

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the content of this Statement prior to the issuance of this Statement as it is prescribed as an Exempt Document.

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TROPICANA CORPORATION BERHAD

[Registration No.: 197901003695 (47908-K)]
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS IN RELATION TO THE:

**PROPOSED RENEWAL OF AUTHORITY FOR TROPICANA CORPORATION BERHAD
TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%)
OF ITS TOTAL NUMBER OF ISSUED SHARES
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The resolution in respect of the Proposed Renewal of Share Buy-Back Authority will be tabled as special business at the 42nd Annual General Meeting ("**AGM**") of the Company to be held on a fully virtual basis at the broadcast venue at Greens III, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 June 2021 at 11.00 a.m. The notice convening the 42nd AGM together with the proxy form are set out in the Company's Annual Report 2020.

As a shareholder, you are entitled to participate and vote at our 42nd AGM. Should you be unable to participate in the 42nd AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you must complete and deposit the proxy form 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, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at www.sshsb.net.my/. The lodging of the Form of Proxy will not preclude you from participating and voting in person at the 42nd AGM should you subsequently wish to do so.

Should you wish to personally participate at the 42nd AGM remotely, please register electronically via Securities Services e-Portal at www.sshsb.net.my/ by the registration cut-off date and time.

Last day, date and time for lodging the Form of Proxy	: Wednesday, 23 June 2021, 11.00 a.m.
Day, date and time of the 42 nd AGM	: Friday, 25 June 2021, 11.00 a.m.

This Statement is dated 25 May 2021

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

Act	:	Companies Act 2016 or any statutory modifications, amendments or re-enactment thereof for the time being in force
AGM	:	Annual General Meeting
Board	:	The Board of Directors of Tropicana
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
Director(s)	:	Directors of Tropicana and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
EPS	:	Earnings per share
ICPS	:	Irredeemable convertible preference shares
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments, modifications and additions that may be made from time to time and any practice notes issued in relation thereto
LPD	:	30 April 2021, being the latest practicable date prior to the printing of this Statement
Market Day	:	A day on which Bursa Securities is open for trading in securities
NA	:	Net assets
Proposed Renewal of Share Buy-Back Authority	:	Proposed renewal of authority for the Company to purchase its own Shares of up to ten per centum (10%) of its total number of issued Shares at the time of purchase
Purchased Share(s)	:	Share(s) purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
RM and sen	:	Ringgit Malaysia and sen respectively
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 as amended from time-to-time and any re-enactment thereof
Statement	:	This Statement is dated 25 May 2021
Tropicana or Company	:	Tropicana Corporation Berhad [Registration No.: 197901003695 (47908-K)]
Tropicana Group or Group	:	Tropicana and its subsidiaries
Tropicana Share(s) or Share(s)	:	Ordinary share(s) of Tropicana
Treasury Shares	:	Purchased Shares which will be retained as treasury shares

DEFINITIONS

All references to “**you**” in this Statement are to the shareholders of Tropicana.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Statement is a reference to that enactment as for the time being amended or re-enacted.

Any reference to time of day in this Statement is a reference to Malaysian time, unless otherwise stated.

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TROPICANA CORPORATION BERHAD

[Registration No.: 197901003695 (47908-K)]
(Incorporated in Malaysia)

Registered Office

Unit 1301, Level 13,
Tropicana Gardens Office Tower,
No. 2A, Persiaran Surian,
Tropicana Indah,
47810 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

25 May 2021

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*)
Lee Han Ming (*Group Chief Executive Officer*)
Dion Tan Yong Chien (*Group Managing Director*)
Jared Ang Tzer Shen (*Group Non-Independent Executive Director*)
Datuk Michael Tang Vee Mun (*Senior Independent Non-Executive Director*)
Mohd Najib Bin Abdul Aziz (*Independent Non-Executive Director*)
Datuk Wira Lye Ek Seang (*Independent Non-Executive Director*)
Alice Dora Boucher (*Independent Non-Executive Director*)
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (*Independent Non-Executive Director*)
Vivienne Cheng Chi Fan (*Independent Non-Executive Director*)
Datuk Siw Chun A/P Eam (*Independent Non-Executive Director*)
Dato' Dr Teo Tong Kooi (*Independent Non-Executive Director*)
Dato' Sri Badrul Hisham Bin Abdul Aziz (*Independent Non-Executive Director*)

To: The Shareholders of the Company

Dear Sir/Madam,

PROPOSED RENEWAL OF AUTHORITY FOR TROPICANA TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES

1. INTRODUCTION

At the 41st AGM held on 9 September 2020, the Company had obtained the approval from the shareholders for the renewal of authority to purchase its own Shares of up to ten per centum (10%) of its total number of issued Shares, the authority of which will expire at the conclusion of the forthcoming 42nd AGM, unless the shareholders' mandate is renewed by a resolution passed at the forthcoming 42nd AGM of the Company scheduled to be held on 25 June 2021.

The Board had on 25 February 2021 announced its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 42nd AGM. This Statement serves to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority, to set out the Board's recommendation thereon and to seek your approval for the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 42nd AGM of the Company. The Notice convening the 42nd AGM together with the Form of Proxy are set out in the Annual Report 2020 of the

Company. You are advised to read the contents of this Statement carefully before voting on the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek a renewal of authority from the shareholders of the Company to purchase its own Shares of up to a maximum of ten per centum (10%) of its total number of issued Shares at the time of purchase. Any purchase of its own Shares by the Company will be made in accordance with the provisions of the Act, the Listing Requirements, the Company's Constitution and any prevailing laws, regulations, rules and guidelines of relevant authorities (as may be amended, modified or reenacted from time to time).

2.1 Quantum

The maximum number of Tropicana Shares which may be purchased by the Company shall not exceed ten per centum (10%) of its total number of issued Shares of the Company. For illustrative purposes, Tropicana may purchase up to 147,042,555 Tropicana Shares representing approximately ten per centum (10%) of its total number of issued Shares of 1,470,425,550 as at the LPD.

The actual number of Shares to be purchased and the timing of such purchases will depend on, among others, market conditions and sentiments, as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

2.2 Source of funds

The Proposed Renewal of Share Buy-Back Authority will be funded through internally generated funds as long as the purchase is backed by an equivalent amount of retained profits of the Company, subject to compliance with the prevailing laws.

The amount of internally generated funds to be used will only be determined later, depending on, among others, the actual number of Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The Proposed Renewal of Share Buy-Back Authority is not expected to have a material impact on the cash flow position of the Company. In addition, our Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Renewal of Share Buy-Back Authority.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate amount of the retained profits of the Company. Based on the Company's audited financial statements as at 31 December 2020, the retained profits of the Company were approximately RM 400.3 million.

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2.3 Duration

The mandate from the shareholders of Tropicana for the Proposed Renewal of Share Buy-Back Authority once approved by the shareholders will be effective immediately after the conclusion of the forthcoming 42nd AGM and will continue to be in force until:

- (i) the conclusion of the next AGM (43rd AGM) 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 AGM (43rd AGM) 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.

Your approval for the Proposed Renewal of Share Buy-Back Authority mandate does not impose an obligation on the Company to purchase Tropicana Shares. Rather, the Proposed Renewal of Share Buy-Back Authority mandate will allow the Board to exercise the power of the Company to purchase Tropicana Shares at any time within the abovementioned time period.

2.4 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, the directors may deal with the Purchased Shares at their discretion, in the following manners:-

- (i) cancel the Shares purchased;
- (ii) retain the Shares as treasury shares; or
- (iii) retain part of the Shares purchased as treasury shares and cancel the remainder of the Shares.

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at their discretion: -

- (a) distribute the Shares as dividends to the shareholders;
- (b) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Shares or any of the Shares for the purposes of or under an employees' share scheme;
- (d) transfer the Shares or any of the Shares as purchase consideration;
- (e) cancel the Shares or any of the Shares; or
- (f) sell, transfer or otherwise use the Shares for such other purposes as the Minister may by order prescribe.

While pursuant to Section 127(8) of the Act, the Purchased Shares are held as treasury shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, are suspended and with Section 127(9) of the Act, the treasury shares will not be taken into account in calculating the number of percentage of shares, or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

An immediate announcement will be made to Bursa Securities in respect of the intention of the directors to either resell the Purchased Shares or cancel them.

2.5 Pricing

(i) Purchase Price

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its Shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of its Shares for the five (5) Market Days immediately prior to the date of purchase. An immediate announcement will be made to Bursa Securities of any purchase of its own Shares on the day of purchase.

(ii) Resale Price

The Company may pursuant to Paragraph 12.18 of the Listing Requirements, resell or transfer treasury shares at: -

- (a) a price which is not less than the weighted average market price for the Shares for the five (5) Market Days immediately prior to the resale; or
- (b) a discounted price of not more than 5% to the weighted average market price for the Shares for the five (5) Market Days immediately prior to the resale provided that:
 - (1) the resale takes place not earlier than thirty (30) days from the date of purchase; and
 - (2) the resale price is not less than the cost of purchase of the Shares being resold.

2.6 Purchases or Resale of treasury shares in the previous twelve (12) months

Our Company has purchased 41,689,800 Shares in the preceding twelve (12) months up to the LPD, with details as below: -

Date of Purchase	Number of Shares purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
4-May-20	335,000	0.800	0.810	0.809	271,013.51
5-May-20	30,000	0.805	0.810	0.812	24,361.28
6-May-20	300,000	0.795	0.800	0.798	239,381.16
8-May-20	210,000	0.795	0.800	0.801	168,184.26
12-May-20	230,000	0.800	0.800	0.803	184,640.32
13-May-20	306,400	0.795	0.800	0.802	245,840.81
14-May-20	230,000	0.800	0.800	0.803	184,640.32
15-May-20	190,000	0.800	0.800	0.803	152,528.96
18-May-20	421,200	0.795	0.800	0.803	338,077.69
19-May-20	190,000	0.800	0.800	0.803	152,528.96
20-May-20	150,000	0.800	0.800	0.803	120,417.60

Date of Purchase	Number of Shares purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
21-May-20	560,000	0.800	0.800	0.803	449,559.04
22-May-20	715,000	0.800	0.805	0.807	576,824.64
27-May-20	457,700	0.800	0.820	0.815	373,014.64
28-May-20	473,700	0.810	0.830	0.826	391,235.57
29-May-20	67,000	0.825	0.890	0.856	57,364.36
1-Jun-20	195,000	0.870	0.880	0.880	171,594.48
2-Jun-20	100,000	0.875	0.890	0.888	88,752.18
3-Jun-20	278,000	0.875	0.890	0.889	247,050.77
4-Jun-20	186,000	0.885	0.895	0.896	166,687.23
5-Jun-20	231,000	0.895	0.900	0.902	208,373.15
9-Jun-20	120,000	0.905	0.905	0.908	108,977.93
11-Jun-20	260,000	0.900	0.900	0.903	234,814.32
12-Jun-20	120,000	0.880	0.880	0.883	105,967.49
15-Jun-20	239,800	0.870	0.870	0.873	209,352.02
16-Jun-20	258,300	0.870	0.885	0.886	228,743.02
17-Jun-20	70,000	0.900	0.900	0.906	63,419.58
18-Jun-20	120,000	0.900	0.910	0.910	109,163.37
19-Jun-20	262,000	0.890	0.905	0.907	237,753.74
22-Jun-20	120,000	0.895	0.895	0.898	107,773.75
23-Jun-20	155,000	0.900	0.900	0.903	139,985.46
25-Jun-20	150,000	0.880	0.880	0.883	132,459.36
26-Jun-20	60,000	0.880	0.880	0.886	53,151.65
29-Jun-20	70,000	0.880	0.880	0.886	62,010.26
30-Jun-20	65,000	0.880	0.890	0.886	57,611.05
1-Jul-20	67,200	0.880	0.900	0.902	60,587.18
3-Jul-20	70,000	0.890	0.890	0.896	62,714.92
6-Jul-20	105,000	0.885	0.895	0.892	93,644.30
7-Jul-20	42,500	0.885	0.890	0.896	38,064.52
8-Jul-20	40,000	0.895	0.895	0.901	36,038.43
9-Jul-20	80,000	0.880	0.880	0.886	70,868.86
10-Jul-20	196,500	0.875	0.890	0.889	174,673.32
13-Jul-20	70,000	0.890	0.895	0.900	63,017.23
14-Jul-20	32,600	0.890	0.895	0.900	29,332.93
15-Jul-20	95,000	0.895	0.900	0.904	85,842.79
17-Jul-20	300,000	0.865	0.900	0.882	264,512.32
20-Jul-20	590,000	0.870	0.880	0.882	520,331.87
21-Jul-20	455,000	0.880	0.880	0.883	401,793.39
22-Jul-20	195,000	0.880	0.880	0.883	172,197.17
23-Jul-20	85,000	0.880	0.885	0.890	75,675.52
24-Jul-20	80,000	0.890	0.890	0.896	71,674.19
27-Jul-20	163,400	0.890	0.900	0.900	147,060.19
28-Jul-20	120,000	0.900	0.900	0.903	108,375.84
29-Jul-20	110,000	0.900	0.900	0.906	99,659.34
30-Jul-20	95,000	0.900	0.900	0.906	86,069.43
3-Aug-20	300,000	0.895	0.900	0.902	270,689.74
4-Aug-20	225,000	0.900	0.900	0.903	203,204.70
5-Aug-20	120,000	0.900	0.900	0.903	108,375.84
6-Aug-20	250,000	0.900	0.900	0.903	225,783.00
7-Aug-20	40,000	0.900	0.905	0.910	36,390.76
10-Aug-20	252,100	0.900	0.900	0.903	227,679.58
11-Aug-20	70,000	0.905	0.905	0.911	63,771.92
12-Aug-20	105,000	0.900	0.900	0.906	95,129.37
13-Aug-20	275,000	0.900	0.900	0.903	248,361.30
14-Aug-20	100,000	0.900	0.900	0.906	90,599.40
17-Aug-20	150,000	0.900	0.900	0.903	135,469.80

Date of Purchase	Number of Shares purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
18-Aug-20	85,000	0.900	0.900	0.906	77,009.49
19-Aug-20	130,000	0.900	0.900	0.903	117,407.16
21-Aug-20	120,000	0.910	0.910	0.913	109,580.02
24-Aug-20	60,000	0.905	0.905	0.911	54,661.61
25-Aug-20	95,000	0.900	0.900	0.906	86,069.43
26-Aug-20	80,000	0.900	0.900	0.906	72,479.52
27-Aug-20	50,000	0.900	0.900	0.906	45,299.70
28-Aug-20	210,000	0.900	0.900	0.903	189,657.72
1-Sep-20	290,000	0.900	0.900	0.903	261,908.28
2-Sep-20	250,000	0.895	0.895	0.898	224,528.66
8-Sep-20	320,000	0.825	0.855	0.843	269,799.65
9-Sep-20	110,000	0.815	0.815	0.820	90,247.07
10-Sep-20	246,000	0.790	0.815	0.804	197,689.76
11-Sep-20	708,000	0.770	0.805	0.794	562,126.10
14-Sep-20	716,000	0.785	0.820	0.807	577,976.28
15-Sep-20	885,000	0.800	0.875	0.839	742,860.99
17-Sep-20	819,000	0.810	0.850	0.839	687,132.46
18-Sep-20	424,100	0.850	0.890	0.883	374,677.00
21-Sep-20	379,000	0.845	0.895	0.854	323,776.91
22-Sep-20	540,000	0.835	0.840	0.838	452,620.86
23-Sep-20	450,000	0.825	0.825	0.828	372,541.96
24-Sep-20	1,888,000	0.830	0.840	0.838	1,582,041.94
25-Sep-20	1,268,000	0.825	0.845	0.837	1,061,115.81
29-Sep-20	837,000	0.820	0.845	0.841	704,006.48
30-Sep-20	100,000	0.830	0.830	0.836	83,552.78
1-Oct-20	80,000	0.830	0.830	0.836	66,842.22
2-Oct-20	810,000	0.825	0.835	0.836	677,403.19
5-Oct-20	710,000	0.830	0.835	0.835	593,103.45
6-Oct-20	516,000	0.830	0.830	0.833	429,770.42
7-Oct-20	1,139,000	0.830	0.835	0.835	951,002.97
8-Oct-20	769,000	0.830	0.830	0.833	640,491.19
9-Oct-20	964,000	0.825	0.830	0.833	802,604.54
12-Oct-20	909,000	0.825	0.830	0.831	755,699.95
13-Oct-20	525,000	0.820	0.825	0.826	433,652.39
20-Oct-20	100,000	0.810	0.810	0.815	81,539.46
21-Oct-20	200,000	0.810	0.810	0.813	162,563.76
15-Dec-20	835,600	0.795	0.800	0.803	670,630.23
16-Dec-20	600,000	0.805	0.810	0.810	486,186.06
17-Dec-20	70,000	0.800	0.800	0.805	56,372.96
18-Dec-20	518,000	0.795	0.810	0.806	417,500.29
28-Dec-20	473,000	0.800	0.810	0.806	381,387.58
29-Dec-20	260,000	0.810	0.820	0.818	212,767.87
30-Dec-20	73,100	0.820	0.825	0.827	60,442.03
31-Dec-20	660,000	0.835	0.850	0.846	558,574.50
4-Jan-21	460,000	0.845	0.860	0.853	392,462.24
5-Jan-21	127,000	0.850	0.860	0.859	109,043.17
6-Jan-21	218,000	0.865	0.875	0.874	190,538.78
7-Jan-21	235,000	0.865	0.870	0.873	205,135.55
8-Jan-21	635,000	0.860	0.870	0.868	551,262.94
11-Jan-21	260,400	0.860	0.875	0.876	227,984.43
12-Jan-21	392,600	0.855	0.860	0.861	338,149.12
13-Jan-21	246,600	0.855	0.865	0.863	212,774.44
14-Jan-21	401,200	0.850	0.865	0.864	346,486.35
15-Jan-21	140,000	0.870	0.875	0.876	122,674.84
18-Jan-21	450,300	0.860	0.865	0.866	390,110.38

Date of Purchase	Number of Shares purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
19-Jan-21	306,000	0.860	0.865	0.868	265,558.92
20-Jan-21	233,100	0.860	0.870	0.868	202,267.68
21-Jan-21	138,000	0.860	0.870	0.867	119,597.08
22-Jan-21	111,300	0.865	0.865	0.871	96,915.70
25-Jan-21	620,000	0.865	0.875	0.873	541,376.66
26-Jan-21	80,000	0.875	0.875	0.881	70,466.20
29-Jan-21	211,000	0.860	0.865	0.866	182,723.76
13-Apr-21	190,000	0.865	0.910	0.895	169,963.34
14-Apr-21	104,200	0.895	0.915	0.916	95,440.48
16-Apr-21	50,000	0.889	0.895	0.900	44,988.85
19-Apr-21	60,000	0.870	0.885	0.885	53,103.78
20-Apr-21	137,900	0.865	0.885	0.881	121,442.81
21-Apr-21	115,000	0.880	0.900	0.897	103,160.00
22-Apr-21	272,000	0.880	0.895	0.893	242,830.39
23-Apr-21	422,000	0.885	0.905	0.902	380,758.50
26-Apr-21	410,000	0.895	0.905	0.907	371,788.34
27-Apr-21	160,000	0.890	0.910	0.904	144,595.35
28-Apr-21	234,000	0.880	0.895	0.891	208,595.37
30-Apr-21	192,000	0.885	0.900	0.898	172,469.36
Total	41,689,800				*35,464,810.59

** Inclusive of transaction costs.*

As at the LPD, there are 15,990,843 Shares held as treasury shares. There was no resale or cancellation of treasury shares in the preceding twelve (12) months and up to the LPD.

On 12 November 2020, 63,104,998 treasury shares were distributed as interim single-tier share dividend for the financial year ended 31 December 2020 on the basis of 4.5 treasury shares for every 100 existing Tropicana Shares held.

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3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will enable Tropicana to utilise its surplus financial resources to purchase the Tropicana Shares as and when the Board deems fit in the interest of its shareholders during the tenure the authority granted is in effect. The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Company to stabilise the supply and demand of Tropicana Shares on Bursa Securities and support the Company's fundamental value.

If the Purchased Shares are maintained as treasury shares or cancelled, it will result in a lower number of Shares being used for the purposes of computing the EPS. Therefore, other things being equal, it will improve the EPS of Tropicana Group.

Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of Tropicana.

Tropicana may have the opportunity for potential gains if the purchased Tropicana Shares which are retained as treasury shares are resold at prices higher than its purchase price.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:

4.1 Advantages

- (i) Allow the Company to take preventive measures against speculation, particularly when the Shares are undervalued and this would, in turn, stabilise the market price of Tropicana Shares and hence, enhance investors' confidence;
- (ii) Allow the Company the flexibility to achieve the desired capital structure, in terms of debt and equity composition and size of equity;
- (iii) Provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares, are resold at a higher price than they were bought for; and
- (iv) Serve to reward the shareholders of the Company if the Purchased Shares which are retained as treasury shares, are distributed as share dividends to the shareholders.

4.2 Disadvantages

- (i) Reduce the financial resources of the Company, which may result in the Company foregoing better investment opportunities that may emerge in the future; and
- (ii) Reduce the financial resources available for distribution to shareholders in the immediate future as the funds to be allocated for the Proposed Renewal of Share Buy-Back Authority can only be made out of retained earnings of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to cause any potential material disadvantage to the Company or the shareholders as the directors will only implement it after due consideration of the financial resources of the Tropicana Group and the resultant impact to the shareholders of the Company.

5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the issued share capital, substantial shareholders' shareholdings, NA and NA per Share, earnings and EPS and gearing are set out based on the following scenarios:

- Minimum scenario : Assuming that none of the ICPS are converted into Tropicana Shares and the Proposed Renewal of Share Buy-Back Authority is undertaken in full up to 10% of the total number of issued Shares as at the LPD.
- Maximum scenario : Assuming that all the ICPS are converted (conversion ratio 1 ICPS for 1 Tropicana Shares) and the Proposed Renewal of Share Buy-Back Authority is undertaken in full up to 10% of the total number of issued Shares as at the LPD.

5.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of Tropicana will depend on whether the Purchased Shares are cancelled or retained as treasury shares. If the Purchased Shares are held as treasury shares, resold or distributed to shareholders, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued share capital of the Company. The Proposed Renewal of Share Buy-Back Authority will however, result in the reduction of the issued share capital of the Company if the Purchased Shares are cancelled.

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
As at the LPD ⁽ⁱ⁾	1,470,425,550	1,470,425,550
Conversion of all ICPS	-	982,386,093
Proforma enlarged number of issued Shares	1,470,425,550	2,452,811,643
Assuming the Shares are purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority ⁽ⁱⁱ⁾	(147,042,555)	(245,281,164)
Number of issued Shares after cancellation of the Purchased Shares pursuant to the Proposed Renewal of Share Buy-Back Authority	1,323,382,995	2,207,530,479

Notes:

(i) Including 15,990,843 treasury shares.

(ii) Assuming the maximum ten per centum (10%) of the Company's total number of issued Shares are purchased and cancelled.

The actual number of Purchased Shares will depend on, *inter alia*, market conditions and sentiments of Bursa Securities as well as the retained profits, financial resources available to the Company and the public shareholding spread of the Company at the time of the purchase(s).

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5.2 Substantial Shareholders and Directors' Shareholdings

Illustration 1

Minimum Scenario - Assuming that none of the ICPS are converted into Tropicana Shares

Assuming that the Purchased Shares are from the open market and not from the directors and substantial shareholders, the Proposed Renewal of Share Buy-Back Authority is carried out in full and the Purchased Shares are cancelled, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the directors and substantial shareholders of Tropicana as at the LPD are as follows:-

	As at the LPD ⁽ⁱ⁾		After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Substantial shareholders						
Tan Sri Dato' Tan Chee Sing	359,462	24.71	558,763 ⁽ⁱⁱ⁾	38.42	359,462	27.16
Tan Sri Dr Lim Wee Chai	162,209	11.15	-	-	162,209	12.26
Aliran Firasat Sdn Bhd	306,685	21.09	-	-	306,685	23.17
Golden Diversity Sdn Bhd	146,933	10.10	-	-	146,933	11.10
Impeccable Ace Sdn Bhd	105,145	7.23	-	-	105,145	7.95
Directors						
Tan Sri Dr Lim Wee Chai	162,209	11.15	-	-	162,209	12.26
Tan Sri Dato' Tan Chee Sing	359,462	24.71	560,353 ⁽ⁱⁱⁱ⁾	38.53	359,462	27.16
Jared Ang Tzer Shen	5	#	232 ^(iv)	0.02	5	#
Lee Han Ming	27	#	-	-	27	#

Notes:

Negligible

* Any difference is due to rounding.

(i) Based on the existing number of issued Shares of 1,454,434,707 Shares (excluding treasury shares).

(ii) Deemed interested 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.

(iii) Deemed interested 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 as well as his spouse and child's interest pursuant to Section 59(11) of the Act.

(iv) Deemed interested by virtue of his spouse pursuant to Section 59(11) of the Act.

5.2 Substantial Shareholders and Directors' Shareholdings (Cont'd)

Illustration 2

Maximum scenario - Assuming full conversion of all the ICPS at the conversion ratio of 1 ICPS for 1 Tropicana Share during the first conversion period i.e. from 29 November 2019 and up to 29 November 2024.

Assuming that the Purchased Shares are from the open market and not from the directors and substantial shareholders, the conversion of ICPS are not from the directors and substantial shareholders and none of the ICPS holders after conversion become substantial shareholders, the Proposed Renewal of Share Buy-Back Authority is carried out in full and the Purchased Shares are cancelled, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the directors and substantial shareholders of Tropicana as at the LPD are as follows:-

	As at the LPD ⁽ⁱ⁾			After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect	Direct		Indirect	
	No. of Shares ('000)	%		No. of Shares ('000)	%	No. of Shares ('000)	%
Substantial shareholders							
Tan Sri Dato' Tan Chee Sing	359,462	24.71	558,763 ⁽ⁱⁱ⁾	359,462	16.28	1,541,148 ^{(iii)(v)}	69.81
Tan Sri Dr Lim Wee Chai	162,209	11.15	-	162,209	7.35	-	-
Aliran Firasat Sdn Bhd	306,685	21.09	-	306,685	13.89	-	-
Golden Diversity Sdn Bhd	146,933	10.10	-	146,933	6.66	-	-
Impeccable Ace Sdn Bhd	105,145	7.23	-	105,145	4.76	-	-
T Shares 1 Sdn Bhd	-	-	-	671,435 ^(v)	30.42	-	-
Dasen Resources Sdn Bhd	-	-	-	207,300 ^(v)	9.39	-	-
DIT Sdn Bhd	-	-	-	103,650 ^(v)	4.70	-	-
Directors							
Tan Sri Dr Lim Wee Chai	162,209	11.15	-	162,209	7.35	-	-
Tan Sri Dato' Tan Chee Sing	359,462	24.71	560,353 ⁽ⁱⁱⁱ⁾	359,462	16.28	1,542,740 ^{(iii)(v)}	69.89
Jared Ang Tzer Shen	5	#	232 ^(iv)	5	#	232	0.01
Lee Han Ming	27	#	-	27	#	-	-

Notes:

Negligible

* Any difference is due to rounding.

(i) Based on the existing number of issued Shares of 1,454,434,707 Shares (excluding treasury shares).

(ii) Deemed interested 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.

(iii) Deemed interested 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 as well as his spouse and child's interest pursuant to Section 59(11) of the Act.

(iv) Deemed interested by virtue of his spouse pursuant to Section 59(11) of the Act.

(v) After conversion of ICPS by T Shares 1 Sdn Bhd, Dasen Resources Sdn Bhd and DIT Sdn Bhd.

5.3 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings and EPS of the Tropicana Group may depend on the number of Shares purchased, the prices paid for such Shares, the effective funding cost to finance the purchase of such Shares, if any, or any loss in interest income to the Group. Nevertheless, all things being equal, assuming that the treasury shares are retained, the Proposed Renewal of Share Buy-Back Authority is expected to increase the EPS of the Group as the treasury shares held will not be taken into account in calculating the total number of Shares in issue.

If the Purchased Shares are cancelled, the number of Shares applied in the computation of EPS will reduce and accordingly, all things being equal, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of the Group.

If the Purchased Shares are resold, the extent of the impact to the EPS of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain on resale and any funding cost arising from the Proposed Renewal of Share Buy-Back Authority.

5.4 NA and NA per Share

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of the Group, whether the Purchased Shares are cancelled or retained as treasury shares are as follows: -

(i) Purchased Shares are subsequently retained as treasury shares

The NA of the Group would decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of the Group by the cost of the treasury shares.

If the Purchased Shares are resold on Bursa Securities, the NA of the Group would increase if the Company realises a gain from the resale, and vice-versa. If the Purchased Shares were distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

(ii) Purchase Shares are subsequently cancelled

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority will reduce the NA per Share when the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice-versa.

5.5 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of Shares eventually purchased and the purchase price of the Shares. The impact on the cash flow of the Group will be dependent on the number of Shares eventually purchased and the purchase price of the Shares.

For Shares purchased which are kept as treasury shares, upon its resale, the working capital and cash flow of the Group will increase assuming that a gain has been realised. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.6 Gearing

Assuming that the treasury shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Renewal of Share Buy-Back Authority may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as treasury shares.

5.7 Dividends

The Proposed Renewal of Share Buy-Back Authority, if carried out, is not expected to have any material impact on the recommendation of dividends to the shareholders by our Board. Nonetheless, if the Purchased Shares are retained as treasury shares, the treasury shares may be distributed as dividends to the shareholders if the Company so decides.

6. PUBLIC SHAREHOLDING SPREAD

The proposed share buy-back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the Company's public shareholding spread was 25.57%. In implementing the Proposed Renewal of Share Buy-Back Authority, the Board is mindful of the compliance with public shareholding spread as required by the Listing Requirements and will use its best endeavours when purchasing its own Shares to such extent that it will not result in the Company being in breach of the minimum public shareholding spread of 25%.

7. IMPLICATIONS OF THE RULES

As it is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer under the Rules by any of the Company's shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares purchased, retained as treasury shares, cancelled or distributed pursuant to the Proposed Renewal of Share Buy-Back Authority would not result in triggering any mandatory offer obligation on the part of its shareholders and/or parties acting in concert with them.

In this connection, the Board will be mindful of the Rules when making any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

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8. HISTORICAL SHARE PRICES

The monthly high and low prices of Tropicana Shares as traded on Bursa Securities for the past twelve (12) months from May 2020 to April 2021 are as follows: -

	High (RM)	Low (RM)
2020		
May	0.833	0.761
June	0.871	0.833
July	0.861	0.842
August	0.871	0.861
September	0.861	0.756
October	0.820	0.775
November	0.860	0.815
December	0.880	0.800
2021		
January	0.875	0.860
February	0.940	0.870
March	0.935	0.865
April	0.910	0.840

(Source: Bloomberg)

The last transacted market price of Tropicana Shares as at the LPD was RM0.900.

9. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to approval being obtained from the shareholders of Tropicana at the forthcoming 42nd AGM of Tropicana.

The voting on the resolution in relation to the Proposed Renewal of Share Buy-Back Authority at the forthcoming 42nd AGM will be taken by poll.

10. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage of shareholdings and percentage of voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the directors and substantial shareholders of Tropicana and persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority, or subsequent resale of treasury shares, if any, in the future.

11. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of Tropicana. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 42nd AGM of Tropicana.

12. AGM

The 42nd AGM, the notice of which is set out in the Annual Report 2020 of Tropicana, will be held on a fully virtual basis at the broadcast venue at Greens III, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 June 2021 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, *inter alia*, the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority under the agenda of special business as set out in the notice of the 42nd AGM.

As a shareholder, you are entitled to participate and vote at our AGM. Should you be unable to participate in the AGM, you are entitled to appoint a proxy or proxies to participate and vote on your behalf. In such event, you must complete and deposit the proxy form 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, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at www.sshsb.net.my/. The lodging of the proxy form will not preclude you from participating and voting in person at the AGM should you subsequently wish to do so.

Should you wish to personally participate at the AGM remotely, please register electronically via Securities Services e-Portal at www.sshsb.net.my/ by the registration cut-off date and time as stipulated in the Administrative Guide.

13. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. Having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interest of the Company.

14. FURTHER INFORMATION

Copies of the following documents are available for inspection at the Company's registered office at Unit 1301, Level 13, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, Tropicana Indah, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia from Mondays to Fridays (except public holidays) during normal business hours for the period commencing from the date of this Statement up to and including the date of the AGM:

- a) The Constitution of the Company;
- b) The audited financial statements of the Company for the financial years ended 31 December 2019 and 31 December 2020; and
- c) The latest unaudited results since the last audited financial statements.

Yours faithfully,
For and on behalf of the Board of
TROPICANA CORPORATION BERHAD

TAN SRI DR LIM WEE CHAI
Chairman, Non-Independent Non-Executive Director