent	10,221	33,642	(1,829)	8,189	(2,241)	(1,921)	45,628	–
Profit/(loss) attributable to non-controlling interests	4,381	14,418	(1,220)	5,460	(3,797)	(3,557)	24,569	–
Total comprehensive income/(loss)	14,602	48,060	(3,049)	13,649	(6,038)	(5,478)	70,197	–
Transactions with non-controlling interests:								
Dividend paid to non-controlling interest	–	–	–	(648)	–	–	–	–
Issuance/(redemption) of redeemable preference shares	9,527	20,700	(5,200)	(3,352)	–	–	–	–

(iii) Summarised statements of cash flows

	TISB 2019 RM'000	TISB 2018 RM'000	TDBSB 2019 RM'000	TDBSB 2018 RM'000	TSDSB 2019 RM'000	TSDSB 2018 RM'000	LWBSB 2019 RM'000	LWBSB 2018 RM'000
Net cash (used in)/generated from operating activities	(256,543)	(185,279)	(33,570)	66,451	(16,101)	(15,918)	(19,582)	–
Net cash (used in)/generated from investing activities	(463)	1,576	137	1,861	61,309	132,711	5	–
Net cash generated from/(used in) financing activities	225,100	178,587	(13,075)	(40,473)	(45,218)	(116,977)	12,460	–
Net (decrease)/increase in cash and cash equivalents	(31,906)	(5,116)	(46,508)	27,839	(10)	(184)	(7,117)	–
Cash and cash equivalents at beginning of financial year	106,243	111,359	66,669	38,830	288	472	11,435	–
Cash and cash equivalents at end of financial year	74,337	106,243	20,161	66,669	278	288	4,318	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Group restructuring

During the financial year, the Group and the Company executed and completed an internal Group restructuring scheme involving the following:

- (i) The Company injected total additional working capital of RM354,600 in Tropicana Investment Consulting Pte. Ltd., a wholly-owned subsidiary of the Company.
- (ii) The Company completed the capitalisation of debts amounting to RM57,666,378 owed by several subsidiaries to the Company by way of issuance of Redeemable Non-Cumulative Preference Shares ("**RNCPS**") issued by these subsidiaries at an issuance price of RM1 each.
- (iii) On 17 January 2019, the Company acquired the balance of 51 ordinary shares in Tropicana Urban Homes Sdn Bhd ("**TUHSB**") for a total cash consideration of RM51. Following the completion of the acquisition, TUHSB has become a wholly-owned subsidiary of the Company.
- (iv) On 18 February 2019, Tropicana Mentari Development Sdn Bhd ("**TMDSB**"), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of Urban Discovery Sdn Bhd ("**Urban Discovery**") representing 100% of the total paid-up share capital for a total cash consideration of RM1. Following the completion of the acquisition, Urban Discovery has become a wholly-owned subsidiary of TMDSB, which in turn is an indirect wholly-owned subsidiary of the Company.
- (v) On 26 February 2019, Tropicana Marketplace Sdn Bhd ("**TMPSB**"), a wholly-owned subsidiary of the Company, registered a wholly foreign owned enterprise by the name of Marketplace (Hong Kong) Limited (formerly known as Tropicana Marketplace (Hong Kong) Limited) as a private limited liability company in Hong Kong, the People's Republic of China, with a total amount of investment of Hong Kong Dollar ("**HKD**") 1 and registered capital of HKD1.
- (vi) On 27 February 2019, the Company completed a capital reduction exercise to reduce its investment in a subsidiary, Tropicana Development (Penang) Sdn Bhd by cancelling 59,667,940 of Class B Ordinary Shares and 96,937,333 of RNCPS, all of which are held by the Company amounting to RM156,605,273.
- (vii) On 4 March 2019, the Company acquired 1 ordinary share of Pixelcloud Sdn Bhd ("**Pixelcloud**") representing 100% of the total paid-up share capital for a total cash consideration of RM1. Following the completion of the acquisition, Pixelcloud has become a wholly-owned subsidiary of the Company.
- (viii) On 16 April 2019, BK Utilities Sdn Bhd ("**BK Utilities**") was incorporated as a private company limited by shares in Malaysia under the Companies Act 2016. The entire issued share capital of BK Utilities of RM1 comprising 1 ordinary share is held by the Company.
- (ix) On 3 June 2019, the Company acquired 1 ordinary share of Marvelscape Sdn Bhd ("**MSSB**") representing 100% of the total paid-up share capital for a total cash consideration of RM1. Following the completion of the acquisition, MSSB has become a wholly-owned subsidiary of the Company.
- (x) On 14 June 2019, Tropicana KK City Sdn Bhd had been struck off from the Register of the Companies Commission of Malaysia and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette.
- (xi) On 14 June 2019, the Company has fully redeemed the Redeemable Convertible Unsecured Loan Stocks issued by Tropicana Coliseum (Ipoh) Sdn Bhd ("**TCISB**") for RM11,919,271 by offsetting of amounts owing by the Company to TCISB.
- (xii) On 2 July 2019, the Company acquired 1 ordinary share each of Mighty Valley Sdn Bhd ("**MVSB**") and Megaxis Sdn Bhd ("**MXSB**"). Each of the acquisitions representing 100% of the total paid-up share capital for a cash consideration of RM1 each. Following the completion of the acquisition, MVSB and MXSB have become wholly-owned subsidiaries of the Company.

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Group restructuring (cont'd.)

During the financial year, the Group and the Company executed and completed an internal Group restructuring scheme involving the following: (cont'd.)

- (xiii) On 2 July 2019, Tropicana Central Garden Mall Sdn Bhd ("**TCGMSB**") and Tropicana Central Department Store Sdn Bhd ("**TCDSSB**") were incorporated as private companies limited by shares in Malaysia under the Companies Act 2016. The entire issued share capital of TCGMSB and TCDSSB of RM1 each respectively comprising 1 ordinary share each is held by the Company.
- (xiv) On 8 July 2019, the Company has partially redeemed the Redeemable Convertible Unsecured Loan Stocks issued by Tropicana Harapan Sdn Bhd ("**THSB**") for RM13,940,668 by offsetting of amounts owing by the Company to THSB.
- (xv) On 13 September 2019, Tropicana Jalan Selangor Development Sdn Bhd had been struck off from the Register of the Companies Commission of Malaysia and dissolved following the publication of the notice of striking off pursuant to Section 551(3) of the Companies Act 2016 in the Gazette.
- (xvi) On 25 October 2019, the Company acquired the remaining 2 ordinary shares of Tropicana Danga Lagoon Sdn Bhd ("**TDLSB**") for a total consideration of RM10,570,515. Following the completion of the acquisition, TDLSB has become a wholly-owned subsidiary of the Company.
- (xvii) On 7 October 2019, Tropicana Danga Bay Pte. Ltd., a company incorporated in Singapore had been struck off from the Register of Companies pursuant to Section 344A of the Companies Act, Chapter 50 of Singapore.
- (xviii) On 22 November 2019, Suci Padu Resources Sdn Bhd ("**SPRSB**") was incorporated as a private company limited by shares in Malaysia under the Companies Act 2016. The entire issued share capital of SPRSB of RM1 comprising 1 ordinary share is held by the Company.
- (xix) On 28 November 2019, Sparkling Realty Sdn Bhd ("**SLRSB**"), Stardust Realty Sdn Bhd ("**STRSB**"), Skytree Realty Sdn Bhd ("**SKRSB**"), Starling Realty Sdn Bhd ("**SARSB**"), Raindust Realty Sdn Bhd ("**RARSB**"), Capricorn Realty Sdn Bhd ("**CARSB**"), Moonlight Realty Sdn Bhd ("**MORSB**"), Comets Realty Sdn Bhd ("**CORSB**"), Limestone Realty Sdn Bhd ("**LIRSB**"), Twinkle Realty Sdn Bhd ("**TWRSB**"), Lavender Realty Sdn Bhd ("**LARSB**"), Misty Realty Sdn Bhd ("**MIRSB**") and Rainforest Realty Sdn Bhd ("**RFRSB**") were incorporated as a private companies limited by shares in Malaysia under the Companies Act 2016. The entire issued share capital SLRSB, STRSB, SKRSB, SARSB, RARSB, CARSB, MORSB, CORSB, LIRSB, TWRSB, LARSB, MIRSB and RFRSB of RM1 each respectively comprising 1 ordinary share each is held by the Company.
- (xx) On 28 November 2019, the Company has disposed its entire 501,000 ordinary shares representing 50.1% equity interest in Tropicana Sanctuary Holdings Sdn Bhd ("**TSanc Holdings**") for a disposal consideration of RM49,037,143. Subsequently, on 29 November 2019, the Company acquired 1,540,000 ordinary shares of Tropicana Sanctuary Development Sdn Bhd ("**TSanc Development**") for a total cash consideration of RM237,032,732. Following the completion of the acquisition, TSanc Development had become a 70% owned subsidiary of the Company.
- (xxi) On 29 November 2019, Pluto Realty Sdn Bhd ("**PLRSB**") and Waves Realty Sdn Bhd ("**WARSB**") were incorporated as private companies limited by shares in Malaysia under the Companies Act 2016. The entire issued share capital PLRSB and WARSB of RM1 each respectively comprising 1 ordinary share each is held by the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Group restructuring (cont'd.)

During the financial year, the Group and the Company executed and completed an internal Group restructuring scheme involving the following: (cont'd.)

(xxii) On 24 January 2019, the Company had entered into twelve (12) conditional share purchase agreements with Tan Sri Dato' Tan Chee Sing ("TSDT") and/or persons connected to him to acquire the following entities ("Acquiree Companies"). Upon the acquisition being duly completed on 29 November 2019, the Acquiree Companies became subsidiaries of the Group.

No	Name of Company	Effective interest (%)	Purchase consideration RM'million
1	GP Views Development Sdn Bhd	100	19.6
2	Tropicana Scenic Development Sdn Bhd	100	1.0
3	Tropicana Firstwide Sdn Bhd (fka Firstwide Plus Sdn Bhd)	100	43.2
4	Tropicana Rhythm Crest Sdn Bhd (fka Rhythm Crest Sdn Bhd)	100	2.8
5	Tropicana Lingkaran Utama Sdn Bhd (fka Lingkaran Utama Sdn Bhd) and its wholly-owned subsidiary, Tropicana Southern Gallery Sdn Bhd (fka Southern Gallery Sdn Bhd)	100	1.0
6	Tropicana Danga Lagoon Development Sdn Bhd (fka Danga Lagoon Development Sdn Bhd) and its wholly-owned subsidiaries, Tropicana Danga Lagoon Land Sdn Bhd (fka Danga Lagoon Land Sdn Bhd) and Tropicana Danga Lapanbelas Sdn Bhd (fka Danga Lapanbelas Sdn Bhd)	100	6.7
7	Tropicana Danga Lagoon Garden Sdn Bhd (fka Danga Lagoon Garden Sdn Bhd)	100	0.3
8	Tropicana Acehub Sdn Bhd (fka Acehub Fortune Sdn Bhd) and its 65% owned subsidiary, Lido Waterfront Boulevard Sdn Bhd	100	97.6
9	Tropicana Kiara Lestari Development Sdn Bhd (fka T Kiara Lestari Development Sdn Bhd)	100	25.0
10	Tropicana Kiara Lestari Land Sdn Bhd (fka T Kiara Lestari Land Sdn Bhd)	100	20.0
11	Suasana Metro Sdn Bhd	70	0.2
Total purchase consideration			217.4

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Group restructuring (cont'd.)

During the financial year, the Group and the Company executed and completed an internal Group restructuring scheme involving the following: (cont'd.)

(xxiii) On 5 December 2019, the Company has fully redeemed the Redeemable Convertible Unsecured Loan Stocks issued by Tropicana Development (Johor Bahru) Sdn Bhd ("**TDJBSB**") for RM21,794,581 by offsetting of amounts owing by the Company to TDJBSB.

(xxiv) On 31 December 2019, the Company has fully redeemed the Redeemable Convertible Unsecured Loan Stocks issued by Tropicana Jaya Sdn Bhd ("**TJSB**") for RM3,189,423 by offsetting of amounts owing by the Company to TJSB.

(xxv) On 31 December 2019, the Company has completed a capital reduction exercise to reduce its investment in a subsidiary, Tropicana Danga Bay Land Sdn Bhd by cancelling 13,800,000 of RNCPS, all of which are held by the Company amounting to RM13,800,000.

(xxvi) On 31 December 2019, Tropicana Jaya Sdn Bhd has redeemed 4,700,000 RNCPS held by the Company at a redemption price of RM1 each.

The above acquisitions and disposal of the subsidiaries did not have any material effect on the financial results and position of the Group except for the transactions stated in Note 18(a)(xxii) as disclosed in Note 18(c).

The following group restructuring took place in the previous financial year:

- (i) The Company injected total additional working capital of RM62,200 in Tropicana Investment Consulting Pte. Ltd, a wholly-owned subsidiary of the Company.
- (ii) The Company had completed the capitalisation of debts amounting to RM93,709,000 owed by several subsidiaries to the Company by way of issuance of RNCPS issued by these subsidiaries at an issuance price of RM1 each.
- (iii) Tropicana Resort Holding Sdn Bhd, a wholly-owned subsidiary of the Company subscribed for 150,450,000 preference shares in Tropicana Danga Bay Resort Sdn Bhd ("**TDBRSB**") at an issue price of RM0.10 per share, representing 60% of total issued and paid-up share capital of TDBRSB.
- (iv) On 11 January 2018, the Company acquired 1,000,000 ordinary shares representing 100% of the issued and paid-up share capital of Myxon (M) Sdn Bhd ("**Myxon**") for a total cash consideration of RM2,500,000. Following the completion of the acquisition, Myxon has become a wholly-owned subsidiary of the Company.
- (v) On 27 February 2018, Tropicana Mentari Development Sdn Bhd ("**TMDSB**"), a wholly-owned subsidiary of the Company, entered into a conditional Shares Sale Agreement to acquire 560,000 ordinary shares representing 100% of the issued and paid-up share capital of Tropicana Sierra Sdn Bhd ("**Sierra**") (fka Marivaux Holdings Sdn Bhd) for a total cash consideration of RM78,254,668. The acquisition was completed on 8 May 2018 and Sierra became a wholly-owned subsidiary of TMDSB, which in turn is a wholly-owned subsidiary of the Company.
- (vi) On 17 July 2018, the Company set up a wholly-owned subsidiary, namely Tropicana Business Consulting (Shenzhen) Pte. Ltd. in Shenzhen, the People's Republic of China with a registered capital of RMB36,000,000, which will be injected over an investment period of ten years.
- (vii) On 14 September 2018, the Company entered into a conditional Shares Sale Agreement ("**SSA**") to acquire 501,000 ordinary shares representing 50.1% of the total paid-up capital in Tropicana Sanctuary Holdings Sdn Bhd ("**TSanc Holdings**") (fka Peluang Duta Sdn Bhd) for a purchase consideration of approximately RM49.05 million ("**Proposed Acquisition**"). TSanc Holdings has a 70% owned subsidiary, namely Tropicana Sanctuary Development Sdn Bhd ("**TSanc Development**") (fka T Sanctuary Development Sdn Bhd). The SSA became unconditional on 1 October 2018. The Proposed Acquisition was completed on 12 October 2018 with an adjusted final purchase consideration reduction of RM15,950. Upon completion of the Proposed Acquisition, TSanc Holdings has become a 50.1% subsidiary of the Company.
- (viii) On 13 November 2018, the Company acquired 1 ordinary share of Tropicana Mengalum Holdings Sdn Bhd ("**TMHSB**") (fka Faircube Sdn Bhd) representing 100% of the paid-up share capital for a total cash consideration of RM1. Following the completion of the acquisition, TMHSB has become a wholly-owned subsidiary of the Company.
- (ix) On 13 November 2018, TMHSB, a wholly-owned subsidiary of the Company, acquired 1 ordinary share representing 100% of the total paid-up capital in Tropicana Fishery & Fruits Sdn Bhd ("**TFFSB**") (fka Tropicana Mengalum Development Sdn Bhd and Allstar Chorus Sdn Bhd) for a total cash consideration of RM1. Following the completion of the acquisition, TFFSB has become a wholly-owned subsidiary of TMHSB, which in turn is a wholly-owned subsidiary of the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Impairment loss

During the financial year, an impairment loss amounting to RM62,916,000 (2018: RM6,266,000) was recognised in the profit or loss of the Company as the recoverable amounts of certain subsidiaries were lower than their carrying amounts as at the reporting date.

(c) Acquisition of Acquiree Companies

The fair values of the identifiable assets and liabilities of Acquiree Companies as at the date of acquisition, 29 November 2019 were:

	2019 Carrying amount RM'000	Fair value RM'000
Property, plant and equipment	3,336	3,336
Inventories	2,692,562	3,325,900
Deferred tax assets	14,059	14,059
Trade and other receivables	268,854	268,854
Cash and cash equivalents	14,877	14,877
Total assets	2,993,688	3,627,026
Deferred tax liabilities	(176,262)	(328,263)
Borrowings	(423,156)	(423,156)
Trade and other payables	(1,852,748)	(1,852,748)
Contract liabilities	(244,737)	(244,737)
Tax payables	(1,684)	(1,684)
Total liabilities	(2,698,587)	(2,850,588)
Net identifiable assets	295,101	776,438
		2019 RM'000
Fair value of net identifiable assets		776,438
Less: Non-controlling interest measured at proportionate share of the acquiree's identifiable net assets		(237,701)
Group's interest in fair value of net identifiable assets		538,737
Gain on a bargain purchase (Note 6)		(321,346)
Total purchase consideration		217,391
Total purchase consideration is as follows:		
		2019 RM'000
127,043,000 ICPS issued at RM1.20 each		152,452
Deferred payment		64,939
Total purchase consideration		217,391

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**(c) Acquisition of Acquiree Companies (cont'd.)**

The effect of the acquisition on cash flow is as follows:

	2019 RM'000
Cash and cash equivalents of subsidiaries acquired	14,877
Less: consideration settled in cash	—
Net cash inflow on acquisition	14,877

(d) Acquisition of TSanc Holdings and TSanc Development

On 12 October 2018, the Group acquired 50.1% of the total paid-up capital in TSanc Holdings. TSanc Holdings has a 70% owned subsidiary, namely TSanc Development.

The Group has elected to measure the non-controlling interests at the proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of the proposed acquisitions as at the date of acquisition were:

	2018 Carrying amount RM'000	Fair value RM'000
Assets		
Non-current asset		
Inventories	334,209	645,000
	334,209	645,000
Current assets		
Trade and other receivables	159	159
Tax recoverable	1	1
Cash and bank balances	7,796	7,796
	7,956	7,956
Total assets	342,165	652,956

Notes to the Financial Statements

For the financial year ended 31 December 2019

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Acquisition of TSanc Holdings and TSanc Development (cont'd.)

The fair values of the identifiable assets and liabilities of the proposed acquisitions as at the date of acquisition were: (cont'd.)

	2018	
	Carrying amount RM'000	Fair value RM'000
Non-current liabilities		
Deferred tax liability	63,471	138,061
Borrowings	88,192	88,192
	151,663	226,253
Current liabilities		
Borrowings	54,296	54,296
Trade and other payables	242,770	242,770
	297,066	297,066
Total liabilities	448,729	523,319
Net identifiable (liabilities)/assets	(106,564)	129,637
		2018 RM'000
Fair value of net identifiable assets		129,637
Less: Non-controlling interest measured at proportionate share of the acquiree's identifiable net assets		(64,689)
Group's interest in fair value of net identifiable assets		64,948
Gain on a bargain purchase (Note 6)		(15,911)
Total purchase consideration		49,037
The effect of the acquisition on cash flow is as follow:		
Deferred payment		49,037
Less: Cash and cash equivalents of subsidiaries acquired		(7,796)
Net cash outflow on acquisition		41,241

19. INVESTMENT IN AN ASSOCIATE

	Group	
	2019 RM'000	2018 RM'000
Unquoted shares, at costs	115,102	100,102
Amount due from an associate	37,177	15,000
Share of post-acquisition results and reserves	(1,940)	(2,759)
Unrealised profit arising from sale of land to associate	(59,774)	(59,774)
	90,565	52,569

The amount due from an associate represents outstanding amount arising from the Group's proportionate share in the advances and working capital to the associate. The amount due from an associate is unsecured, non-interest bearing and is not repayable within the next twelve (12) months. The Group views these advances as part of the Group's investment in the associate.

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activity	Equity interest held (%)	
			2019	2018
Agile Tropicana Development Sdn Bhd	Malaysia	Property development	30	30

The associate has been accounted for using the equity method of accounting.

The summarised financial information of the associate is as follows:

	Group	
	2019 RM'000	2018 RM'000
Non-current assets	7,463	6,472
Current assets	649,263	621,384
Non-current liabilities	(259,884)	(286,472)
Current liabilities	(19,637)	(16,908)
Net assets	377,205	324,476
Revenue	74,825	5
Profit before tax	2,730	1,820
Profit after tax, representing total comprehensive income	2,730	1,820
Group's share of results	819	546

The associate had no contingent liabilities or capital commitments as at 31 December 2019 or 31 December 2018.

Notes to the Financial Statements

For the financial year ended 31 December 2019

20. INVESTMENTS IN JOINT VENTURES

	Group	
	2019 RM'000	2018 RM'000
Unquoted shares, at cost	112,471	109,146
Amount due from a joint venture	17,800	–
Share of post-acquisition results and reserves	143,250	131,992
Unrealised profits arising from transaction with joint venture	(8,536)	(795)
	264,985	240,343
Represented by:		
Share of net assets	264,985	240,343

The amount due from a joint venture represents outstanding amount arising from the Group's proportionate share in the advances and working capital to the joint venture. The amount due from the joint venture is unsecured, non-interest bearing and is not repayable within the next twelve (12) months. The Group views these advances as part of the Group's investment in the joint venture.

Details of the joint ventures are as follows:

Name of joint venture	Country of incorporation	Principal activity	Equity interest held (%)	
			2019	2018
Tropicana Danga Cove Sdn Bhd ("TDCSB")	Malaysia	Property development and property investment	50	50
Tropicana Temokin Sdn Bhd	Malaysia	Property development	51	51

All the joint ventures have been accounted for using the equity method of accounting.

During the financial year, TDCSB issued 66,500,000 (2018: 105,000,000) of redeemable preference shares series A ("RPS-A") of RM0.10 each. The Group subscribed for 50% of the RPS-A for a cash consideration of RM3,325,000 (2018: RM5,250,000).

On 27 September 2018, Tropicana Harapan Sdn Bhd ("THSB"), a wholly-owned subsidiary of the Company, entered into a joint venture arrangement with Matrimont Development Sdn Bhd via a subscription and shareholders' agreement to jointly develop a residential development on 2 parcels of land. The Group subscribed for 51% of the total shares issued by the joint venture entity, Tropicana Temokin Sdn Bhd (fka Vivascape Sdn Bhd) for total consideration of RM128,000.

20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

- (a) Summarised financial information of joint venture that is material to the Group is set out below. The summarised financial information represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts. The other joint venture is not material to the Group.

- (i) Summarised statement of financial position

	TDCSB	
	2019	2018
	RM'000	RM'000
Non-current assets	468,313	464,192
Current assets	157,978	74,339
Non-current liabilities	(48,019)	(16,844)
Current liabilities	(68,108)	(41,257)
Net assets	510,164	480,430

- (ii) Summarised statement of comprehensive income

	TDCSB	
	2019	2018
	RM'000	RM'000
Revenue	88,974	16,709
Profit before tax	23,836	3,216
Profit after tax, representing total comprehensive income	23,084	2,689

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint venture:

	TDCSB	
	2019	2018
	RM'000	RM'000
Net assets as at 1 January	480,430	467,241
Profit for the financial year	23,084	2,689
	503,514	469,930
Issuance of redeemable preference shares	6,650	10,500
Net assets as at 31 December	510,164	480,430
Interests in joint ventures	50%	50%
Carrying amount of Group's interests in joint ventures	255,082	240,215

Notes to the Financial Statements

For the financial year ended 31 December 2019

20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

- (b) Aggregate information of joint ventures that are individually not material are as follow:

	2019 RM'000	2018 RM'000
The Group's share of loss before tax	(284)	–
The Group's share of loss after tax, representing total comprehensive loss	(284)	–
Carrying amount of the Group's interest	9,903	128

- (c) The joint ventures had no contingent liabilities as at 31 December 2019 and 31 December 2018.

- (d) On 26 October 2018, Tropicana Development (Penang) Sdn Bhd ("TDPSB"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Hemat Tuah Sdn Bhd to dispose entire 55% equity interest in Tropicana Ivory Sdn Bhd for a total cash consideration of RM70,700,000. The disposal was completed on 13 November 2018. Prior to the completion of the disposal, TDPSB has redeemed the redeemable preference shares at a total consideration of RM145,695,000.

21. OTHER INVESTMENTS

	Group and Company	
	2019 RM'000	2018 RM'000

At FVTPL:

Transferable corporate golf club memberships	312	312
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22. INTANGIBLE ASSETS

	Goodwill RM'000	Software RM'000	Licenses with indefinite useful life RM'000	Total RM'000
Group				
Cost				
At 1 January 2019	18,170	1,593	25,643	45,406
Adjustments ¹	–	(179)	–	(179)
At 31 December 2019	18,170	1,414	25,643	45,227
Amortisation and impairment				
At 1 January 2019	(18,170)	(106)	–	(18,276)
Amortisation (Note 9)	–	(271)	–	(271)
Impairment loss during the financial year (Note 9)	–	–	(25,643)	(25,643)
At 31 December 2019	(18,170)	(377)	(25,643)	(44,190)
Carrying amount	–	1,037	–	1,037
Cost				
At 1 January 2018	18,170	–	–	18,170
Additions	–	1,593	25,643	27,236
At 31 December 2018	18,170	1,593	25,643	45,406
Amortisation and impairment				
At 1 January 2018	(16,695)	–	–	(16,695)
Amortisation (Note 9)	–	(106)	–	(106)
Impairment loss during the financial year (Note 9)	(1,475)	–	–	(1,475)
At 31 December 2018	(18,170)	(106)	–	(18,276)
Carrying amount	–	1,487	25,643	27,130

During the financial year, an impairment loss of RM25,643,000 (2018: RM1,475,000) has been recognised in the profit or loss of the Group subsequent to the disposal of assets of the related subsidiaries.

¹ During the financial year, the Group has finalised certain costs incurred for the intangible assets amounting to RM179,000 (2018: RM nil).

Notes to the Financial Statements

For the financial year ended 31 December 2019

22. INTANGIBLE ASSETS (CONT'D.)

(a) Key assumptions used in value-in-use calculations

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average rate achieved in the financial year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Pre-tax discount rate

The discount rates used are pre-tax ranging from 7% to 8% (2018: 7% to 8%) and reflect specific risks relating to the relevant segments.

(b) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying amounts of the unit to materially differ from its recoverable amount.

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Other receivables				
Sundry receivables	5,118	–	–	–
Government grant (Note 23(b)(i))	–	9,705	–	–
Security retainers accumulation fund (Note 23(b)(ii))	5,176	4,971	–	–
Amount due from a subsidiary (Note 23(b)(iii))	–	–	389	389
	10,294	14,676	389	389
Current				
Trade receivables				
Third parties	238,982	337,020	–	–
Amounts due from subsidiaries	–	–	37,590	33,012
Less: Accumulated impairment losses	(8,860)	(8,490)	–	–
Trade receivables, net	230,122	328,530	37,590	33,012
Other receivables				
Sundry receivables	102,019	115,617	23,995	10,318
Deposits (Note 23(b)(iv))	115,153	56,544	764	367
Prepayments	7,373	6,461	22	14
Amounts due from subsidiaries (Note 23(b)(iii))	–	–	1,500,774	409,005
Amounts due from joint ventures (Note 23(b)(iii))	1,207	567	–	113
Less: Accumulated impairment losses (Note 23(b)(vi))				
- Sundry receivables	(13,119)	(12,362)	(8,859)	(8,859)
- Deposits	–	(6,652)	–	–
	212,633	160,175	1,516,696	410,958
	442,755	488,705	1,554,286	443,970
Total trade and other receivables	453,049	503,381	1,554,675	444,359

Notes to the Financial Statements

For the financial year ended 31 December 2019

23. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables

The Group's and the Company's normal trade credit term ranges from 7 to 180 days (2018: 14 to 180 days) and 30 days (2018: 30 days) respectively. Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Neither past due nor impaired	176,697	209,571	4,801	5,944
1 to 30 days past due but not impaired	21,934	28,447	2,309	1,653
31 to 60 days past due but not impaired	3,523	14,901	160	1,355
61 to 90 days past due but not impaired	2,700	5,396	1,975	957
91 to 120 days past due but not impaired	2,366	7,112	2,125	6,991
More than 121 days past due but not impaired	22,902	63,103	26,220	16,112
Total past due but not impaired	53,425	118,959	32,789	27,068
Impaired	8,860	8,490	–	–
	238,982	337,020	37,590	33,012

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the current and previous financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly related to the progress billings to be settled by the end-buyers' financiers. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remain with the Group and the Company until the purchase consideration is fully paid.

23. TRADE AND OTHER RECEIVABLES (CONT'D.)**(a) Trade receivables (cont'd.)**Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the accumulated impairment losses is as follows:

	Group Individually impaired	
	2019 RM'000	2018 RM'000
Trade receivables - nominal amount	8,860	8,490
Less: Accumulated impairment losses	(8,860)	(8,490)
	—	—

Movement in the accumulated impairment losses:

	Group	
	2019 RM'000	2018 RM'000
At 1 January	8,490	11,237
Charge for the financial year	782	281
Reversal of impairment loss	(412)	(3,028)
At 31 December	8,860	8,490

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables**(i) Government grant**

In financial year ended 31 December 2015, a subsidiary of the Group had received a Government grant from the Government of Malaysia ("**The Government**").

The grant is in relation to provision of financial assistance from the Government for one of the Group's property development projects ("**the Project**"). There were no unfulfilled conditions or contingencies attached to this grant. The grant is for an amount not exceeding RM106,800,000 or an amount equivalent to ten percent (10%) of the actual construction costs of the Project, whichever is lower to facilitate the Project. Part of the grant amounting to RM53,400,000 has been disbursed in 2017 and the remainder has lapsed during the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2019

23. TRADE AND OTHER RECEIVABLES (CONT'D.)

(b) Other receivables (cont'd.)

(ii) Security retainers accumulation fund

	Group 2019 RM'000	2018 RM'000
At 1 January	4,971	4,701
Unrealised returns (Note 9)	216	281
	5,187	4,982
Less: Amortisation for the financial year (Note 9)	(11)	(11)
At 31 December	5,176	4,971

The security retainers accumulation fund of the golf and country resort of the Group relates to the unamortised portion of the single premium paid for the purchase of a Group Endowment with Profits' policy from a local insurer in 1994 and the unrealised returns accrues annually to this policy on a cumulative basis.

The total accumulated returns together with the insured sum will only be received upon maturity of the said policy on 2 October 2051. The purpose of this scheme is to provide the Group with funds to repay the security retainers received from members of the golf and country resort of the Group, who were registered prior to January 1993, at the end of their membership license term on 9 October 2051.

(iii) Amounts due from subsidiaries and joint ventures

The amounts due from subsidiaries of the Company amounting to RM80,775,234 (2018: RM350,908,010) bore interest ranging from 4.93% to 7.45% (2018: 4.93% to 7.45%) per annum during the financial year. The balances of the amount are non-trade in nature, unsecured, non-interest bearing and have no fixed terms of repayment except for these amounts classified as non-current which are not expected to be repaid within the foreseeable future. Further details on related party transactions are disclosed in Note 36.

The amounts due from joint ventures are non-trade in nature, unsecured, non-interest bearing and have no fixed terms of repayment.

(iv) Included in deposits of the Group are:

(a) deposits paid for the acquisition of land and buildings amounting to RM38,612,000 (2018: RM6,652,000); and

(b) deposits paid for subscription of shares amounting to RM48,400,000 (2018: RM nil.)

(v) The Group and the Company have no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to group of debtors except for amounts due from subsidiaries.

23. TRADE AND OTHER RECEIVABLES (CONT'D.)**(b) Other receivables (cont'd.)**

(vi) Accumulated impairment loss

Movement as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 January	19,014	9,040	8,859	8,847
Charge for the financial year	806	9,974	–	12
Reversal for the financial year	(6,701)	–	–	–
At 31 December	13,119	19,014	8,859	8,859

24. CONTRACT ASSETS

	Group	
	2019 RM'000	2018 RM'000
Non-current		
Accrued billings in respect of sales of development properties	18,675	17,618
Current		
Accrued billings in respect of sales of development properties	283,579	282,256
Amounts due from contract customers (Note 24(a))	1,457	6,699
	285,036	288,955
Total contract assets	303,711	306,573

(a) Amounts due from contract customers

	Group	
	2019 RM'000	2018 RM'000
Aggregate cost incurred to date	10,561	67,476
Attributable profits	1,436	12,345
	11,997	79,821
Less: Progress billings	(10,540)	(73,122)
Amounts due from contract customers	1,457	6,699

Notes to the Financial Statements

For the financial year ended 31 December 2019

25. CONTRACT COST ASSETS

	Group	
	2019 RM'000	2018 RM'000
Contract cost assets		
Costs to fulfill a contract	14,128	38,324
Costs to obtain contracts with customers	6,424	8,192
	20,552	46,516
Costs to fulfill a contract		
At 1 January	38,324	118,025
Additions	241,930	505,533
Transfer from inventories (Note 16 (b))	139,076	110,997
Amortisation for the financial year	(405,202)	(696,231)
At 31 December	14,128	38,324
Costs to obtain contracts with customers		
At 1 January	8,192	23,883
Additions	10,048	83,439
Amortisation for the financial year	(11,816)	(99,130)
At 31 December	6,424	8,192

Certain costs to fulfill a contract with carrying amount of RM13,023,000 (2018: RM11,389,000) are pledged as securities for bank borrowings as disclosed in Note 32.

26. CASH AND BANK BALANCES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Deposits with licensed banks	160,485	194,807	39,715	38,657
Cash in hand and at banks	594,464	780,967	12,296	1,966
Cash and bank balances (Note 46)	754,949	975,774	52,011	40,623
For the purpose of statements of cash flows:				
Cash and bank balances	754,949	975,774	52,011	40,623
Less:				
- Cash and bank balances not available for use	(163,611)	(249,286)	(36,634)	(35,615)
- Bank overdrafts (Note 32)	–	(4,905)	–	(3,966)
Total cash and cash equivalents	591,338	721,583	15,377	1,042

The interest rates for the deposits with licensed banks range from 2.65% to 4.38% (2018: 2.75% to 3.45%) per annum and the maturities of deposits as at the end of the financial year range from 1 to 365 days (2018: 1 to 365 days).

Included in cash at banks of the Group are amounts of RM362,211,000 (2018: RM478,481,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Cash and bank balances not available for use of the Group and of the Company are:

- (i) Deposits of the Group held in trust by a trustee of RM15,965,000 (2018: RM6,815,000) for golf course members' subscription fees.
- (ii) Deposits of the Group and of the Company amounting to RM17,883,000 (2018: RM19,574,000) and RM790,000 (2018: RM790,000) respectively which are pledged as securities for bank guarantees granted to the Group and to the Company.
- (iii) Deposits of the Group and of the Company amounting to RM91,026,000 (2018: RM96,281,000) and RM35,038,000 (2018: RM34,088,000) respectively which are pledged as securities for banking facilities granted to the Group and the Company.
- (iv) Placements of debt service reserve and escrow accounts of the Group and of the Company amounting to RM38,737,000 (2018: RM126,616,000) and RM806,000 (2018: RM737,000) respectively which are pledged as securities for term loans granted to the Group and the Company.

Notes to the Financial Statements

For the financial year ended 31 December 2019

27. ASSETS CLASSIFIED AS HELD FOR SALE

	Group 2019 RM'000	2018 RM'000
At 1 January	59,100	–
Transfer from investment properties (Note 17)	75,700	59,100
Disposals	(59,100)	–
At 31 December	75,700	59,100

The details of the assets classified as held for sale are as follows:

- (i) On 1 August 2019, Daya Petaling Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a land with 8-storey commercial building with a basement car park erected on the land known as “Intan Square” in Selangor for a total cash consideration amounting to RM27,500,000. The said disposal will be completed in year 2020.
- (ii) On 20 September 2019, Tropicana Properties (Klang) Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a land with 10-storey building erected on the land known as “Casa Klang” in Selangor for a total cash consideration amounting to RM30,000,000. The said disposal will be completed in year 2020.
- (iii) On 6 December 2019, Tropicana Properties (Keningau) Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a land with 2-storey commercial building erected on the land known as “Kelab Rekreasi Keningau” in Sabah for a total cash consideration amounting to RM6,200,000. The said disposal will be completed in year 2020.
- (iv) On 31 December 2019, Tropicana Lido Development Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose 5 parcels of land in Sabah for a total cash consideration amounting to RM12,000,000. The said disposal will be completed in year 2020.
- (v) On 17 July 2018, Tropicana Development (Sabah) Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose 4 adjoining land development with 4-storey commercial building know as “Blue 7” in Sabah for a total cash consideration amounting to RM38,000,000. The said disposal has duly completed during the financial year.
- (vi) On 28 December 2018, Tropicana Coliseum (Ipoh) Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to dispose a 6 1/2-storey commercial building known as “Coliseum Square” in Perak for a total cash consideration amounting to RM22,800,000. The said disposal has duly completed during the financial year.

The freehold and leasehold land with aggregate carrying amounts of RM63,700,000 (2018: RM59,100,000) are pledged as securities for bank borrowings as disclosed in Note 32.

28. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount			
	Share capital		Share capital		Treasury shares	
	2019 '000	2018 '000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Group and Company						
At 1 January	1,470,417	1,470,417	2,044,314	2,044,314	(25,094)	(6,692)
Issuance of ordinary shares:						
- pursuant to warrants exercise	8	—	8	—	—	—
Purchase of treasury shares	—	—	—	—	(26,725)	(18,402)
Distribution of treasury shares	—	—	—	—	38,171	—
At 31 December	1,470,425	1,470,417	2,044,322	2,044,314	(13,648)	(25,094)

(a) Share capital

During the financial year, the Company increased its issued share capital by way of:

- (i) the issuance of 8,389 ordinary shares of RM1 each for cash pursuant to the exercise of Warrants 2009/2019 at an exercise price of RM1 per ordinary share; and
- (ii) the issuance of 982,386,093 Irredeemable Convertible Preference Shares ("ICPS") of RM1.20 each for acquisitions of certain subsidiaries during the financial year. The salient terms of the ICPS are disclosed in Note 30.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The new ICPS issued during the financial year ranked equally amongst themselves, and rank ahead in priority to the holders of ordinary shares and all other classes of shares (if any) of the Company.

(b) Treasury shares

During the financial year, the Company:

- (i) repurchased 30,512,400 of its issued ordinary shares from the open market at an average price of RM0.88 per share. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016; and
- (ii) declared a second interim single-tier share dividend in respect of the financial year ended 31 December 2019 paid by way of distribution of 42,787,501 treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company. The treasury shares were repurchased at an average price of RM0.89 per share.

As at 31 December 2019, the number of treasury shares held are 15,491,741 ordinary shares. Such treasury shares are held at carrying amount of RM13,648,000 (2018: RM25,094,000).

Notes to the Financial Statements

For the financial year ended 31 December 2019

29. OTHER RESERVES

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of presentation currency of the Group.

(b) Warrants 2009/2019 reserve

On 9 December 2009, the Company had issued 129,812,791 free detachable Warrants 2009/2019. The Warrants are constituted by the Deed Poll dated 28 October 2009.

On 18 October 2013, the Company had issued additional 30,894,707 Warrants 2009/2019 pursuant to the adjustment to the Warrants 2009/2019 as a result of the Rights Issue with Bonus Shares.

The main features of the Warrants are as follows:

- (i) each Warrant entitles the holder to subscribe for 1 new ordinary share in Tropicana at a price of RM1 per share;
- (ii) the Warrants may be exercised at any time up to 8 December 2019; and
- (iii) the shares arising from the exercise of Warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

Warrants 2009/2019 had expired on 6 December 2019.

(c) Retained earnings

The entire retained earnings of the Company are available for distribution as single-tier dividends.

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND**Irredeemable convertible preference shares**

The value of Irredeemable Convertible Preference Shares ("ICPS") has been split into the liability component and equity component. The ICPS are accounted for in the statements of financial position of the Group and of the Company as follows:

	Number of ICPS '000	Equity component RM'000	Liability component RM'000	Total RM'000
Group and Company				
At 1 January 2019	–	–	–	–
Shares issued for acquisition of subsidiaries	982,386	1,004,593	174,270	1,178,863
At 31 December 2019	982,386	1,004,593	174,270	1,178,863

The salient terms of the ICPS were as follows:

(a) Issue

The ICPS shall be irredeemable convertible preference shares and each ICPS confers on the ICPS Holder for the time being the rights, privileges and restriction set out in this Constitution.

(b) Dividend

The ICPS in the share capital carries an annual cumulative preferential dividend at the following rates:

Period	Rate
From the Issue Date up to and including the first (1st) anniversary	1.0% based on the Issue Price of the ICPS
From the date after the first (1st) anniversary up to and including the second (2nd) anniversary	1.5% based on the Issue Price of the ICPS
From the date after the second (2nd) anniversary up to and including the fifth (5th) anniversary	2.0% based on the Issue Price of the ICPS
From the date after the fifth (5th) anniversary up to the Market Day immediately preceding the tenth (10th) anniversary from the Issue Date ("Maturity Date")	3.0% based on the Issue Price of the ICPS

Subject to availability of profits and compliance with the Act, the dividend in respect of the ICPS will be payable in arrears on a semi-annual basis. To the extent that the dividends or any part thereof is not declared or paid on a semi-annual basis, after the date on which the ICPS are first issued, it will continue to accumulate and be declared and paid on a cumulative basis no later than the Maturity Date, subject to availability of profits and compliance with the Act.

Notes to the Financial Statements

For the financial year ended 31 December 2019

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND (CONT'D.)

Irredeemable convertible preference shares (cont'd.)

The salient terms of the ICPS were as follows: (cont'd.)

(c) Ranking of the ICPS

The ICPS will upon allotment and issue, rank equally amongst themselves, and will rank ahead in priority to the holders of the ordinary shares and all other classes of shares (if any) in the Company, in respect of payment out of the assets of the Company upon any liquidation, dissolution or winding up of the Company, provided always that the Board approves such payment out of the assets of the Company on this basis and further affirms the priority of payment to the ICPS Holder.

The ICPS will rank subordinated to all the Company's creditors in respect of payment of debt and payments out of assets of the Company upon liquidation, dissolution, or winding up of the Company.

Notwithstanding anything to the contrary herein, the Board shall not issue any preference shares (other than additional ICPS) which rank equally with or in priority to, the ICPS unless the issue of such securities has first been approved by the ICPS Holders by way of an ordinary resolution of such holders.

(d) Conversion

(i) Entitlement to Convert

Each ICPS Holder shall, on any Market Day during the period commencing on the Issue Date and ending on the Maturity Date be entitled to require the Company to convert all or any of the ICPS registered in his name into such number of fully converted ordinary shares in the share capital of the Company, without the payment of any consideration (cash or otherwise), at the conversion ratio as at that date referred in Clause 20A(d)(ii) herein, by giving a notice to convert to the Company under Clause 20A(d)(iii).

Any remaining ICPS that are not converted by the Maturity Date shall be automatically converted into new ordinary shares based on the conversion ratio during the 2nd Conversion Period.

No fraction of ordinary shares arising on conversion of the ICPS will be allotted to the ICPS Holder entitled thereto and any such fraction will be rounded down.

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND (CONT'D.)

Irredeemable convertible preference shares (cont'd.)

The salient terms of the ICPS were as follows: (cont'd.)

(d) Conversion (cont'd.)

(ii) Conversion Ratio

The conversion ratio is fixed as follows:

- for conversion at any time during the period from the Issue Date up to the fifth (5th) anniversary, the conversion ratio will be one (1) ICPS for one (1) ordinary share; and
- for conversion at any time during the period after the fifth (5th) anniversary of the Issue Date up to the Maturity Date, the conversion ratio will be five (5) ICPS for six (6) ordinary shares.

The conversion ratio will be subject to any necessary adjustments from time to time, at the determination of the Board, in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution of the Company. The Company will give notice in writing to the ICPS holders of its intention to make such adjustments to the conversion ratio.

If the conversion results in a fractional entitlement to new ordinary shares, such fractional entitlement will be disregarded and no refund or credit, whether in the form of ICPS, cash or otherwise, will be given in respect of the disregarded fractional entitlement.

(iii) Conversion Process

The conversion of the ICPS shall be exercised by ICPS Holder delivering a duly completed and signed notice to convert to the share registrar of the Company.

The notice to convert shall be in such form as may be prescribed from time to time by the Company or in accordance with Applicable Laws ("**Conversion Notice**").

A holder of ICPS who has issued a Conversion Notice ("**Converting ICPS Holder**") shall furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under Applicable Laws.

The duly completed and valid Conversion Notice shall be irrevocable after receipt thereof by the share registrar of the Company and the right to receive any preferential dividends referred to in the Constitution relating to the ICPS that have been converted into ordinary shares shall cease as from the date of issue and allotment of the new ordinary shares.

Subject to Applicable Laws, within eight (8) Market Days from the date of receipt by the Company of a Conversion Notice or such other period as may be prescribed or allowed by the Exchange, the Company shall:

- allot and issue to the relevant Converting ICPS Holders, such number of ordinary shares to which such holders are entitled to receive, credited as fully paid-up ("**Conversion Shares**"), and shall cause the Securities Account of the said holders to be credited with such number of Conversion Shares;
- despatch a notice of allotment to the relevant Converting ICPS Holders in respect of the Conversion Shares; and
- make an application to the Exchange for the listing of and quotation for the Conversion Shares.

Notes to the Financial Statements

For the financial year ended 31 December 2019

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND (CONT'D.)

Irredeemable convertible preference shares (cont'd.)

The salient terms of the ICPS were as follows: (cont'd.)

(e) Ranking of the new ordinary shares

The new ordinary shares to be issued upon conversion of the ICPS shall, upon allotment and issue, rank equally in all respects with the existing issued ordinary shares including the entitlements to dividends, rights, allotments or other distributions, except that the new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions of which may be declared, made or paid, the entitlement date is before the date of allotment of such new ordinary shares.

(f) Redemption

The ICPS shall not be redeemable.

(g) Transferability

The ICPS shall be transferable and shall be subject to the same provisions of transferability of ordinary shares as are set out in the Constitution of the Company.

(h) Meeting and Voting Rights

Each ICPS Holder shall have the right to receive notices, annual reports and audited financial statements and attending in person or proxy, at any general meetings of the Company but shall not be entitled to speak, vote, move resolutions in any way except at a meeting convened in respect of any proposal or resolution made:

- (i) when the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months;
- (ii) on a proposal to reduce the Company's share capital;
- (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (iv) on a proposal that affects the rights and privileges attached to the ICPS;
- (v) on a proposal to wind up the Company; and
- (vi) during the winding up of the Company.

The abovementioned proposal shall subject to the sanction of a resolution passed at a separate meeting of the ICPS Holders. A separate meeting of ICPS Holders shall be convened in respect of the abovementioned proposal or resolution, for the ICPS Holders to speak and vote at such meeting. To every such separate meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, except that in the case of having only one ICPS Holder, one ICPS Holder personally present at a meeting shall constitute a quorum.

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND (CONT'D.)

Irredeemable convertible preference shares (cont'd.)

The salient terms of the ICPS were as follows: (cont'd.)

(i) Variation of Rights

No alteration, variation, amendment, addition, deletion or substitution to the provisions of this Clause 20A shall be made unless the Company shall have obtained the written consent of the ICPS Holders representing not less than seventy-five per cent (75%) of the total voting rights of the ICPS Holder or the sanction of a special resolution passed at a separate meeting of the ICPS Holders.

While any ICPS remains unconverted into ordinary shares, no resolution shall be passed for reducing the share capital of the Company, unless the Company shall have obtained the written consent of the ICPS Holders representing not less than seventy-five per cent (75%) of the total voting rights of the ICPS Holder or the sanction of a special resolution passed at a separate meeting of the ICPS Holders.

To every such separate meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply except that in the case of having only one ICPS Holder, one ICPS Holder personally present at a meeting shall constitute a quorum.

(j) Priority in winding up

On winding up or repayment of capital, the ICPS Holder shall be entitled to repayment of the capital paid up on these ICPS (together with a sum equal to any arrears or deficiency of the fixed dividend, whether declared or earned or not, calculated down to the date of the return of capital) in priority to any payment to the holders of the ordinary shares.

(k) Listing Status

The ICPS will not be listed on the Main Market of the Exchange. The new ordinary shares in the Company to be issued upon the conversion of ICPS will be listed and quoted on the Main Market of the Exchange.

(l) Governing Law

The ICPS will be governed under the laws of Malaysia.

Perpetual bond

On 25 September 2019, the Company issued a total of RM248 million in nominal value of senior unrated Perpetual Sukuk ("**Sukuk Musharakah**") pursuant to a Sukuk Musharakah Programme ("**Perpetual bond**") of up to RM2 billion in nominal value. The Perpetual bond is established to raise funds as and when required to be utilised for Shariah-compliant purposes which include refinancing existing financing/debt obligations (whether in whole or in part), and/or to finance working capital requirements, investments, capital expenditure and/or general corporate purposes of the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2019

30. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AND PERPETUAL BOND (CONT'D.)

Perpetual bond (cont'd.)

The salient features of the Perpetual bond were as follows:

- (i) the Perpetual bond is issued under the Shariah principle of Musharakah;
- (ii) perpetual in tenure, where the Company has a call option to redeem the Perpetual bond at the end of the 5th year and on each periodic distribution date thereafter;
- (iii) the Company also has the option to redeem the Perpetual bond upon the occurrence of an Accounting Event, Tax Event and/or any Stepped Up Event;
- (iv) the expected periodic distribution up to year 5 is 7% per annum payable semi-annually. If the Company does not exercise its option to redeem at the end of the 5th year, the periodic distribution increases by 2% per annum in year 6 and subsequently the periodic distribution increases by 1% per annum in year 7 onwards and subject to a maximum rate of 15% per annum;
- (v) deferred periodic distribution, if any, will be cumulative and shall be added for the purpose of calculating the Additional Periodic Distribution Amount;
- (vi) payment obligations on the Perpetual bond will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company; and
- (vii) the Perpetual bond is not rated and is unsecured.
- (viii) Accounting Event

If as a result of any changes or amendments to the Malaysian Financial Reporting Standards (“**MFRS**”) in Malaysia or any other accounting standards that may replace MFRS for the purposes of the Issuer’s consolidated financial statements, the Sukuk Musharakah are no longer recorded, or will no longer be recorded entirely as “equity” pursuant to the Relevant Accounting Standard, an Accounting Event shall have occurred.

(ix) Tax Event

If the Issuer has or will become obliged to pay additional amounts of tax (“**Additional Amounts**”) or increase the payment of such Additional Amounts or the Expected Periodic Distribution Amount made by the Issuer would not in the immediately following Periodic Distribution Date be fully tax deductible by the Issuer for Malaysian income tax purposes as a result of:

- (a) any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements of Malaysia) or any political subdivision or any authority thereof or therein having power to tax; or
- (b) any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements.

Which change or amendment is made public on or after the issue date of the relevant Sukuk Musharakah and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, then a Tax Event shall have occurred.

(x) Stepped Up Event

The Periodic Distribution Rate of the Sukuk Musharakah shall be stepped up to the Maximum Rate from the expiry of 45 days period from the date any of the Stepped Up Events first occurred until such Stepped Up Event ceases to subsist.

31. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 January	107,889	7,969	(771)	(182)
Acquisition of subsidiaries	314,204	138,061	–	–
Recognised in profit or loss (Note 12)	(28,386)	(38,141)	(40)	(589)
At 31 December	393,707	107,889	(811)	(771)

Deferred income tax as at 31 December relates to the following:

	Contract liabilities RM'000	Provision for liabilities RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Unrealised profit from transactions RM'000	Others RM'000	Total RM'000
Group						
Deferred tax assets:						
At 1 January 2019	–	(84,422)	(143)	(31,280)	(5,089)	(120,934)
Acquisition of subsidiaries	–	–	(14,059)	–	–	(14,059)
Recognised in profit or loss	(17,745)	(11,414)	8,191	(7,732)	2,515	(26,185)
At 31 December 2019	(17,745)	(95,836)	(6,011)	(39,012)	(2,574)	(161,178)
At 1 January 2018	–	(18,606)	(885)	(25,655)	(3,583)	(48,729)
Recognised in profit or loss	–	(65,816)	742	(5,625)	(1,506)	(72,205)
At 31 December 2018	–	(84,422)	(143)	(31,280)	(5,089)	(120,934)

	Accelerated capital allowances RM'000	Fair value adjustment on business combination RM'000	Fair value changes to investment properties RM'000	Property development costs RM'000	Total RM'000
Group					
Deferred tax liabilities:					
At 1 January 2019	10,868	169,390	6,680	41,885	228,823
Acquisition of subsidiaries	–	328,263	–	–	328,263
Recognised in profit or loss	(1,415)	–	(1,512)	726	(2,201)
At 31 December 2019	9,453	497,653	5,168	42,611	554,885
At 1 January 2018	11,403	31,401	3,431	10,463	56,698
Acquisition of a subsidiary	–	138,061	–	–	138,061
Recognised in profit or loss	(535)	(72)	3,249	31,422	34,064
At 31 December 2018	10,868	169,390	6,680	41,885	228,823

Notes to the Financial Statements

For the financial year ended 31 December 2019

31. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

Deferred income tax as at 31 December relates to the following: (cont'd.)

Provision
for liabilities
RM'000

Company

Deferred tax asset:

At 1 January 2019

Recognised in profit or loss

(901)

1

At 31 December 2019

(900)

At 1 January 2018

Recognised in profit or loss

(352)

(549)

At 31 December 2018

(901)

Accelerated
capital
allowances
RM'000

Company

Deferred tax liability:

At 1 January 2019

Recognised in profit or loss

130

(41)

At 31 December 2019

89

At 1 January 2018

Recognised in profit or loss

170

(40)

At 31 December 2018

130

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(111,348)	(84,545)	(811)	(771)
Deferred tax liabilities	505,055	192,434	–	–
	393,707	107,889	(811)	(771)

32. BORROWINGS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Secured:				
Bridging loans	1,970	37,090	–	–
Term loans	1,591,310	1,314,757	128,800	165,200
Hire purchase (Note 32(a))	295	637	199	256
Less: Unamortised borrowing costs	(16,663)	(19,413)	(895)	(1,471)
	1,576,912	1,333,071	128,104	163,985
Current				
Secured:				
Bridging loans	237,284	3,653	–	–
Revolving credits	358,160	363,796	190,420	204,724
Term loans	352,760	252,993	18,160	66,442
Hire purchase (Note 32(a))	426	1,002	44	68
Bank overdrafts (Note 26)	–	4,905	–	3,966
Less: Unamortised borrowing costs	(6,427)	(3,235)	(638)	(788)
	942,203	623,114	207,986	274,412
Total borrowings				
Secured:				
Bridging loans	239,254	40,743	–	–
Revolving credits	358,160	363,796	190,420	204,724
Term loans	1,944,070	1,567,750	146,960	231,642
Hire purchase (Note 32(a))	721	1,639	243	324
Bank overdrafts (Note 26)	–	4,905	–	3,966
Less: Unamortised borrowing costs	(23,090)	(22,648)	(1,533)	(2,259)
	2,519,115	1,956,185	336,090	438,397
Unamortised borrowing costs:				
At 1 January	22,648	24,402	2,259	3,353
Incurred during the financial year	10,497	10,841	–	–
Amortisation for the financial year (Note 8)	(10,055)	(12,595)	(726)	(1,094)
At 31 December	23,090	22,648	1,533	2,259

Notes to the Financial Statements

For the financial year ended 31 December 2019

32. BORROWINGS (CONT'D.)

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Maturities of borrowings:				
Not later than 1 year	948,630	626,349	208,624	275,200
Later than 1 year and not later than 5 years	1,081,020	1,352,484	128,999	165,456
More than 5 years	512,555	—	—	—
Less: Unamortised borrowing costs	(23,090)	(22,648)	(1,533)	(2,259)
Total	2,519,115	1,956,185	336,090	438,397

The range of interest rates per annum at the reporting date for borrowings were as follows:

	2019	2018
	%	%
Bridging loans	4.92 - 6.05	5.58 - 6.03
Revolving credits	4.93 - 7.45	5.18 - 7.45
Term loans	4.92 - 9.21	5.00 - 7.54
Bank overdrafts	6.56 - 6.96	6.29 - 6.96

The bridging loans, revolving credits and term loans of the Group and of the Company are secured by certain assets of the Group and of the Company as follows:

- (a) fixed charge over certain property, plant and equipment as disclosed in Note 15;
- (b) fixed charge over certain inventories as disclosed in Note 16;
- (c) fixed charge over certain investment properties as disclosed in Note 17;
- (d) fixed charge over contract cost assets as disclosed in Note 25;
- (e) fixed charge over certain assets classified as held for sale as disclosed in Note 27;
- (f) legal assignment of all cashflows, sale or tenancy agreements, insurance policies, construction contracts, construction guarantees and performance bonds in relation to certain projects developed by subsidiaries;
- (g) fixed and floating charge over the assets of certain subsidiaries;
- (h) specific debentures creating fixed and floating charges over certain Charged Properties of the Company and certain subsidiaries of the Group; and
- (i) corporate guarantees provided by the Company.

32. BORROWINGS (CONT'D.)

Other information on financial risks of borrowings are disclosed in Note 39.

	Company	
	2019	2018
	RM'000	RM'000
Unsecured corporate guarantees given to banks for credit facilities granted to:		
- Subsidiaries	2,341,307	2,324,656
- Joint ventures	28,524	6,888
- Associate	83,965	85,941
	2,453,796	2,417,485

As at 31 December 2019, the Group has the following undrawn banking facilities:

	Group	
	2019	2018
	RM'000	RM'000
Banking facilities obtained by the subsidiaries	314,955	564,664
Banking facilities obtained by the joint ventures	40,281	—
Banking facilities obtained by the associate	200,000	—

(a) Hire purchase

The Group has finance leases for certain items of property, plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
Not later than 1 year	462	1,066	54	82
Later than 1 year but not later than 2 years	150	461	82	82
Later than 2 years but not later than 5 years	164	216	129	197
Total minimum lease payments	776	1,743	265	361
Less: Amount representing finance charges	(55)	(104)	(22)	(37)
Present value of minimum lease payments	721	1,639	243	324

Notes to the Financial Statements

For the financial year ended 31 December 2019

32. BORROWINGS (CONT'D.)

(a) Hire purchase (cont'd.)

The Group has finance leases for certain items of property, plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows: (cont'd.)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Present value of payments:				
Not later than 1 year	426	1,002	44	68
Later than 1 year but not later than 2 years	139	431	74	68
Later than 2 years but not later than 5 years	156	206	125	188
Present value of minimum lease payments	721	1,639	243	324
Less: Amount due within 12 months	(426)	(1,002)	(44)	(68)
Amount due after 12 months	295	637	199	256

These obligations are secured by charge over the leased property, plant and equipment as disclosed in Note 15. The discount rates implicit in the leases range from 4.15% to 9.25% (2018: 3.91% to 9.25%).

(b) Changes in liabilities arising from financing activities

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 January	1,951,280	1,846,475	434,431	483,498
Cash flows	146,039	(50,643)	(98,986)	(50,526)
Acquisition of subsidiaries	423,156	142,488	–	–
Hire purchase	(918)	365	(81)	365
Others	(442)	12,595	726	1,094
At 31 December	2,519,115	1,951,280	336,090	434,431

The others represent transactions involving amortisation of borrowing costs.

33. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Trade payables				
Third parties (Note 33(a)(i))	421,615	614,822	–	–
Other payables				
Other payables and deposits	540	540	–	–
Accruals	68,927	109,843	–	–
Security retainers (Note 33(b)(i))	2,232	2,101	–	–
Sinking fund reserves (Note 33(b)(ii))	7,876	6,161	–	–
	79,575	118,645	–	–
	501,190	733,467	–	–
Current				
Trade payables (Note 33(a)(ii))				
Third parties	583,623	545,610	–	–
Retention sum	142,981	152,420	–	–
	726,604	698,030	–	–
Other payables				
Other payables and deposits	257,171	151,658	18,248	5,453
Accruals	195,894	177,942	8,121	6,040
Amounts due to: (Note 33(b)(iii))				
- Subsidiaries	–	–	84,954	185,088
- Non-controlling interests	23,361	140,827	–	–
- Joint ventures	–	66	–	–
Amounts due to shareholders	396,587	–	188,533	–
	873,013	470,493	299,856	196,581
	1,599,617	1,168,523	299,856	196,581
Total trade and other payables	2,100,807	1,901,990	299,856	196,581

Notes to the Financial Statements

For the financial year ended 31 December 2019

33. TRADE AND OTHER PAYABLES (CONT'D.)

(a) Trade payables

(i) Trade payables (non-current)

This amount relates to payables arising from the acquisition of land by a subsidiary of the Group, which is payable over 20 years.

(ii) Trade payables (current)

The normal trade credit term granted to the Group ranges from 30 to 90 days (2018: 30 to 90 days) from the date of invoice and progress claim. The retention sum is repayable upon expiry of the defect liability period of 12 to 18 months (2018: 12 to 18 months).

(b) Other payables

(i) Security retainers

Security retainers are funds collected from members of the golf and country resort of the Group who joined prior to January 1993. These security retainers are refundable to the members on cessation of membership, i.e. upon the expiry of the term of the membership license on 9 October 2051 or upon revocation (i.e. termination of the membership at its discretion at any time before the expiry date).

	Group	
	2019 RM'000	2018 RM'000
At 1 January	2,101	1,941
Unwinding of discount	551	170
Termination	(420)	(10)
At 31 December	2,232	2,101

(ii) Sinking fund reserves

	Group	
	2019 RM'000	2018 RM'000
At 1 January	6,161	5,272
Additions	1,798	1,520
Claims made during the financial year	(83)	(631)
At 31 December	7,876	6,161

Sinking fund of the Group is established for the purpose of covering periodic major repairs or capital replacements costs in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the year are credited to this reserve.

33. TRADE AND OTHER PAYABLES (CONT'D.)**(b) Other payables (cont'd.)**

- (iii) Amounts due to subsidiaries, non-controlling interests, and joint ventures

Amounts due to subsidiaries, non-controlling interests, and joint ventures are mainly unsecured, non-interest bearing and repayable on demand.

- (iv) Other payables

Other payables are mainly unsecured, non-interest bearing and have no fixed terms of repayment.

- (v) Amounts due to shareholders

Amounts due to shareholders are mainly unsecured, non-interest bearing and repayable on demand.

Other information on financial risks of other payables are disclosed in Note 39.

34. CONTRACT LIABILITIES

	Group	
	2019 RM'000	2018 RM'000
Non-current		
Deferred license fees (Note 34(a))	135,524	137,621
Current		
Deferred license fees (Note 34(a))	4,466	4,402
Deferred income (Note 34(b))	17,061	15,301
Contract liabilities from property development (Note 34(c))	153,279	–
	174,806	19,703
Total contract liabilities	310,330	157,324

Notes to the Financial Statements

For the financial year ended 31 December 2019

34. CONTRACT LIABILITIES (CONT'D.)

(a) Deferred license fees

	Group	
	2019 RM'000	2018 RM'000
Cost		
At 1 January	214,286	211,884
Additions	2,433	2,402
At 31 December	216,719	214,286
Accumulated amortisation		
At 1 January	72,263	67,861
Amortisation during the financial year (Note 9)	4,466	4,402
At 31 December	76,729	72,263
Carrying amount	139,990	142,023
Represented by:		
Current	4,466	4,402
Non-current	135,524	137,621
	139,990	142,023

The deferred license fees refer to accrual and amortisation of license fees over 40 years which will expire on 9 October 2051.

(b) Deferred income

The deferred income of the Group is in respect of advance tuition fees received by the private school operator. It will be recognised as revenue upon services performed.

(c) Contract liabilities from property development

	Group	
	2019 RM'000	2018 RM'000
At 1 January	—	—
Acquisition of subsidiaries	244,737	—
Revenue recognised during the financial year	(200,280)	—
Progress billings issued during the financial year	108,822	—
At 31 December	153,279	—

Revenue from property development activities are recognised over time using the input method, which is based on the actual incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

35. LEASES**(a) Right-of-use assets**

	Leasehold land RM'000	Premises RM'000	Motor vehicles RM'000	Total RM'000
Group				
Cost				
At 1 January 2019	–	–	–	–
Effect of adoption of MFRS16	175,457	7,600	924	183,981
At 1 January 2019 (restated)	175,457	7,600	924	183,981
Additions	–	3,565	–	3,565
At 31 December 2019	175,457	11,165	924	187,546
Accumulated depreciation				
At 1 January 2019	–	–	–	–
Effect of adoption of MFRS16	38,988	–	–	38,988
At 1 January 2019 (restated)	38,988	–	–	38,988
Depreciation (Note 9)	4,399	4,651	556	9,606
At 31 December 2019	43,387	4,651	556	48,594
Carrying amount	132,070	6,514	368	138,952
				Premises RM'000
Company				
Cost				
At 1 January 2019				–
Effect of adoption of MFRS16				2,875
At 1 January 2019 (restated)				2,875
Additions				–
At 31 December 2019				2,875
Accumulated depreciation				
At 1 January 2019				–
Effect of adoption of MFRS16				–
At 1 January 2019 (restated)				–
Depreciation (Note 9)				1,671
At 31 December 2019				1,671
Carrying amount				1,204

Notes to the Financial Statements

For the financial year ended 31 December 2019

35. LEASES (CONT'D.)

(b) Lease liabilities

	Group RM'000	Company RM'000
At 1 January 2019	–	–
Effect of adoption of MFRS16	8,524	2,875
At 1 January 2019 (restated)	8,524	2,875
Additions	3,565	–
Accretion of interest (Note 8)	360	116
Payments	(5,594)	(1,774)
At 31 December 2019	6,855	1,217
Represented by:		
Current	3,205	917
Non-current	3,650	300
	6,855	1,217

The comparative information for right-of-use assets and lease liabilities are not presented as the Group has applied MFRS 16 using the modified retrospective approach.

	Group 2019 RM'000	Company 2019 RM'000
Maturities of lease liabilities:		
Not later than 1 year	3,205	917
Later than 1 year and not later than 5 years	1,270	300
More than 5 years	2,380	–
	6,855	1,217

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the related parties took place at terms agreed between the parties during the financial year:

(a) Transactions with subsidiaries

	Company	
	2019 RM'000	2018 RM'000
Dividend income from subsidiaries (Note 4)	46,263	28,000
Management fees from subsidiaries (Note 4)	25,934	18,297
Finance income on amounts due from subsidiaries (Note 7)	30,834	29,441
Management fees charged by a subsidiary (Note 9)	(6,398)	(5,594)
Finance cost on amounts due to subsidiaries (Note 8)	(12,236)	(15,607)

(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Major shareholder of the Company)

	2019 RM'000	2018 RM'000
Group		
Rental income receivable/received	20,028	23,534
Security charges receivable/received	113	100
Utilities charges receivable/received	1,732	1,392
Acquisition of subsidiaries	(1,937,121)	(49,037)
Transportation cost payable/paid	(851)	(1,604)
Entertainment expenses payable/paid	(35)	(77)
Car park charges payable/paid	(24)	(23)
Gift expense payable/paid	(812)	(952)
Marketing expenses payable/paid	(1,562)	(15,278)
Company		
Acquisition of subsidiaries	(1,937,121)	(49,037)
Transportation cost payable/paid	(851)	(1,604)
Entertainment expenses payable/paid	(35)	(35)
Gift expense payable/paid	(758)	(899)

Notes to the Financial Statements

For the financial year ended 31 December 2019

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the related parties took place at terms agreed between the parties during the financial year: (cont'd.)

(c) Transactions with entities related to Tan Sri Dato' Tan Chee Yioun ("Tan Sri Vincent Tan"), who is the brother of Tan Sri Dato' Tan Chee Sing

	2019 RM'000	2018 RM'000
Group		
Rental income receivable/received	17	50
Telephone charges payable/paid	(5)	(8)
Insurance charges payable/paid	(474)	(447)
Company		
Insurance charges payable/paid	(11)	(11)

(d) Sale of development properties

	2019 RM'000	2018 RM'000
Group		
Sales of development properties to certain directors of subsidiaries	934	1,459

The directors are of the opinion that all the above transactions were entered into in the normal course of business and have been established under terms that are no less favorable than those obtainable in transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2019 and 31 December 2018 are disclosed in Note 23(b)(iii) and Note 33(b)(iii).

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the related parties took place at terms agreed between the parties during the financial year: (cont'd.)

(e) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. The key management personnel includes all the directors of the Group, and certain members of senior management of the Group.

The remuneration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus and other emoluments	32,148	23,586	11,349	5,740
Contributions to defined contribution plan	2,837	2,250	917	669
Fees	1,691	1,516	1,285	1,121
	36,676	27,352	13,551	7,530

Included in the total key management personnel are:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 11)	32,375	24,386	13,551	7,530

Notes to the Financial Statements

For the financial year ended 31 December 2019

37. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group and of the Company described how the class of financial instruments are measured, and how income and expenses, including fair value gains and losses are recognised. The following table analysed the financial assets and financial liabilities in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at amortised cost RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
31 December 2019				
Assets				
Other investments	–	312	–	312
Trade and other receivables				
- Non-current	10,294	–	–	10,294
- Current (excluding prepayments)	435,382	–	–	435,382
Cash and bank balances	754,949	–	–	754,949
Total financial assets	1,200,625	312	–	1,200,937
Total non-financial assets				10,089,048
Total assets				11,289,985
Liabilities				
Borrowings				
- Non-current	–	–	1,576,912	1,576,912
- Current	–	–	942,203	942,203
Trade and other payables				
- Non-current	–	–	501,190	501,190
- Current	–	–	1,599,617	1,599,617
Lease liabilities				
- Non-current	–	–	3,650	3,650
- Current	–	–	3,205	3,205
ICPS				
- Non-current	–	–	163,355	163,355
- Current	–	–	10,915	10,915
Total financial liabilities	–	–	4,801,047	4,801,047
Total non-financial liabilities				840,250
Total liabilities				5,641,297

37. FINANCIAL INSTRUMENTS (CONT'D.)**Classification of financial instruments (cont'd.)**

	Financial assets at amortised cost RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
31 December 2018				
Assets				
Other investments	–	312	–	312
Trade and other receivables				
- Non-current	14,676	–	–	14,676
- Current (excluding prepayments)	482,244	–	–	482,244
Cash and bank balances	975,774	–	–	975,774
Total financial assets	1,472,694	312	–	1,473,006
Total non-financial assets				6,621,810
Total assets				8,094,816
Liabilities				
Borrowings				
- Non-current	–	–	1,333,071	1,333,071
- Current	–	–	623,114	623,114
Trade and other payables				
- Non-current	–	–	733,467	733,467
- Current	–	–	1,168,523	1,168,523
Total financial liabilities	–	–	3,858,175	3,858,175
Total non-financial liabilities				423,766
Total liabilities				4,281,941

Notes to the Financial Statements

For the financial year ended 31 December 2019

37. FINANCIAL INSTRUMENTS (CONT'D.)

Classification of financial instruments (cont'd.)

	Financial assets at amortised cost RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company				
31 December 2019				
Assets				
Other investment	–	312	–	312
Trade and other receivables				
- Non-current	389	–	–	389
- Current (excluding prepayments)	1,554,264	–	–	1,554,264
Cash and bank balances	52,011	–	–	52,011
Total financial assets	1,606,664	312	–	1,606,976
Total non-financial assets				2,993,706
Total assets				4,600,682
Liabilities				
Borrowings				
- Non-current	–	–	128,104	128,104
- Current	–	–	207,986	207,986
Trade and other payables - current	–	–	299,856	299,856
Lease liabilities				
- Non-current	–	–	300	300
- Current	–	–	917	917
ICPS				
- Non-current	–	–	163,355	163,355
- Current	–	–	10,915	10,915
Total financial liabilities	–	–	811,433	811,433
Total non-financial liabilities				578
Total liabilities				812,011

37. FINANCIAL INSTRUMENTS (CONT'D.)**Classification of financial instruments (cont'd.)**

	Financial assets at amortised cost RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company				
31 December 2018				
Assets				
Other investments	–	312	–	312
Trade and other receivables				
- Non-current	389	–	–	389
- Current (excluding prepayments)	443,956	–	–	443,956
Cash and bank balances	40,623	–	–	40,623
Total financial assets	484,968	312	–	485,280
Total non-financial assets				2,811,290
Total assets				3,296,570
Liabilities				
Borrowings				
- Non-current	–	–	163,985	163,985
- Current	–	–	274,412	274,412
Trade and other payables - current	–	–	196,581	196,581
Total financial liabilities	–	–	634,978	634,978
Total non-financial liabilities				16
Total liabilities				634,994

Notes to the Financial Statements

For the financial year ended 31 December 2019

38. FAIR VALUE MEASUREMENT

Determination of fair values of financial instruments

The fair values of financial instruments measured at amortised cost are derived as follows:

Non-current financial instruments

- Estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date; or

Current financial instruments

- Reasonable approximation of their carrying values as they are either floating rate financial instruments which are repriced to market interest rates, short-term in nature or are repayable on demand.

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position are as follows:

- (a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- (b) Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
31 December 2019				
Assets measured at fair value:				
Other investments (Note 21)	–	–	312	312
Investment properties	–	–	1,295,070	1,295,070
Assets classified as held for sale	–	–	75,700	75,700
31 December 2018				
Assets measured at fair value:				
Other investments (Note 21)	–	–	312	312
Investment properties	–	–	493,169	493,169
Assets classified as held for sale	–	–	59,100	59,100

Description of valuation techniques used and key inputs to valuation on investment properties is as disclosed in Note 17.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director, Group Finance. The Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. Credit risks with respect to trade receivables are limited as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid. As for other receivables, the credit risk is minimised via dealing with counterparties with appropriate credit, payment histories and other relevant information. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institutions.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2019		2018	
	RM'000	% of total	RM'000	% of total
Group				
Property development and property management	210,651	88%	250,975	75%
Property investment, recreation and resort	9,611	4%	37,938	11%
Investment holding and others	18,720	8%	48,107	14%
	238,982	100%	337,020	100%

Notes to the Financial Statements

For the financial year ended 31 December 2019

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks so as to ensure that all operating, investing and financing needs are met.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial liabilities				
2019				
Trade and other payables	1,791,133	254,105	216,479	2,261,717
Lease liabilities	3,484	1,925	2,876	8,285
ICPS	11,789	123,780	141,464	277,033
Borrowings	1,078,314	1,308,442	568,826	2,955,582
Total undiscounted financial liabilities	2,884,720	1,688,252	929,645	5,502,617
2018				
Trade and other payables	1,406,732	253,342	523,210	2,183,284
Borrowings	740,535	1,104,312	469,048	2,313,895
Total undiscounted financial liabilities	2,147,267	1,357,654	992,258	4,497,179
Company				
Financial liabilities				
2019				
Trade and other payables	299,856	–	–	299,856
Lease liabilities	957	306	–	1,263
ICPS	11,789	123,780	141,464	277,033
Borrowings	218,043	140,893	–	358,936
Total undiscounted financial liabilities	530,645	264,979	141,464	937,088
2018				
Trade and other payables	196,581	–	–	196,581
Borrowings	285,228	185,881	–	471,109
Total undiscounted financial liabilities	481,809	185,881	–	667,690

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's primary interest rate risk relates to interest-bearing borrowings.

The investments in financial assets including fixed deposits are mainly short-term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's and of the Company's profit/(loss) before tax (through the impact on floating rate borrowings).

	2019 RM'000	2018 RM'000
Group		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 25 basis point	(6,354)	(4,943)
Interest rates decrease by 25 basis point	6,354	4,943
Company		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 25 basis point	(843)	(1,101)
Interest rates decrease by 25 basis point	843	1,101

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from balances in other payables in a currency other than the functional currencies of the Group. The foreign currencies in which these transactions are denominated are US Dollar, Singapore Dollar and Renminbi.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels. The Group and the Company are not exposed to significant foreign currency risk as the majority of the Group's and of the Company's transactions, assets and liabilities are denominated in the functional currencies of the respective entities within the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2019

40. OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between 1 to 10 years.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2019 RM'000	2018 RM'000
Not later than 1 year	24,857	34,184
Later than 1 year and not later than 5 years	38,610	81,286
Later than 5 years	38,194	53,227
	101,661	168,697

41. COMMITMENTS

	Group	
	2019 RM'000	2018 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	82,095	5,126
- Investment properties	3,367	401,743
	85,462	406,869
Approved and not contracted for:		
- Property, plant and equipment	–	41,850
	85,462	448,719

42. SEGMENTAL INFORMATION

(a) Business segments:

For management purposes, the Group is organised into business units based on their business segments, and has three reportable operating segments as follows:

- | | | | |
|-------|---|---|--|
| (i) | Property development and property management (“PDPM”) | - | Development of residential and commercial properties. |
| (ii) | Property investment, recreation and resort (“PIRR”) | - | Management and operation of hotels, resort, golf course, club house and investments in commercial and other properties. |
| (iii) | Investment holding and others (“IH”) | - | Investment income, landscape services, management and operation of private school and other operations which are not sizeable to be reported separately. |

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are allocated to operating segments.

Notes to the Financial Statements

For the financial year ended 31 December 2019

42. SEGMENTAL INFORMATION (CONT'D.)

Segmental information by business segments:

	PDPM		PIRR		IH		Adjustments and eliminations		Note	Total	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000		2019 RM'000	2018 RM'000
Revenue and expenses											
Revenue											
External sales	900,489	1,443,242	146,210	98,317	89,144	93,912	-	-		1,135,843	1,635,471
Inter-segment	19,276	54,463	14,709	14,613	150,333	124,322	(184,318)	(193,398)	(A)	-	-
Total revenue	919,765	1,497,705	160,919	112,930	239,477	218,234	(184,318)	(193,398)		1,135,843	1,635,471
Results											
Finance income	22,026	26,851	6,963	6,009	84,822	81,508	(95,343)	(86,576)		18,468	27,792
Depreciation and amortisation	(8,425)	(12,264)	(18,819)	(10,653)	(17,394)	(2,785)	7,593	1,338		(37,045)	(24,364)
Share of results of an associate	819	546	-	-	-	-	-	-		819	546
Share of results of joint ventures	11,258	419	-	-	-	-	-	-		11,258	419
Other non-cash items	5,840	1,433	(56,682)	647	(89,777)	60,602	327,889	(3,009)	(B)	187,270	59,673
Segment profit/(loss)	306,286	310,994	(54,712)	27,185	(107,802)	51,977	223,702	(69,925)	(C)	367,474	320,231
Assets											
Investment in an associate	152,279	115,102	-	-	-	-	(61,714)	(62,533)		90,565	52,569
Investments in joint ventures	112,470	109,145	-	-	-	-	152,515	131,198		264,985	240,343
Additions to non-current assets	203,995	657,726	429,605	39,554	23,034	27,392	(83,757)	(376,212)	(D)	572,877	348,460
Segment assets	8,199,052	6,292,796	1,431,943	1,117,839	7,617,654	5,396,733	(5,958,664)	(4,712,552)		11,289,985	8,094,816
Segment liabilities	5,098,504	3,514,751	1,052,300	600,147	3,010,509	1,945,113	(3,520,016)	(1,778,070)		5,641,297	4,281,941

42. SEGMENTAL INFORMATION (CONT'D.)

Inter-segment revenue is eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented below:

Notes: Nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements

- A. Inter-segment revenues are eliminated on consolidation.
- B. Other non-cash items include the following items as presented in the respective notes to the financial statements:

	2019 RM'000	2018 RM'000
Unrealised returns on security retainers accumulation fund	(216)	(281)
Bad debts written off	839	80
Reversal of impairment loss on trade and other receivables	(7,113)	(3,028)
Amortisation of deferred license fees	(4,466)	(4,402)
Amortisation of security retainers accumulation fund	11	11
Impairment loss on:		
- property, plant and equipment	50,767	–
- trade and other receivables	1,588	10,255
- intangible assets	25,643	1,475
Property, plant and equipment written off	4,976	48
Loss on disposal of:		
- investment properties	3,255	–
- assets classified as held for sale	538	–
Gain on disposal of:		
- property, plant and equipment	(327)	(10,246)
- joint venture	–	(24,427)
- assets classified as held for sale	(860)	–
Gain on a bargain purchase	(321,346)	(15,911)
Net fair value loss/(gain) on investment properties	674	(31,422)
Unrealised foreign exchange:		
- gain	(3)	(3)
- loss	5	2
Inventories written down	56,314	–
Property development costs written off	16,996	–
Unwinding of discount on trade and other payables	9	54
Amortisation of borrowing costs	10,055	12,595
Accretion of lease liabilities interest	360	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

42. SEGMENTAL INFORMATION (CONT'D.)

Notes: Nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements (cont'd.)

- C. The following items are added to/(deducted from) segment profit to arrive at profit before tax from continuing operations presented in the consolidated statement of comprehensive income:

	2019 RM'000	2018 RM'000
Share of results of joint ventures	11,258	419
Share of results of an associate	819	546
Finance costs	(75,850)	(66,855)

- D. Additions to non-current assets consist of:

	2019 RM'000	2018 RM'000
Property, plant and equipment (Note 15)	49,984	102,872
Intangible assets (Note 22)	–	27,236
Investment properties (Note 17)	400,934	890
Land held for property development (Note 16(a))	118,394	217,462
Right-of-use assets (Note 35(a))	3,565	–
	572,877	348,460

43. SIGNIFICANT EVENTS

The following is a summary of material disposals of properties by the Group's subsidiaries during the financial year ended 31 December 2019:

- (i) On 20 January 2017, Lido Waterfront Boulevard Sdn Bhd, an indirect 65% owned subsidiary of the Group, entered into an Addendum to Reclamation Contract with China Communications Construction Company (M) Sdn Bhd to carry out reclamation, revetment, drainage and associated works on the land parcels known as Lido Waterfront Boulevard in Johor ("LIDO Land") measuring 659,638 square metres of development land and 19,020 square metres of boardwalk for a total contract sum of RM552,577,897.

Part of the contract sum will be paid by the way of contra of the parcels of LIDO Land measuring approximately 47,020 square metres delineated in Plot 11, Plot 12 and Plot 13.

One of the LIDO land, Plot 12 measuring 15,087 square metres was set-off for total consideration of RM97,435,008 upon the fulfillment of conditions precedent on 11 December 2019. Accordingly, gain on disposal of RM86,168,173 was recognised in the profit or loss.

- (ii) On 17 July 2018, Tropicana Development (Sabah) Sdn Bhd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with World Lead Unity Sdn Bhd for disposal of 4 adjoining land developed with 4-storey commercial building known as "Blue 7" in Sabah measuring approximately 14,124 square metres for a total consideration of RM38,000,000. Accordingly, gain on disposal of RM843,540 was recognised in the profit or loss upon the fulfillment of conditions precedent on 26 July 2019.
- (iii) On 8 August 2018, Tropicana Development (Johor Bahru) Sdn Bhd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Parkwood Palms Sdn Bhd, for disposal of a piece of freehold land with category of land use "bangunan" measuring approximately 30,699 square metres in Johor for a total consideration of RM57,000,000. Accordingly, gain on disposal of RM9,158,763 was recognised in the profit or loss upon the fulfillment of conditions precedent on 12 July 2019.

43. SIGNIFICANT EVENTS (CONT'D)

The following is a summary of material disposals of properties by the Group's subsidiaries during the financial year ended 31 December 2019: (cont'd.)

- (iv) On 21 August 2018, Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with One Residence Sdn Bhd, for disposal of a piece of leasehold land measuring approximately 7,143 square metres in Selangor for a total consideration of RM42,287,000. Accordingly, gain on disposal of RM36,828,869 was recognised in the profit or loss upon the fulfilment of conditions precedent on 13 March 2019.
- (v) On 29 October 2018, Tropicana Harapan Sdn Bhd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Tropicana Temokin Sdn Bhd, a joint venture company of the Group, for disposal of two parcels of freehold land measuring approximately 2,848 square metres and 8,574 square metres, which located in Selangor for a total consideration of RM31,611,492. Accordingly, gain on disposal of RM7,438,647 was recognised in the profit or loss upon the fulfilment of conditions precedent on 13 March 2019.
- (vi) On 28 December 2018, Tropicana Coliseum (Ipoh) Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement with Iconic Prosperity Sdn Bhd for disposal of a piece of freehold land measuring approximately 5,320 square metres together with a 7-storey commercial building known as "Coliseum Square" in Perak for a total consideration of RM22,800,000. Accordingly, loss on disposal of RM521,895 was recognised in the profit or loss upon the fulfilment of conditions precedent on 30 April 2019.
- (vii) On 14 May 2019, Tropicana Jaya Sdn Bhd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with Glitter Equity Sdn Bhd, for disposal of a piece of leasehold land measuring approximately 2,845 square metres together with a 6-storey commercial building comprising 4-storey commercial area, 2-storey car park and a basement car park erected on the land in Selangor for a total consideration of RM20,000,000. Accordingly, loss on disposal of RM463,637 was recognised in the profit or loss upon the fulfilment of conditions precedent on 17 October 2019.
- (viii) On 1 July 2019, Tropicana Wisma TT Sdn Bhd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement with PWF Timberhill Sdn Bhd, for disposal of a 7-storey stratified commercial building comprises 4-storey commercial space, 3-storey car park and a basement car park in Selangor for a total consideration of RM25,800,000. Accordingly, loss on disposal of RM2,791,063 was recognised in the profit or loss upon the fulfilment of conditions precedent on 4 November 2019.

44. SUBSEQUENT EVENTS

- (i) On 10 January 2020, the Company acquired 297 new ordinary shares representing 99% of total paid-up capital of Cenang Laris Sdn Bhd ("**Cenang Laris**"), for a total cash consideration of RM297. Following the completion of the acquisition, Cenang Laris has become a wholly-owned subsidiary of the Company.
- (ii) On 10 January 2020, the Company acquired 9,900 new ordinary shares representing 99% of total paid-up capital of Valley Talent Solutions Sdn Bhd ("**Valley Talent**"), for a total cash consideration of RM9,900. Following the completion of the acquisition, Valley Talent has become a wholly-owned subsidiary of the Company.
- (iii) On 3 February 2020, the Company had incorporated a wholly-owned subsidiary, Tropicana Property Services Sdn Bhd with 1 ordinary share which representing 100% of total paid-up capital for a total cash consideration of RM1.
- (iv) The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Group and the Company, the impact on business operations has not been a direct consequence of the COVID-19 outbreak, but a result of the measures taken by the Government of Malaysia to contain it. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on business and the economy. The occurrence of the COVID-19 outbreak is not an adjusting post balance sheet event.

Up to the date of these financial statements, the Group and the Company have seen the impact of the COVID-19 outbreak on the Group's and the Company's revenue, earnings, cash flow and financial condition. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Government's varying efforts to combat the outbreak and support businesses.

Notes to the Financial Statements

For the financial year ended 31 December 2019

44. SUBSEQUENT EVENTS (CONT'D.)

In addition, the Group and the Company also noted that the value of certain assets and liabilities recorded in the statement of financial position determined by reference to fair value at 31 December 2019 may have changed by the date of this report. These include the values of investment properties and other assets.

The Group and the Company will continue to monitor the development of these events and the impact of COVID-19 to the Group's and the Company's business.

45. 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 opines the Order was erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh and is pending hearing date to be set.

46. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019 and 31 December 2018.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital. The Group and the Company include within net debt, loans and borrowings less cash and bank balances. Capital refers to equity attributable to owners of the parent.

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Borrowings (Note 32)	2,519,115	1,956,185	336,090	438,397
Less: Cash and bank balances (Note 26)	(754,949)	(975,774)	(52,011)	(40,623)
Net debt	1,764,166	980,411	284,079	397,774
Equity attributable to the owners of the parent	4,661,982	3,403,670	3,536,010	2,661,576
Gearing ratio	0.38	0.29	0.08	0.15

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

Analysis of Shareholdings

As at 2 June 2020

ORDINARY SHARES

Class of shares	: Ordinary shares
Listing status	: Quoted on the Main Market of Bursa Malaysia Securities Berhad
Total issued shares	: 1,470,425,550 ordinary shares
Treasury shares	: 42,272,041 treasury shares held by the Company
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Sizes of Shareholdings	No. of Holders	% of Holders	Total Holdings	% of Holdings
1 to 99	1,631	16.30	55,983	#
100 to 1,000	562	5.61	168,466	0.01
1,001 to 10,000	5,595	55.91	17,724,526	1.24
10,001 to 100,000	1,950	19.49	46,280,298	3.24
100,001 to 71,407,674*	266	2.66	1,103,467,250	77.27
71,407,675 and above **	3	0.03	260,456,986	18.24
Total	10,007	100.00	1,428,153,509[@]	100.00

Notes:

Negligible

* Less than 5% of issued ordinary shares

** 5% and above of issued ordinary shares

[@] exclude a total of 42,272,041 treasury shares retained by the Company as per record of depositors as at 2 June 2020

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

(excluding bare trustees)

Names	Direct Interest	No. of Ordinary Shares Held		%
		%	Deemed Interest	
Tan Sri Dato' Tan Chee Sing	358,234,048	25.09	546,107,154 ⁽¹⁾	38.24
Tan Sri Dr Lim Wee Chai	155,223,865	10.87	—	—
Aliran Firasat Sdn Bhd	300,348,324	21.03	—	—
Golden Diversity Sdn Bhd	140,606,124	9.85	—	—
Impeccable Ace Sdn Bhd	105,152,706	7.36	—	—

Notes:

⁽¹⁾ Deemed interest by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("Act").

Analysis of Shareholdings

As at 2 June 2020

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Names	Direct Interest	No. of Ordinary Shares Held		
		%	Deemed Interest	%
Tan Sri Dr Lim Wee Chai	155,223,865	10.87	–	–
Tan Sri Dato' Tan Chee Sing	358,234,048	25.09	547,629,264 ⁽²⁾	38.35
Loh Chen Peng	52,794	#	–	–

Notes:

Negligible

⁽²⁾ Deemed interest by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 8 of the Act, and spouse and child's interests pursuant to Section 59(11) of the Act.

THIRTY LARGEST REGISTERED ORDINARY SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same depositor)

No.	Names of Holders	No. of Ordinary Shares	%
1.	UOBM Nominees (Tempatan) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Tan Chee Sing	90,808,318	6.36
2.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd	86,834,557	6.08
3.	Lim Wee Chai	82,814,111	5.80
4.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Aliran Firasat Sdn Bhd	70,771,127	4.96
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd	58,113,963	4.07
6.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (001)	55,963,266	3.92
7.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd	47,505,931	3.33
8.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Wee Chai	45,514,670	3.19
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (8118939)	44,048,510	3.08
10.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank Islamic Berhad for Aliran Firasat Sdn Bhd	38,393,500	2.69
11.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (021)	37,270,193	2.61
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing	33,800,056	2.37
13.	Telaga Pancar Sdn Bhd	33,512,000	2.35
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd (51231662809C)	33,126,279	2.32
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Enhance Summer Sdn Bhd	33,078,038	2.32

**THIRTY LARGEST REGISTERED ORDINARY SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS
(CONT'D.)**

(Without aggregating the securities from different securities accounts belonging to the same depositor)

No.	Names of Holders	No. of Ordinary Shares	%
16.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (DT'S OD3)	30,930,982	2.17
17.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Bank AG Singapore PWM for Lim Wee Chai	26,895,084	1.88
18.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Reka Antika Sdn Bhd (Margin)	26,728,580	1.87
19.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (51405769502A)	26,710,475	1.87
20.	Amsec Nominees (Tempatan) Sdn Bhd KGI Securities (Singapore) Pte.Ltd. for Tan Chee Sing (130309)	26,308,761	1.84
21.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (DT'S OD3)	21,046,097	1.47
22.	Bank Kerjasama Rakyat Malaysia Berhad Pledged Securities Account for Aliran Firasat Sdn Bhd	20,847,200	1.46
23.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd (Firstwideplus)	20,600,000	1.44
24.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank Islamic Berhad for Tan Chee Sing	19,874,358	1.39
25.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (CBM & EDG)	19,860,359	1.39
26.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (TSDTCS-CBM-REC)	19,075,188	1.33
27.	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (OD4)	18,797,500	1.32
28.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing, Dato (1835 ANSA)	18,222,540	1.27
29.	Advanced Defence Systems Sdn Bhd	17,352,347	1.21
30.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing	16,872,410	1.18
TOTAL		1,121,676,400	78.54

Analysis of Irredeemable Convertible Preference Shares Holdings

As at 2 June 2020

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES

Class of Shares	:	Irredeemable Convertible Preference Shares ("ICPS")
Listing status	:	Unquoted on the Main Market of Bursa Malaysia Securities Berhad
Total Issued ICPS	:	982,386,093 ICPS
Voting Rights	:	The ICPS holders shall carry no right to vote at any general meeting of the Company except for the following circumstances:- <ul style="list-style-type: none"> (a) when the dividend or part of the dividend on the ICPS is in arrears for more than six (6) months; (b) on a proposal to reduce the Company's share capital; (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking; (d) on a proposal that affects rights and privileges attached to the ICPS; (e) on a proposal to wind-up the Company; and (f) during the winding-up of the Company.

DISTRIBUTION OF ICPS HOLDINGS

Sizes of ICPS Holdings	No. of Holders	% of Holders	Total Holdings	% of Holdings
1 to 99	—	—	—	—
100 to 1,000	—	—	—	—
1,001 to 10,000	—	—	—	—
10,001 to 100,000	—	—	—	—
100,001 to less than 49,119,304*	—	—	—	—
49,119,305 and above**	3	100.00	982,386,093	100.00
Total	3	100.00	982,386,093	100.00

Notes:

* Less than 5% of issued ICPS

** 5% and above of issued ICPS

DIRECTOR'S ICPS HOLDING AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name	Direct Interest	No. of ICPS Held		%
		%	Deemed Interest	
Tan Sri Dato' Tan Chee Sing	—	—	982,386,093 ⁽¹⁾	100.00

Notes:

⁽¹⁾ Deemed interest by virtue of his interests in T Shares 1 Sdn Bhd (formerly known as Trop Forest Garden Sdn Bhd), Dasen Resources Sdn Bhd (formerly known as Trop Forest Green Sdn Bhd) and DIT Sdn Bhd (formerly known as T Sanctuary Riverine Sdn Bhd) pursuant to Section 8 of the Act.

LIST OF ICPS HOLDERS

No.	Name of Holders	No. of ICPS	%
1.	T Shares 1 Sdn Bhd (formerly known as Trop Forest Garden Sdn Bhd)	671,435,499	68.35
2.	Dasen Resources Sdn Bhd (formerly known as Trop Forest Green Sdn Bhd)	207,300,396	21.10
3.	DIT Sdn Bhd (formerly known as T Sanctuary Riverine Sdn Bhd)	103,650,198	10.55
Total		982,386,093	100.00

List of Properties

As at 31 December 2019

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Approx. Age of Building (Years)	Land Area Approx. (Acres)	Built-up Area/Net Lettable Area (Sq Ft)	Fair Value/ Carrying Amount @ 31 Dec 2019 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
DAYA PETALING SDN BHD									
PN 15978, Lot 102 Seksyen 27, Petaling Jaya, Daerah Petaling, Selangor	8-Storey commercial building with a basement carpark known as Intan Square	Leasehold (99 years) expiring on 19.11.2102	2012	10	0.49	41,622	27.50	27.50	Dec-19
GP VIEWS DEVELOPMENT SDN BHD									
GM 2532, Lot 937; GM 13, Lot 988; H.S.(D) 566, Lot 989; GM 415, Lot 929; GM 416, Lot 936; GM 1532, Lot 930; GM 414, Lot 931; GM 2460, Lot 934; GM 1886, Lot 935; GM 4064, Lot 5947; GM 411, Lot 997; GM 412, Lot 998; GM 2428, Lot 938; GM 2429, Lot 939; GM 1332, Lot 940; GM 1362, Lot 941; GM 2430, Lot 944; GM 2432, Lot 945; GM 891, Lot 987; GM 2431, Lot 2380; GM 887, Lot 986; GM 1136, Lot 1013; GM 1137, Lot 1014; GM 1138, Lot 1015; GM 1140, Lot 1016; GM 1141, Lot 1017; GM 1142, Lot 1018; GM 1143, Lot 1019; GM 1145, Lot 1020; GM 1144, Lot 2375; GM 417, Lot 933; GM 413, Lot 994; GM 410, Lot 995; GM 418, Lot 996; GM 143, Lot 981; GM 142, Lot 982; GM 888, Lot 983; GM 890, Lot 984; GM 889, Lot 985; and GM 1352, Lot 1045, Mukim Jeram Batu, Daerah Pontian, Johor	Land held for future development	Freehold	2019	–	302.29	–	393.75	504.80	Feb-19
GM 1146, Lot 1021; and GM 1147, Lot 1022, Mukim Jeram Batu, Daerah Pontian, Johor	Sales gallery	Freehold	2019	5	2.21	75,089	3.82	–	–

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Approx. Age of Building (Years)	Land Area Approx. (Acres)	Built-up Area/Net Lettable Area (Sq Ft)	Fair Value/ Carrying Amount @ 31 Dec 2019 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
LIDO WATERFRONT BOULEVARD SDN BHD									
H.S.(D) 578204, PTB 24592; H.S.(D) 578205, PTB 24593; H.S.(D) 578206, PTB 24594; H.S.(D) 578207, PTB 24621; H.S.(D) 578208, PTB 24623; H.S.(D) 578209, PTB 24626; H.S.(D) 574550, PTB 24599; H.S.(D) 574552, PTB 24601; H.S.(D) 574553, PTB 24627; H.S.(D) 574554, PTB 24630; H.S.(D) 574555, PTB 24631; H.S.(D) 574556, PTB 24629; H.S.(D) 583862 to H.S.(D) 583866, PTB 24603 to PTB 24607; H.S.(D) 585065, PTB 24634; and H.S.(D) 573656, PTB 24130, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	91.46	–	850.48	1,773.52	Feb-19
SAPPHIRE STEP SDN BHD									
H.S.(D) 39240, PT 41265, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Tenby International School	Leasehold (99 years) expiring on 09.11.2110	2018*	2	10.43	154,817	77.00	77.00	Dec-19
SUASANA METRO SDN BHD									
HSM 3242 to HSM 3245, PTD 181994 to PTD 181997; GM 660, Lot 4446; and GM 661, Lot 4447, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	5.04	–	42.36	44.00	Feb-19

List of Properties

As at 31 December 2019

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Approx. Age of Building (Years)	Land Area Approx. (Acres)	Built-up Area/Net Lettable Area (Sq Ft)	Fair Value/ Carrying Amount @ 31 Dec 2019 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
TROPICANA AMAN SDN BHD									
H.S.(D) 44383, PT 45113, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land under construction	Leasehold (99 years) expiring on 09.11.2110	2014	–	37.00	–	72.15	–	–
H.S.(D) 42120, PT 44819, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land under construction	Leasehold (99 years) expiring on 09.11.2110	2014	–	9.58	–	40.72	–	–
H.S.(D) 42122, PT 44813, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land under construction	Leasehold (99 years) expiring on 09.11.2110	2014	–	18.41	–	34.16	–	–
PN 112508, Lot 73427, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land under construction	Leasehold (99 years) expiring on 09.11.2110	2014	–	26.49	–	33.79	–	–
H.S.(D) 44382, PT 45112, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land under construction	Leasehold (99 years) expiring on 09.11.2110	2014	–	5.80	–	5.60	–	–
H.S.(D) 44380, PT 45110; PN 112481, Lot 73401; H.S.(D) 44631, PT 47805; H.S.(D) 44634, PT 47827; H.S.(D) 44633, PT 47826; H.S.(D) 44632, PT 47825; H.S.(D) 44631, PT 45111; PN 112507, Lot 73400; H.S.(D) 44384, PT 44514; PN 112506, Lot 73398; PN 112504, Lot 73396; PN 112503, Lot 73393; H.S.(D) 44635, PT 47815; H.S.(D) 44636, PT 47816; H.S.(D) 44637, PT 47817; H.S.(D) 44638, PT 47818; H.S.(D) 44639, PT 47823; H.S.(D) 44640, PT 47824; H.S.(D) 44641, PT 47830, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land held for future development	Leasehold (99 years) expiring on 09.11.2110	2014	–	198.17	–	628.13	–	–
PN 112506, Lot 73398, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor	Showcase	Leasehold (99 years) expiring on 09.11.2110	2015*	5	–	12,000	8.89	–	–

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TROPICANA CHERAS SDN BHD									
Hakmilik No: 330377 (PT 56738) and Hakmilik No: 330376 (PT 56919), Mukim Cheras, Daerah Ulu Langat, Selangor	Land under construction	Freehold	2008	–	2.91	–	12.85	–	–
TROPICANA DANGA BAY SDN BHD									
H.S.(D) 471884, PT 22902, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2010	–	21.80	–	298.28	–	–
H.S.(D) 471884, PT 22902, Daerah Johor Bahru, Johor	Proposed mall development	Freehold	2010	–	6.68	–	81.96	–	–
H.S.(D) 471884, PT 22902, Daerah Johor Bahru, Johor	Sales gallery & project office	Freehold	2012*	7	1.80	25,575	2.53	–	–
TROPICANA DANGA BAY RESORT SDN BHD									
H.S.(D) 527358, PTB 23961, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2014	–	5.97	–	89.16	–	–
TROPICANA DANGA LAGOON SDN BHD									
Lot 3432, 3433, 3434, 3435, 3440, 3441, 3442, 3443, 3445, 3446, 3447, 44998 and PTD 3997, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Leasehold (999 & 99 years) expiring on 17.01.2911 & 05.01.2091 & 30.12.2090	2012 & 2015 & 2018*	–	55.07 & 1.27 & 1.29	–	146.53	–	–
TROPICANA DANGA LAGOON DEVELOPMENT SDN BHD									
GM 850, Lot 559, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	5.00	–	26.97	36.42	Feb-19
TROPICANA DANGA LAGOON GARDEN SDN BHD									
HSM 3232, PTD 174019; HSM 3233, PTD 174020; HSM 3234, PTD 174021; HSM 3235, PTD 174022; HSM 3236, PTD 174023; HSM 3237, PTD 174024; HSM 3238, PTD 174025; HSM 3239, PTD 174026; HSM 3240, PTD 174027; and HSM 3241, PTD 174028, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	1.39	–	11.68	12.00	Feb-19

List of Properties

As at 31 December 2019

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Approx. Age of Building (Years)	Land Area Approx. (Acres)	Built-up Area/Net Lettable Area (Sq Ft)	Fair Value/ Carrying Amount @ 31 Dec 2019 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
TROPICANA DANGA LAGOON LAND SDN BHD									
PM 123, Lot 44994, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Leasehold (99 years) expiring on 01.02.2091	2019	–	1.35	–	2.75	9.83	Feb-19
TROPICANA DANGA LAPANBELAS SDN BHD									
PM 45, Lot 44999, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Leasehold (99 years) expiring on 30.12.2090	2019	–	1.27	–	1.73	9.25	Feb-19
TROPICANA DESA MENTARI SDN BHD									
GM 800, Lot 313; GM 801, Lot 321; GM 802 to GM 806, Lot 324 to Lot 328; GM 786, Lot 337; GM 808, Lot 339; GM 787, Lot 340; GM 809 to GM 810, Lot 342 to Lot 343; GRN 436669, Lot 795; GRN 105314, Lot 797; GM 1199 to GM 1202, Lot 65678 to Lot 65681, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2014	–	256.54	–	479.01	–	–
TROPICANA DEVELOPMENT (JOHOR BAHRU) SDN BHD									
H.S.(D) 590964, PTB 24737, Daerah Johor Bahru, Johor	Land held for sale	Freehold	1991	–	11.08	–	49.18	–	–
TROPICANA DEVELOPMENT (SABAH) SDN BHD									
CL 215322660, Daerah Penampang, Sabah	5-Storey commercial building known as KGK Annex/ Penampang Point	Leasehold (99 years) expiring on 31.12.2080	2012	8.5	1.39	44,207	26.00	26.00	Dec-19
CL 215312922, Daerah Penampang, Sabah	3-Storey commercial building known as D Junction	Leasehold (99 years) expiring on 31.12.2070	2012	12	2.68	34,713	24.00	24.00	Dec-19
TROPICANA EDUCATION MANAGEMENT SDN BHD									
H.S.(D) 296471, PT 12687, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	St Joseph's Institution International School Malaysia (Tropicana PJ Campus)	Leasehold (99 years) expiring on 27.09.2106	2016*	3	6.07	418,084	201.69	228.00	Dec-19

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TROPICANA FIRSTWIDE SDN BHD									
GM 369, Lot 663; GM 370, Lot 664; GM 338, Lot 805; GM 339, Lot 806; GM 620, Lot 807; GM 635, Lot 804; GRN 89120, Lot 917; GRN 89115, Lot 920; GRN 455001, Lot 1114; H.S.(D) 545, Lot 2217; H.S.(D) 546, Lot 2218; H.S.(D) 547, Lot 2219; H.S.(D) 560, Lot 2232; H.S.(D) 561, Lot 2233; H.S.(D) 562, Lot 2234; GM 432, Lot 801; Geran 89767 to Geran 89771, Lot 1355 to Lot 1359; H.S.(D) 554, Lot 2226; H.S.(D) 555, Lot 2227; H.S.(D) 556, Lot 2228; H.S.(D) 557, Lot 2229; H.S.(D) 558, Lot 2230; H.S.(D) 559, Lot 2231; H.S.(D) 569 to H.S.(D) 573, Lot 2241 to Lot 2245, Mukim Pulai, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	294.00	–	458.55	586.29	Feb-19
TROPICANA GEMS EDUCATION SDN BHD									
H.S.(D) 316106, PT 40, Pekan Country Heights, Daerah Petaling, Selangor	Gems International School	Freehold	2017*	2	5.00	236,602	110.00	110.00	Dec-19
TROPICANA GOLF & COUNTRY RESORT BERHAD									
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Club house	Leasehold (99 years) expiring on 25.10.2090	1994	26	14.92	197,492	50.20	–	–
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Staff quarter	Leasehold (99 years) expiring on 25.10.2090	1994	26	2.50	159,300	1.54	–	–
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Golf course	Leasehold (99 years) expiring on 25.10.2090	1994	–	220.36	–	32.38	–	–
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor	Golf course and club house land	Leasehold (99 years) expiring on 25.10.2090	1994	–	–	–	18.78	–	–
Lot 946, Hakmilik No: 15851, Mukim Bandar Damansara, Daerah Petaling, Selangor	PPE	Leasehold (99 years) expiring on 25.10.2090	2012*	–	0.53	–	0.04	–	–

List of Properties

As at 31 December 2019

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TROPICANA INDAH SDN BHD									
Geran 79950, Lot 52582, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	Land under construction	Leasehold (99 years) expiring on 25.04.2106	1994	–	1.28	–	19.81	–	–
Geran 79950, Lot 52582, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	Office tower	Leasehold (99 years) expiring on 25.04.2106	2019*	–	1.30	204,089	115.00	115.00	Dec-19
Geran 79950, Lot 52582, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	7-Storey shopping mall	Leasehold (99 years) expiring on 25.04.2106	2019*	–	6.75	1,051,107	870.00	870.00	Dec-19
Geran 79948, Lot 52581, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor	Land under construction	Leasehold (99 years) expiring on 24.04.2106	1994	–	2.95	–	26.55	–	–
TROPICANA KAJANG HILL SDN BHD									
PT 38088, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Selangor	Showcase	Freehold	2016*	3.5	2.00	45,717	16.50	16.50	Dec-19
PT 24736, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Selangor	Land under construction	Freehold	2012	–	5.94	–	30.12	–	–
PT 38089, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Selangor	Land held for future development	Freehold	2012	–	6.98	–	103.67	–	–
TROPICANA KEMAYAN DEVELOPMENT SDN BHD									
PN 25820 to PN 25821, Lot 24131 to Lot 24132, Pekan Bukit Kepayang, Daerah Seremban, Negeri Sembilan	Land held for investment	Leasehold (99 years) expiring on 17.04.2095	2012	–	2.00	–	7.92	9.00	Mar-12
TROPICANA KIARA LESTARI DEVELOPMENT SDN BHD									
GM1799, Lot 2455; GM1800, Lot 2457; GM1801, Lot 2458; GM1774, Lot 2477, Mukim Batu, Daerah Segambut, Wilayah Persekutuan	Land held for future development	Freehold	2019	–	8.28	–	20.62	79.27	Feb-19

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TROPICANA KIARA LESTARI LAND SDN BHD									
GM1769, Lot 2475; GM1264, Lot 2476; and GM3217, Lot 2478, Mukim Batu, Daerah Segambut, Wilayah Persekutuan	Land held for future development	Freehold	2019	–	5.72	–	14.23	54.73	Feb-19
TROPICANA LAGOON SDN BHD									
PM 42, Lot 44996; and PM 43, Lot 44997, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Leasehold (99 years) expiring on 01.02.2091	2013	–	2.78	–	4.80	–	–
TROPICANA LAHAD DATU DEVELOPMENT SDN BHD									
CL 115355612, Daerah Lahad Datu, Sabah	Land held for investment	Leasehold (999 years) expiring on 08.05.2933	2012	–	1.25	–	2.70	2.70	Dec-19
TROPICANA LAND (SANDAKAN) SDN BHD									
CL 075318697, Daerah Sandakan, Sabah	Land held for investment	Leasehold (999 years) expiring on 09.07.2887	2012	–	1.52	–	3.74	3.50	Mar-12
TROPICANA LAND SDN BHD									
H.S.(D) 330120, PTD 123308; and GRN 422076, Lot 85652, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for sale	Freehold	2012	–	4.41	–	20.77	–	–
TROPICANA LIDO DEVELOPMENT SDN BHD									
CL 215377763, CL 215173649, CL 215173658, CL 215278710 and CL 215278701, Daerah Penampang, Sabah	Land held for investment	Leasehold (99 years) expiring on 12.09.2060	2012	–	1.67	–	12.00	12.00	Dec-19
TROPICANA LINGKARAN UTAMA SDN BHD									
GM 267, Lot 2366; and GM 1481, Lot 1037, Mukim Jeram Batu, Daerah Pontian, Johor	Land held for future development	Freehold	2019	–	11.08	–	20.69	22.78	Feb-19
TROPICANA MACALISTER AVENUE (PENANG) SDN BHD									
Lot 10015, Seksyen 13, Bandar George Town, Daerah Timor Laut, Pulau Pinang	Hotel development known as Marriott Hotel	Freehold	2012	–	0.52	–	181.93	–	–

List of Properties

As at 31 December 2019

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TROPICANA METRO SDN BHD									
GM 17092/11455, Lot 82748/10788, Section 31, Daerah Klang, Selangor	4-Storey commercial building with a basement carpark	Freehold	2012	23	2.15	60,589	22.00	22.00	Dec-19
TROPICANA METROPARK SDN BHD									
GRN 321052, Lot 72019; GRN 334474, Lot 72050; GRN 321050, Lot 72017, Pekan Country Heights, Daerah Petaling, Selangor	Land held for future development	Freehold	2011	–	28.55	–	381.47	–	–
GRN 321051, Lot 72018; GRN 321056, Lot 72023; Pekan Country Heights, Daerah Petaling, Selangor	Land under construction	Freehold	2011	–	12.83	–	181.53	–	–
GRN 321050, Lot 72017, Pekan Country Heights, Daerah Petaling, Selangor	Showcase	Freehold	2012*	7	–	22,098	4.67	–	–
TROPICANA PROPERTIES (KENINGAU) SDN BHD									
CL 135366344, Daerah Keningau, Sabah	2-Storey commercial building known as Kelab Rekreasi Keningau Bistro & Fun Pub	Leasehold (999 years) expiring on 03.01.2917	2012	22.5	2.00	11,668	6.20	6.20	Dec-19
TROPICANA PROPERTIES (KLANG) SDN BHD									
PT 4215, Seksyen 23, Daerah Klang, Selangor	10-Storey office tower (Phase 1) known as Casa Klang	Freehold	2012	8	1.52	68,522	30.00	30.00	Dec-19

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TROPICANA PROPERTIES (SABAH) SDN BHD									
CL 015106377, Daerah Kota Kinabalu, Sabah	3-Storey commercial building with basement	Leasehold (999 years) expiring on 30.12.2914	2012	8	0.23	17,709	9.00	9.00	Dec-19
(i) TL 017511830, (ii) TL 017511849, (iii) CL 015105674 and (iv) CL 015138860, Daerah Kota Kinabalu, Sabah	4-Storey commercial building known as Moretune	Leasehold (999 years) expiring on (i), (ii) & (iii) 31.12.2913 (iv) 31.12.2908	2012	9	0.86	27,288	14.00	14.00	Dec-19
CL 015562348, Daerah Kota Kinabalu, Sabah	4-Storey commercial building known as Magma	Leasehold (999 years) expiring on 26.08.2916	2012	22	0.45	17,137	9.00	9.00	Dec-19
TROPICANA PROPERTIES (SANDAKAN) SDN BHD									
(i) Suburban Lease 077902179, (ii) TL 077555081 and (iii) TL 077555161, Daerah Sandakan, Sabah	3-Storey commercial building	Leasehold (999 years) expiring on (i) 01.04.2893 (ii) & (iii) 31.12.2910	2012	9	1.88	32,637	12.80	12.80	Dec-19
TROPICANA PARKING SDN BHD									
Part of PN 97674, Lot 89556, Bandar Damansara, Daerah Petaling, Selangor	A stratified office Lot accessorised with 1,223 car park bays within Tropicana Avenue	Leasehold (99 years) expiring on 22.09.2109	2016*	3	5.73	–	36.00	36.00	Dec-19
TROPICANA RAHANG DEVELOPMENT SDN BHD									
GRN 233167, Lot 23858, Daerah Seremban, Negeri Sembilan	Land held for investment	Freehold	2012	–	2.42	–	4.80	4.84	Mar-12
TROPICANA RESIDENCES SDN BHD									
Geran 51952, Lot 194, Seksyen 58, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan	Hotel development known as W Hotel	Freehold	2018*	–	0.76	–	299.28	–	–

List of Properties

As at 31 December 2019

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TROPICANA RHYTHM CREST SDN BHD									
H.S.(D) 552, Lot 2224; H.S.(D) 553, Lot 2225; H.S.(D) 566, Lot 2238; H.S.(D) 567, Lot 2239; and H.S.(D) 568, Lot 2240, Mukim Pulau, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2019	–	25.00	–	39.62	50.11	Feb-19
TROPICANA SANCTUARY DEVELOPMENT SDN BHD									
H.S.(D) 436855, PT MLO 348; and H.S.(D) 436856, PT MLO 349, Mukim Jelutong, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2018	–	329.15	–	83.81	645.00	Feb-19
TROPICANA SCENIC DEVELOPMENT SDN BHD									
GM 1057, Lot 2746, Mukim Jeram Batu, Daerah Pontian, Johor	Land held for future development	Freehold	2019	–	5.62	–	6.59	9.20	Feb-19
TROPICANA SIERRA SDN BHD									
H.S.(D) 19293 to 19305, PT 24369 to PT 24381, Mukim Bentong, Daerah Bentong, Negeri Pahang	Land held for future development	Freehold	2018	–	112.18	–	34.02	78.00	Apr-18
TROPICANA SOUTHERN GALLERY SDN BHD									
GM 1361, Lot 1033; GM 1359, Lot 1034; and GM 2600, Lot 1038, Mukim Jeram Batu, Daerah Pontian, Johor	Land held for future development	Freehold	2019	–	27.80	–	32.86	57.22	Feb-19
TROPICANA SUNGAI BULOH SDN BHD									
GRN 37702, Lot 28478, Mukim Bentong, Daerah Bentong, Pahang	Serviced apartment	Freehold	1996*	23	–	1,465	0.27	0.27	Dec-19

Title Reference	Purpose/ Existing Use	Tenure	Year of Acquisition/ Year of Completion*	Approx. Age of Building (Years)	Land Area Approx. (Acres)	Built-up Area/Net Lettable Area (Sq Ft)	Fair Value/ Carrying Amount @ 31 Dec 2019 (RM'Million)	Revaluation Value (RM'Million)	Date of Revaluation
TROPICANA TAWAU DEVELOPMENT SDN BHD									
TL 107504138, TL 107504147, TL 107504156, TL 107504165 and TL 107504174, Daerah Tawau, Sabah	Land held for investment	Leasehold (999 years) expiring on 31.12.2895	2012	–	0.80	–	7.00	7.00	Dec-19
TROPICANA DANGA COVE SDN BHD ^^									
200 Plots on Mukim Plentong, Daerah Johor Bahru, Johor	Land under construction	Freehold	2011 & 2012	–	55.89	–	66.34	–	–
Part of 1130 Plots on Mukim Plentong, Daerah Johor Bahru, Johor	Land held for future development	Freehold	2011 & 2012 & 2013 & 2015	–	119.48	–	249.78	–	–
Part of 1130 Plots on Mukim Plentong, Daerah Johor Bahru, Johor	Land held for investment	Freehold	2011	–	18.76	–	212.50	212.50	Dec-19
48 Plots on Mukim Plentong, Daerah Johor Bahru, Johor	Showcase	Freehold	2015	5	5.60	20,547	4.87	–	–
TROPICANA TEMOKIN SDN BHD ^^									
Jalan Harapan, GRN 22702 and GRN 45709, Lot 1 and Lot 4, Seksyen 1, Pekan Sungai Penchala, Daerah Petaling, Selangor	Land held for future development	Freehold	2019	–	2.82	–	33.62	–	–

^^ Joint venture developments

Corporate Directory

MAIN CONTACT NUMBERS

Head Office
Tel: +603 7663 6888

Customer Loyalty & Services
Tel: +603 7663 6888 / +6012 688 7003

CORPORATE OFFICES

Tropicana Corporation Berhad

Unit 1301
Tropicana Gardens Office Tower
No. 2A, Persiaran Surian
Tropicana Indah
47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7663 6888
Fax : +603 7663 6688
Email: corpcomm@tropicana.com.my
Website: www.tropicana.com.my
Office Hours: 9:00am - 6:00pm
(Monday - Friday)

Tropicana Golf & Country Resort Berhad Clubhouse

Jalan Kelab Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor
Tel : +603 7804 8888
Fax : +603 7804 3688
Email: gm@tropicana.com.my
Website: www.tropicana.com.my
Office Hours: 9:00am - 6:00pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

PROPERTY GALLERY & SHOW UNITS

Tropicana Gardens (Tropicana Indah)

Property Gallery & Show Unit
Level G, Pusat Beli-belah Tropicana
No. 2A, Persiaran Surian, Tropicana Indah
47410 Petaling Jaya, Selangor
Tel: +603 7880 0989
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:30am - 6:30pm
(Monday - Sunday)

Tropicana Aman (Kota Kemuning)

Property Gallery & Show Unit
No. 2, Persiaran Aman Perdana 3
Bandar Tropicana Aman
42500 Telok Panglima Garang, Selangor
Tel: 1700 81 8868
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:30am - 6:30pm
(Monday - Sunday)

Tropicana Metropark (Subang Jaya)

Property Gallery & Show Unit
No. 1, Jalan Delima 1/1
Subang Hi-Tech
40000 Subang Jaya, Selangor
Tel: +603 5636 6888 / 1700 81 8887
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:30am - 6:30pm
(Monday - Sunday)

Tropicana Heights (Kajang)

Property Gallery & Show Unit
Off Jalan P6/2, Bandar Teknologi Kajang
43500 Semenyih, Kajang, Selangor
Tel: 1700 81 9566
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:30am - 6:30pm
(Monday - Sunday)

Tropicana Grandhill (Genting)

Property Gallery & Show Unit
Jalan Permai 2, Genting Permai Avenue
69000 Genting Highlands, Pahang
Tel: +6018 390 9988
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:00am - 6:00pm
(Monday - Sunday)

Tropicana 218 Macalister (Penang)

Property Gallery
No. 16, Jalan Anson
10400 George Town, Penang
Tel: +604 2105 888
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:30am - 6:30pm
(Monday - Sunday)

Tropicana Danga Bay (Iskandar Malaysia)

Property Gallery & Show Unit
Lot PTB 22902, Teluk Danga
Jalan Persiaran Abu Bakar Sultan
80200 Johor Bahru, Johor
Tel: +607 234 1585
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:00am - 6:00pm
(Monday - Sunday)

Tropicana Danga Cove (Iskandar Malaysia)

Property Gallery & Show Unit
Lot PTD 28845-28892
Taman Cahaya Kota Puteri, Plentong
81750 Masai, Johor
Tel: +607 382 3355
Email: enquiry@tropicana.com.my
Website: www.tropicana.com.my
Operating Hours: 9:00am - 6:00pm
(Monday - Sunday)

PROPERTY MANAGEMENT OFFICE

Tropicana Management Services (TMS)

Jalan Kelab Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor
Tel: +603 7804 8888 ext: 513 / 557
Email: tms@tropicana.com.my
Office Hours: 9:00am - 6:00pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Grande

Level 1, Management Office
Block A, Tropicana Grande Condominium
No. 3, Persiaran Tropicana, PJU 3
47410 Petaling Jaya, Selangor
Tel : +603 7610 0968
Fax : +603 7610 0966
Email: tropicanagrande@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Indah

Jalan Kelab Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor
Tel: +603 7804 8888 ext: 154 / 557
Email: tisb@tropicana.com.my
Office Hours: 9:00am - 6:00pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Casa Tropicana

B-5-17, Block B, Casa Tropicana
No. 5, Jalan Persiaran Tropicana PJU 3
Tropicana Golf & Country Resort
47410 Petaling Jaya, Selangor
Tel : +603 7883 0982
Fax : +603 7883 0292
Email: casatropicana@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Cheras

Tel: +6013 956 0279
Email: tropicanacheras@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Heights (Ridgefield)

Property Management Office Ridgefield
Jalan Tropicana Heights 3/1
43000 Kajang, Selangor
Tel: +603 8723 5191
Email: ridgefield@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

The Residences

B1-1, Menara TR
No. 121, Jalan Ampang
50450 Kuala Lumpur
Tel : +603 2770 6338
Fax : +603 2270 6343
Email: theresidences@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Gardens (Arnica & Bayberry)

Level 5, Residensi A, Tropicana Gardens
No 2A, Persiaran Surian, Tropicana Indah
47810 Petaling Jaya, Selangor
Tel : +603 2714 6172
Fax : +603 2714 6173
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Gardens (Cyperus & Dianthus)

Level 6, Residensi C, Tropicana Gardens
No. 2A, Persiaran Surian, Tropicana Indah
47810 Petaling Jaya, Selangor
Tel: +603 2714 6175
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Avenue

No. 12, Persiaran Tropicana
Tropicana Golf & Country Resort, PJU3
47410 Petaling Jaya, Selangor
Tel : +603 8605 3608 / +603 8605 3609
Fax : +603 8605 3618
Email: trop.avenue@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Metropark (Pandora)

Level P4, Menara A, Pandora Residensi
Jalan MP1, Tropicana Metropark
47500 Subang Jaya, Selangor
Tel : +603 5036 2088
Fax : +603 5036 2089
Email: pandora@tropicana.com.my
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Danga Bay (Bora)

No. 01-01, Residensi Bora
Jalan Danga 1/1, Teluk Danga
80200 Johor Bahru, Johor
Tel : +607 2374 188
Fax : +607 2374 088
Email: bora-residences@gmail.com
Office Hours: 9:00am - 5:30pm
(Monday - Friday)
9:00am - 1:00pm (Saturday)

Tropicana Landmark

Level 5, Tropicana Landmark
Lorong Kondo Bundusan
Off Jalan Bundusan
88300 Kota Kinabalu, Sabah
Tel: +6088 742 052
Email: tropicana.landmark@gmail.com
Office Hours: 8:30am - 5:00pm
(Monday - Friday)
8:30am - 12:30pm (Saturday)

SCHOOL**St. Joseph's Institution International School
Malaysia (Tropicana PJ Campus)**

No. 1, Jalan PJU 3/13
47410 Petaling Jaya, Selangor
Tel: +603 8605 3605
Email: enquiries@sj-i-international.edu.my
Office Hours: 7:30am - 4:30pm
(Monday - Friday)

Tenby International School Tropicana Aman

No. 1, Jalan Tropicana Aman Utama 2
Bandar Tropicana Aman
42500 Telok Panglima Garang, Selangor
Tel: +603 8689 2088 / +601 0222 8096
Email: tta.admissions@tenby.edu.my
Office Hours: 7:30am - 4:30pm (Term Time)
9:00am - 4:30pm (School Holiday)

GEMS International School (Tropicana Metropark)

Jalan MP 2, Subang Hi-Tech Industrial Park
40150 Subang Jaya, Selangor
Tel: +603 5036 8900
Email: info_gims@gemsedu.com
Office Hours: 9:00am - 2:50pm (School Time)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-First Annual General Meeting (“**41st Annual General Meeting**” or “**Meeting**”) of Tropicana Corporation Berhad (“**Tropicana**” or “**the Company**”) will be held on a fully virtual basis at the broadcast venue of Ballroom I, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 9 September 2020 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESSES

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon. | Please refer to item 1 of Explanatory Notes to Ordinary Businesses |
| 2. To re-elect the following Directors who retire by rotation in accordance with Clause 113 of the Company's Constitution and, being eligible, have offered themselves for re-election:- | |
| 2.1 Tan Sri Dr Lim Wee Chai | Ordinary Resolution 1 |
| 2.2 Dato' Dickson Tan Yong Loong | Ordinary Resolution 2 |
| 2.3 Datuk Michael Tang Vee Mun | Ordinary Resolution 3 |
| 2.4 Hafez Mohd Hashim Bin Razman Md Hashim | Ordinary Resolution 4 |
| 3. To approve the payment of Directors' remuneration to Non-Executive Directors amounting to RM1,367,205.00 for the financial year ended 31 December 2019. | Ordinary Resolution 5 |
| 4. To approve the decreased payment of Directors' fees to the Non-Executive Directors based on the revised fees structure as disclosed in item 3 of the Explanatory Notes to Ordinary Businesses retrospective from 1 January 2020 until the conclusion of the next Annual General Meeting of the Company to be held in year 2021. | Ordinary Resolution 6 |
| 5. To approve the payment of meeting attendance allowance of RM1,000.00 per meeting day to each Non-Executive Director retrospective from 1 January 2020 until the conclusion of the next Annual General Meeting of the Company to be held in year 2021. | Ordinary Resolution 7 |
| 6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions, with or without any modifications:-

- | | |
|--|------------------------------|
| 7. RETENTION OF DATUK MICHAEL TANG VEE MUN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR | Ordinary Resolution 9 |
| <p>“THAT subject to the passing of Ordinary Resolution 3, Datuk Michael Tang Vee Mun, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”</p> | |

8. PROPOSED AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **Ordinary Resolution 10**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the Company's Constitution, the Directors of the Company be and are hereby authorised to issue shares in the Company from time to time to such person(s) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit **PROVIDED THAT** the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, on Bursa Malaysia Securities Berhad and that such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES **Ordinary Resolution 11**

"THAT subject to Section 127 of the Companies Act 2016 (**"the Act"**), the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Malaysia Securities Berhad as may be determined by the Directors may deem fit and expedient in the best interest of the Company **PROVIDED THAT:-**

- (a) the aggregate number of shares, which may be purchased pursuant to this resolution, does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase and **FURTHER PROVIDED THAT** the Company continues to maintain a public shareholding spread that is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad after the shares are purchased;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company at the time of purchase;
- (c) upon the completion of the purchase of the shares of the Company, the Directors of the Company be authorised to deal with those shares in the following manners:-
 - (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as treasury shares; or
 - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as dividends to the shareholders and/or resell on Bursa Malaysia Securities Berhad and/or transfer the shares or any of the shares as purchase consideration and/or cancel all or part of them; or
 - (v) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force;

Notice of Annual General Meeting

AND THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be authorised to take all such steps as are necessary or expedient to implement or to give effect to the purchases of the shares of the Company with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or permitted by the relevant authorities and/or deem fit by the Directors in the best interests of the Company."

10. PROPOSED RENEWAL OF AUTHORITY TO ALLOT AND ISSUE ORDINARY SHARES IN TROPICANA CORPORATION BERHAD ("TROPICANA") ("TROPICANA SHARES") FOR THE PURPOSE OF TROPICANA'S DIVIDEND REINVESTMENT SCHEME ("DRS") THAT PROVIDES SHAREHOLDERS OF TROPICANA THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN NEW TROPICANA SHARES

Ordinary Resolution 12

"THAT pursuant to the DRS as approved by the shareholders of the Company at the Thirty-Fourth Annual General Meeting of the Company held on 28 June 2013 and renewed in subsequent Annual General Meetings, approval be and is hereby given to the Company to allot and issue such number of new Tropicana Shares for the DRS from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the best interests of the Company **PROVIDED THAT** the issue price of the said new Tropicana Shares shall be fixed by the Directors at a discount of not more than ten per centum (10%) to the five (5) market days volume weighted average market price ("**VWAMP**") of Tropicana Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the DRS as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments by the Directors as they may in their absolute discretion deem fit, necessary and/or expedient in the best interests of the Company.”

11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board
TROPICANA CORPORATION BERHAD

CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)
CHIN MUN YEE (SSM PC No. 201908002785) (MAICSA 7019243)
TAN GIN LING (SSM PC No. 201908002292) (MAICSA 7023190)
Company Secretaries

Petaling Jaya,
Selangor Darul Ehsan
30 June 2020

Notice of Annual General Meeting

Notes:-

1. For the purpose of determining a member who shall be entitled to participate this 41st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a Record of Depositors as at 2 September 2020 in accordance with Clause 80 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991. Only a depositor whose name appears in the Record of Depositors as at 2 September 2020 shall be entitled to participate and vote at the Meeting or appoint proxy(ies) to participate and/or vote on his/her behalf.
2. A member of the Company shall be entitled to appoint a proxy or proxies (subject always to a maximum of two (2) proxies) to participate, speak and vote in his/her stead at the 41st Annual General Meeting. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of proxy.

As guided by the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and subsequently revised on 14 May 2020, 11 June 2020, 18 June 2020 and 24 June 2020, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board of Directors/relevant advisers during the Meeting.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991) which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. Where more than one (1) proxy is appointed to participate and vote at the Meeting, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy must be in writing under the hands of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation either under its common seal or under the hand of its officer or its duly authorised attorney.

To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be completed and deposited at the office of the Share Registrar of the Company, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/>. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://www.sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.

The Administrative Guide on the Conduct of a Fully Virtual General Meeting is available for download at <https://www.tropicana.com.my/investor-relations/annual-reports>.

EXPLANATORY NOTES TO ORDINARY BUSINESSES**1. Laying of Audited Financial Statements and Reports of the Directors and the Auditors thereon**

In accordance with Section 340(1)(a) of the Companies Act 2016 (“the Act”), the Company is required to lay the Audited Financial Statements and the Reports of the Directors and the Auditors thereon at its Annual General Meeting. Hence, the Agenda item no. 1 above is not a business which requires a resolution to be put to vote by the shareholders. This Agenda item is for discussion and receipt only.

2. Ordinary Resolution 5 – Approval for remuneration of Directors in respect of the financial year ended 31 December 2019

Section 230(1) of the Act requires the fees of the directors and any benefits payable to the directors of a public company shall be approved at a general meeting. Pursuant thereto, shareholders’ approval will be sought at this Annual General Meeting (“AGM”) for the payment of remuneration payable to Non-Executive Directors of the Company for the financial year ended 31 December 2019. The remuneration comprises Non-Executive Directors’ fees and meeting attendance allowances.

3. Ordinary Resolution 6 – Approval for Directors’ fees from 1 January 2020 until the next AGM of the Company

The Company is seeking the shareholders’ approval for the payment of Directors’ fees to the Non-Executive Directors retrospective from 1 January 2020 until the conclusion of the next AGM of the Company to be held in year 2021 in accordance with the revised Directors’ fees structure as set out below:-

Board/Board Committees	Fees (RM/year)		
	Chairman	Deputy Chairman	Members
Board	192,000	144,000	120,000
Audit Committee	22,400	–	16,000
Other Committees	8,000	–	4,800

The proposed Ordinary Resolution 6, if passed, will give approval to the Company to pay the Directors’ fees to the Non-Executive Directors in arrears on the basis as determined by the Board for their services as members of the Board and Board Committees.

EXPLANATORY NOTES TO SPECIAL BUSINESSES**1. Ordinary Resolution 9 – Retention of Datuk Michael Tang Vee Mun as an Independent Non-Executive Director**

The proposed Ordinary Resolution 9, if passed, will authorise the retention of Datuk Michael Tang Vee Mun as an Independent Non-Executive Director of the Company.

The Nomination Committee of the Company had assessed the independence of Datuk Michael Tang Vee Mun, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended to retain him as an Independent Non-Executive Director of the Company. The Board endorsed the Nomination Committee’s recommendation and is of the view that he shall continue to serve as an Independent Non-Executive Director based on the following reasons:-

- (i) He fulfils the criteria stated under the definition of “Independent Director” as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) He always demonstrates the values and principles associated with independence when deliberating on matters, promotes good corporate governance practices and facilitates the Board and Board Committees to perform their responsibilities effectively through his independent and objective directorship; and
- (iii) He discharges his duties and role as an Independent Non-Executive Director effectively due to his insight and good understanding of the industry and the Group’s various core business operations enable him to participate actively and contribute effectively during deliberations in robust discussion without compromising his independence and objective judgement.

Notice of Annual General Meeting

2. Ordinary Resolution 10 – Proposed authority for Directors to issue shares pursuant to Sections 75 and 76 of the Act

The general mandate sought by the Company under the proposed Ordinary Resolution 10 is to renew the previous general mandate granted to the Directors at the Fortieth Annual General Meeting held on 25 June 2019 to issue shares pursuant to Sections 75 and 76 of the Act. As at the date of this notice, no new shares in the Company were issued under the previous general mandate, which will lapse at the conclusion of the 41st Annual General Meeting and hence, no proceeds raised therefrom.

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to issue and allot not more than ten per centum (10%) of the Company's total number of issued shares (excluding treasury shares) for the time being speedily without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the Forty-Second Annual General Meeting ("**42nd Annual General Meeting**") of the Company.

Instances for which the Company may issue new shares under this general mandate include but not limited to the purpose(s) of complying with public shareholding spread requirements and raising funds through private placement for purposes of working capital requirement and/or allowing the entry of strategic partners.

3. Ordinary Resolution 11 – Proposed renewal of authority for the Company to purchase its own shares

The proposed Ordinary Resolution 11, if passed, will renew the shareholders' mandate for the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 42nd Annual General Meeting.

Further information on this proposal is set out in the Share Buy-Back Statement dated 30 June 2020.

4. Ordinary Resolution 12 – Proposed renewal of authority to allot and issue ordinary shares in Tropicana for the purpose of Tropicana's Dividend Reinvestment Scheme ("DRS") that provides shareholders of Tropicana the option to elect to reinvest their cash dividend entitlements in new ordinary shares in Tropicana

The proposed Ordinary Resolution 12, if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 42nd Annual General Meeting.

Administrative Guide

FOR THE FULLY VIRTUAL 41ST ANNUAL GENERAL MEETING OF TROPICANA CORPORATION BERHAD

WHAT IS SECURITIES SERVICES e-PORTAL?

Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Attend and participate at meetings remotely via live streaming
- Vote online remotely on resolutions tabled at meetings

(referred to as “**e-Services**”)

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Tropicana Corporation Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

REQUIRE ASSISTANCE?

Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Mr. Yeow Lip Lin (DID: +603 2084 9006) or Ms. Lee Pei Yeng (DID: +603 2084 9169) or contact our general line (DID: +603 2084 9000) and request for e-Services Assistance. Alternatively, you may email us at eservices@sshb.com.my.

BEFORE THE MEETING

FIRST, register as a User of Securities Services e-Portal.

ALL USERS MUST REGISTER AT LEAST TWO (2) WORKING DAYS BEFORE THE CLOSING OF PROXY FORM SUBMISSION OR REGISTRATION FOR REMOTE PARTICIPATION AT MEETING ONLINE I.E., BY 03 SEPTEMBER 2020, AS ONE (1) WORKING DAY IS REQUIRED TO PROCESS ALL PORTAL USER REGISTRATIONS.

- Step 1 Visit <https://www.sshsb.net.my/login.aspx>
- Step 2 Register as a user - registration is free
- Step 3 Wait for notification email that will be sent within one (1) working day
- Step 4 Verify your user account within seven (7) days of the notification email and log in

- **This is a ONE-TIME registration.** If you are already a registered user of **Securities Services e-Portal**, you need not register again.
- Your email address is your User ID.

SECOND, once you have successfully registered as a User of Securities Services e-Portal, log in to <https://www.sshsb.net.my/login.aspx> with your registered email and password.

Where you wish to participate remotely at the meeting	Where you wish to appoint proxy(ies) to participate remotely on your behalf
Register for remote participation at the meeting [Refer to (A) below]	Submit your e-Proxy Form online [Refer to (B) below] (or you may also submit the hard copy Form of Proxy)

Administrative Guide

FOR THE FULLY VIRTUAL 41ST ANNUAL GENERAL MEETING OF TROPICANA CORPORATION BERHAD

(A) REGISTRATION FOR REMOTE PARTICIPATION AT MEETING

Meeting	Registration for Remote Participation Closing Date and Time
41 st AGM on Wednesday, 09 September 2020 at 11:00 a.m.	Monday, 07 September 2020 at 11:00 a.m.

- Look for **Tropicana Corporation Berhad** under Company Name and **41st AGM on 09 September 2020 at 11:00 a.m. – Registration for Remote Participation** under Corporate Exercise/Event and click “>” to register for remote participation at the meeting.

- Step 1 Check if you are attending as –
- Individual shareholder
 - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.*
- Step 2 Enter your CDS account number or the body corporate's CDS account number.
- A copy of your e-Registration for remote participation can be accessed via **My Records** (refer to the left navigation panel).
 - You need to register for remote participation for **every CDS account(s)** you have or represent as an individual shareholder or corporate or authorised representative.
 - As the meeting will be conducted on a fully virtual basis and Chairman will be present at the broadcast venue, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.

(B) SUBMISSION OF e-PROXY FORM

Meeting	Registration for Remote Participation Closing Date and Time
41 st AGM on Wednesday, 09 September 2020 at 11:00 a.m.	Monday, 07 September 2020 at 11:00 a.m.

- Look for **Tropicana Corporation Berhad** under Company Name and **41st AGM on 09 September 2020 at 11:00 a.m. – Submission of Proxy Form** under Corporate Exercise/Event and click “>” to submit your proxy forms online for the meeting by the submission closing date and time above.

- Step 1 Check if you are submitting the proxy form as –
- Individual shareholder
 - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above.*
- Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).
- You are strongly encouraged to appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.**
- Step 3 Proceed to indicate how your votes are to be casted against each resolution.
- Step 4 Review and confirm your proxy form details before submission.

- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

PROXIES

All appointed proxies need not register for remote participation under (A) above but if the proxy is yet a registered User of the e-Portal, the proxy will **need to register as a User** of the e-Portal at least two (2) working days before the submission closing date and time for proxy forms i.e., **by 03 September 2020**. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a fully virtual basis.

ON THE DAY OF THE MEETING

Log in to <https://www.sshsb.net.my/login.aspx> with your registered email and password.

JOINING THE LIVE STREAM MEETING (eLIVE)

Meeting	eLive Access Date and Time
41 st AGM on Wednesday, 09 September 2020 at 11:00 a.m.	Wednesday, 09 September 2020 at 10:45 a.m.

- Look for **Tropicana Corporation Berhad** under Company Name and **41st AGM on 09 September 2020 at 11:00 a.m. – Live Stream Meeting** under Corporate Exercise/Event and click ">" to join the meeting.
- The access to the live stream meeting will open on the abovementioned date and time.
- If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/relevant adviser will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

REMOTE ONLINE VOTING DURING THE MEETING (eVOTING)

Meeting	eVoting Access Date and Time
41 st AGM on Wednesday, 09 September 2020 at 11:00 a.m.	Wednesday, 09 September 2020 at 11:00 a.m.

- Look for **Tropicana Corporation Berhad** under Company Name and **41st AGM on 09 September 2020 at 11:00 a.m. – Remote Voting** under Corporate Exercise/Event and click ">" to remotely cast and submit the votes online for the resolutions tabled at the meeting.

- Step 1 Cast your votes by clicking on the radio buttons against each resolution
- Step 2 Review your casted votes and confirm and submit the votes

- The access to eVoting will open on the abovementioned date and time.
- Your votes casted will apply throughout all the CDS accounts you represent as an individual shareholder, corporate/authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form.
- The access to eVoting will close when the Chairman announces the closing of all voting at the respective meeting.
- A copy of your submitted e-Voting can be accessed via **My Records** (refer to the left navigation panel).

PROXY FORM

*I/We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/Passport/Company no.:	
Contact no.:	Email address:	

being a *member/members of TROPICANA CORPORATION BERHAD, do hereby appoint:

First Proxy "A"

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

*AND

*Second Proxy "B"

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

*or the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-First Annual General Meeting ("41st Annual General Meeting" or "Meeting") of the Company to be held on a fully virtual basis at the broadcast venue of Ballroom I, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 9 September 2020 at 11.00 a.m. or any adjournment thereof.

NO.	RESOLUTIONS		FOR	AGAINST
1.	To re-elect Tan Sri Dr Lim Wee Chai as Director.	Ordinary Resolution 1		
2.	To re-elect Dato' Dickson Tan Yong Loong as Director.	Ordinary Resolution 2		
3.	To re-elect Datuk Michael Tang Vee Mun as Director.	Ordinary Resolution 3		
4.	To re-elect Hafez Mohd Hashim Bin Razman Md Hashim as Director.	Ordinary Resolution 4		
5.	To approve the payment of Directors' remuneration to the Non-Executive Directors for the financial year ended 31 December 2019.	Ordinary Resolution 5		
6.	To approve the decreased payment of Directors' fees to the Non-Executive Directors retrospective from 1 January 2020 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 6		
7.	To approve the payment of meeting attendance allowance to each Non-Executive Director retrospective from 1 January 2020 until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 7		
8.	To re-appoint Messrs Ernst & Young PLT as Auditors and to authorise the Directors to fix their remuneration.	Ordinary Resolution 8		
9.	To retain Datuk Michael Tang Vee Mun as an Independent Non-Executive Director.	Ordinary Resolution 9		
10.	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 10		
11.	To renew the authority for the Company to purchase its own shares.	Ordinary Resolution 11		
12.	To renew the authority to issue shares for the purpose of the Dividend Reinvestment Scheme.	Ordinary Resolution 12		

Please indicate with an "X" in the appropriate column above to show how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

*strike out whichever not applicable

Signature/Seal of Shareholder(s)

Signed this _____ day of _____, 2020

Notes:-

1. For the purpose of determining a member who shall be entitled to attend this 41st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 2 September 2020 in accordance with Clause 80 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991. Only a depositor whose name appears in the Record of Depositors as at 2 September 2020 shall be entitled to participate and vote at the Meeting or appoint proxy(ies) to participate and/or vote on his/her behalf.
2. A member of the Company shall be entitled to appoint a proxy or proxies (subject always to a maximum of two (2) proxies) to participate, speak and vote in his/her stead at the 41st Annual General Meeting. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of proxy.

As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and subsequently revised on 14 May 2020, 11 June 2020, 18 June 2020 and 24 June 2020, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders and proxies shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board of Directors/relevant adviser during the Meeting.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991) which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

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AFFIX
STAMP

**The Share Registrar of
TROPICANA CORPORATION BERHAD**

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Please fold here

5. Where more than one (1) proxy is appointed to participate and vote at the Meeting, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which, the appointment shall be invalid.
6. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy must be in writing under the hands of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation either under its common seal or under the hand of its officer or its duly authorised attorney.

To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be completed and deposited at the office of the Share Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/>. All resolutions set out in this notice of meeting are to be voted by poll.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://www.sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Fully Virtual General Meeting for further details.

The Administrative Guide on the Conduct of a Fully Virtual General Meeting is available for download at <https://www.tropicanaacorp.com.my/investor-relations/annual-reports>.

www.tropicanaacorp.com.my

TROPICANA CORPORATION BERHAD

[Registration No. 197901003695 (47908-K)]

Unit 1301, Tropicana Gardens Office Tower
No. 2A, Persiaran Surian, Tropicana Indah, 47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603 7663 6888 Fax: +603 7663 6688