GUOCOLAND (MALAYSIA) BERHAD

Key pertinent questions and answers at the Extraordinary General Meeting of GuocoLand (Malaysia) Berhad ("GLM") held at Wau Bulan Ballroom, Level 2, Sofitel Kuala Lumpur Damansara, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 30 June 2020 at 2.30 p.m.

1. **Please explain why is the management propose to dispose Menara Guoco ("Proposed Disposal") at this juncture of time. Is this the right time for the disposal?**

   Response
   The disposal was proposed earlier, well before the Movement Control Order imposed by the government. Disposing of Menara Guoco is in line with the GLM Group's strategy of disposing non-core assets and refocus on its core business of property development. The cash flow generated from the Proposed Disposal would be utilised for repayment of bank borrowings, working capital and for new land acquisition in future.

2. **Noted that the proceeds of the Proposed Disposal will be utilised for repayment of bank borrowings, working capital and expenses for the Proposed Disposal as stated in item 5 of page 4 of the Circular to Shareholders. Please explain how will the GLM Group utilise the proceeds of RM95.47 million for the working capital. Is there a specific allocation for the GLM Group projects?**

   Response
   The proceeds of RM95.47 million which will be utilised for working capital includes operating and administrative expenses, project development expenses and other operating expenses. There is no specific allocation for the utilisation of the proceeds for the GLM Group projects.

3. **What is the status of the development projects and prospects of the GLM Group? And what is the impact of the Covid-19 and change in government on the business of the GLM Group?**

   Response
   Our development projects in Cheras and Rawang have generated good sales due to high demands from local buyers. However, slow demand is expected for the unsold high-end inventories of the two projects, namely, The Oval KL and DC Residensi as the targeted buyers are mostly from overseas.

   The political uncertainty has inevitably impacted the property market. As for the impact of Covid-19, we believe that the impact on the business of the GLM Group would not be in long term. Nonetheless, the prospect for the property market is expected to remain challenging. We are focusing on development projects with affordable pricing that cater to local market.

4. **Noted that the GLM Group has various non-core assets. Is the GLM Group going to divest more non-core assets?**

   Response
   If such opportunities arise in the future, we are open to explore further.

.../2

5. **Noted that part of the proceeds from the Proposed Disposal will be reserved for new land acquisition. Is the GLM Group planning to buy lands for development?**

Response
The strategies for land acquisition are in place. At this juncture, we are seeking and evaluating land bank in strategic and potential growth areas for future developments.

6. **The GLM Group has consecutive financial losses in the past quarters. There is also the possibility of reduction of profit margin due to high material cost and other costs. Will the GLM Group able to turnaround in a year time?**

Response
We note the challenges on the property market. Nevertheless, we are hopeful that the GLM Group will be able to turnaround in the next financial year. We expect that our on-going projects will generate higher sales due to strong local demand. Currently, we are focusing on our on-going development projects to cater for local demand. We believe that there still be demand for properties in prime location with good accessibility to amenities and well-designed concept with attractive pricing.