

## **GUOCOLAND (MALAYSIA) BERHAD**

Key pertinent questions and answers at the 95th Annual General Meeting of GuocoLand (Malaysia) Berhad (“GLM”) held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Wednesday, 30 October 2019 at 10.00 a.m.

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- 1. The comparative financial statements in 2019 Annual Report reflected different financial figures for comparative period for financial year ended 2018 as compared with the financial figures reported in 2018 Annual Report. What was the reason of the difference?**

### Response

The financial statements for the financial year ended 2019 were the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards had been applied. The GLM Group had restated the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition were relating to the implementation of MFRS 15 Revenue from Contract with Customers and MFRS 141 Agriculture, had been made retrospectively, against opening retained profits.

- 2. The restated figures in the comparative financial statements in 2019 Annual Report were lower than the financial figures reflected in the financial year ended 2018. What was the effect to the financial position of the GLM Group and what were the differences?**

### Response

The adoption of MFRS 15 Revenue from Contract with Customers had impacted the revenue recognition. Revenue on sale of completed properties was recognised upon the developer’s issuance of vacant possession letter to the purchaser. Prior to the adoption of MFRS 15, revenue was recognised based on the date of sale and purchase agreement. For sale of ongoing development project (residential/commercial), we adopted the past practice of recognising the revenue upon achieving of more than 20% completion.

- 3. Does the GLM Group have unsold inventories for more than 2 years? What are the measures taken to sell the unsold units?**

### Response

The Group have unsold inventories for more than 2 years which are mainly from The Oval KL and DC Residensi. The Group had inventories of about RM1.55 billion in year 2016. As at to date, the Group managed to reduce more than 50% of the inventories.

We have been actively promoting and selling our inventories to foreign buyers in China and Hong Kong. Based on the sales pattern, we believe that the balance of the unsold inventories can be reduced.

- 4. What are the market prospects of the GLM Group?**

### Response

The property market has been very challenging in recent years. Nonetheless, we have achieved more than 70%-80% of the sales target for the new launches in Emerald Hills, Emerald 9 and Emerald Rawang. We will continue to identify viable property development projects to be launched in current and next financial years based on market demand.

GLM

Re: Key pertinent questions and answers at the 95th AGM of GLM

5. **Noted that the GLM Group's new projects are selling well but the sales for the old projects are not in good progress. What are the GLM Group's strategies to attract buyers for the old projects?**

Response

Our target buyers for the unsold high-end inventories of the old projects, namely, The Oval KL and DC Residensi, are mainly from overseas. Therefore, we engage reputable real estate agents with good track record in overseas in promoting our inventories, coupled with attractive sales package, to drive demand for the properties.