



SYMPHONY LIFE BERHAD (5572-H) ("SymLife")
55TH ANNUAL GENERAL MEETING HELD ON 29 AUGUST 2018
QUESTIONS AND ANSWERS

Q1. Does Management intend to privatise the Company?

A1. At present, Management has no intention of privatising the Company nor offering the Company's shares below its net tangible assets of RM2.37 per share as at 28 August 2018. Tan Sri Azman Yahya, the Executive Chairman of the Group, assured the shareholders that the Company will maintain its listing status for the foreseeable future.

In order to boost the shareholders' confidence, Tan Sri Azman Yahya and his person acting in concert, namely Gajahrimau Capital Sdn. Bhd., had committed to subscribe 171,428,571 rights shares to raise minimum gross proceeds of RM60.0 million.

The Company has been constantly paying dividends to shareholders since 2005. However, Management reviewed its cash position this year and decided that it was imprudent to pay dividends while also calling a rights issue. We hope to continue to pay regular dividends once we regularise the Company's cash position.

Q2. Has the Company exhausted all means to raise cash besides proposing for rights issue exercise? Mr. Low Chee Kong, a shareholder, had proposed to charge the Taman Midah land to the bank to raise cash instead of offering rights issue.

A2. Due to the soft property market, banks are now more cautious in lending money to developers and house buyers. The Company was reluctant to increase its corporate debts any further as banks will take into consideration the gearing ratio, interest service cover and cash flow position of the Company. Therefore, the Company decided to offer a rights issue as an alternative way for the Company to raise capital.

When the rights issue was announced, it was considered a "reward" to the existing shareholders as new shares are being offered at a steep discount to the current trading price. Existing shareholders, who do not wish to take-up the new shares, can sell their provisional allotment of rights shares and receive proceeds from it.

Q3. What is the status of the Sungai Long land?

A3. It is a 420 acres land, which is currently designated as industrial land for quarry purposes. The development of the land will not be in the near future as there are many quarry activities within and surrounding the land. In order to develop the land, we must ensure that the East Klang Valley Expressway ("EKVE") is nearing completion/completed and that the surrounding quarry operators cease.



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Presently, the Company is working on planning for part of the land, approximately 30 acres, located at the south side, which could possibly be developed within twenty-four (24) months. The government compulsorily acquired approximately 15 acres of the land for the purposes of highway construction and compensation of RM18.00 p.s.f. was paid to the Company for the acquired land, above the book cost of the land.

Q4. What is the status of the Illi project and whether its high density will affect the population density of the area and cause traffic congestion? How is the Company intending to launch the project during this soft property market period?

A4. The project is located in Cheras, Kuala Lumpur consisting of 765 units of service apartments and 41 units of retail shops on a land of approximately 3.36 acres. The proposed pricing for the property would be between RM500,000 to RM600,000 per unit, i.e. a quarter of the purchase price for Star Residences. The aim of Illi is to deliver small-scale, livable sized development hence providing housing affordability in the vicinity of Cheras.

The project is located near public transport facilities and consists of small sized residential units with the plot ratio of approximately 1:7. Prior to the local authority granting approval for the development, the Company has conducted and complied with relevant traffic impact assessment studies.

The Company intends to construct a show unit to garner interests and conduct proper study and review before launching the project. We would also ensure that the sale could hit at least 30% to 40% of the total units before the project is launched.

As part of the proposed development agreement with Majlis Kebajikan Dan Sukan Anggota-Anggota Kerajaan Malaysia ("**MAKSAK**"), the Company is currently constructing MAKSAK's headquarters in Putrajaya ("**MAKSAK HQ**"). The development of Illi is expected to commence upon completion of the MAKSAK HQ, which is targeted somewhere in mid-2019.

Q5. Does the Company target foreign home buyers for high-end properties?

A5. Yes, especially the Company's Star Residences project which had many foreign purchasers from Hong Kong, China and Taiwan. The Prime Minister's Office had recently clarified that foreigners are allowed to buy properties in Malaysia within a certain pricing threshold, and those who wish to make Malaysia their permanent residence can apply under the government programme called Malaysia My Second Home (MM2H).



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- Q6. What are the methods of financing for the development of the Lembah Ledang project considering the Company's current cash flow position?
- A6. The Company ventured into this project with two (2) other joint-venture partners ("**JV Partners**"), one of which is Permodalan Nasional Berhad, an institutional investor. It is important for a developer like SymLife to partner with a big institution for large scale developments. As the project will not commence until at least another twenty-four (24) months, the Company's cash flow especially from the Star Residences project is expected to contribute positively to support the development. This project will be developed in four (4) phases hence the cash flow is spread out accordingly. The Company is confident with the development in that area, particularly with the support of our JV Partners.
- Q7. The Company's unbilled sales was recorded at RM912 million as at 31 March 2018. Based on the construction schedule for projects, what is the breakdown and how much would be recognise for each financial year?
- A7. The portion of unbilled sales contributed by Star Residences project was approximately RM500 million while the balance of approximately RM400 million was contributed mainly by TWY Development, Symphony Union Suites and Tijani Raja Dewa projects. The actual recognition of the unbilled sales is expected to be spread across equally for the next three (3) years.



**SYMPHONY LIFE BERHAD (5572-H) ("SymLife")
EXTRAORDINARY GENERAL MEETING HELD ON 29 AUGUST 2018
QUESTIONS AND ANSWERS**

Q1. Will the conversion price of Warrants B be revised after the rights issue?

A1. Yes, following the rights issue, the exercise price of Warrants B will be adjusted from RM1.10 based on an adjustment ratio in accordance with the provisions of the Deed Poll governing Warrants B dated 17 October 2013. The final adjusted exercise price and final number of additional Warrants B to be issued consequential to the rights issue will be effected in accordance with the provisions of the Deed Poll to the entitled warrantsholders whose names appear in the Record of Depositor on an entitlement date to be determined later.