

DUTALAND BERHAD

(7296-V)

QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG) FOR THE 51ST ANNUAL GENERAL MEETING (1 NOVEMBER 2018)

Strategic/Financial Matters

Question 1	<u>Oakland project</u> (a) The construction work of the Lake Side Boulevard project in Seremban has reached 60% and is targeted to be completed by January 2019. What is the latest take-up rate of the units under the Lake Side Boulevard project? (b) To-date, the Company has developed residential and commercial units over approximately 400 acres of land. What is the total developable acreage under the project?
Reply	(a) The latest take-up rate of the units under the Lake Side Boulevard project is 27%. (b) The total developable acreage is approximately 400 acres.

<p>Question 2</p>	<p><u>Kenny Heights project</u> (page 7 of the Annual Report)</p> <p>(a) The first phase of the project, comprising 49 units of town villas, has been completed.</p> <p>Have all the 49 units of town villas been sold?</p> <p>(b) Total land bank under the Kenny Heights joint venture (“JV”) project is 73.44 acres and the JV has disposed 9.01 acres of the land in FY2017.</p> <p>What is the balance of the developable land bank under the JV?</p> <p>(c) When is the development of the second phase of the project expected to commence and be launched?</p>
<p>Reply</p>	<p>(a) 6 units out of the total 49 units of the town villas are still available.</p> <p>(b) The balance of the developable land bank under the JV is 55.24 acres.</p> <p>(c) Due to the current weak market condition, the next phase of the project will be launched when the market condition improves.</p>

Question 3	<p>We note from the Note 20 to the Financial Statements on page 106 of the Annual Report, that there has been no movement in the value of the completed houses in the inventories from 30 June 2017 to 30 June 2018.</p> <p>(a) Are the completed houses in the inventories as at 30 June 2018 and 30 June 2017 under the same project?</p> <p>(b) To-date, have any units from the inventories been sold?</p> <p>(c) What are the strategies adopted to increase the sale of these unsold units?</p>
Reply	<p>(a) The completed houses in the inventories as at 30 June 2018 and 30 June 2017 are under the same project.</p> <p>(b) The units from the inventories remain unsold to-date.</p> <p>(c) The strategies adopted are engagement of real estate agents, absorption of incidental cost, and providing partial furnishing to the units.</p>

Question 4	<p>Note 23(a) on page 108 of the Annual Report shows that, as at 30 June 2018, approximately 40% or RM3.767 million of the total trade receivables of RM9.579 million is impaired.</p> <p>(a) Which segment of business are these impairments attributable to?</p> <p>(b) Has any portion of the impaired amount been recovered subsequent to the financial year end? What is the probability of recovery?</p>
Reply	<p>(a) The impairments mainly came from the property and construction segments.</p> <p>(b) Approximately RM800,000 of the impaired amount has been resolved subsequent to the financial year end. The probability of recovery of the balance amount is not high.</p>

Corporate Governance Matter

Question 5	<p>Practice 3.1 of the Malaysian Code on Corporate Governance (“MCCG”) requires the Board to establish a Code of Conduct & Ethics for the Company which should articulate acceptable practices and guide the behavior of Directors, management and employees in accordance with Guidance 3.1 of the MCCG. We note that the explanation on application of the practice in the Company’s Corporate Governance Report only covered the Code of Conduct & Ethics for the Directors.</p> <p>Has the Board established a Code of Conduct & Ethics to articulate acceptable practice and guide the behavior of management and employees?</p>
Reply	A Code of Conduct & Ethics for management and employees has been established. We will state out clearly in our future reporting.

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