



Sri Bestari International School at Bandar Sri Damansara



Sena Parc at Senawang

BUILDING VALUE FOR TOMORROW

Annual Report 2020



Astoria at Ampang

INSIDE THIS REPORT



Corporate Information	1	Statement on Risk Management and Internal Control	73
Five-Year Performance Highlights	2	Financial Statements	77
Directors' Profile	3	List of Properties	158
Key Senior Management Profile	9	Analysis of Shareholdings	159
Chairman's Statement	13	List of Top 30 Shareholders	160
Management Discussion and Analysis	16	Notice of the Fifty-Seventh (57 th)	
Sustainability Report	22	Annual General Meeting	161
Corporate Governance Overview Statement	57	Proxy Form	
Statement of Directors' Responsibilities	68		
Additional Compliance Information	69		
Audit Committee Report	70		



CORPORATE INFORMATION

D DIRECTORS

Dato' Hj Zainal Abidin Putih, Chairman

Low Gay Teck, Managing Director

Ferdaus Mahmood

Dato' Ir Dr A Bakar Jaafar

Dato' Hj Ikhwan Salim Dato' Hj Sujak

YM Tengku Maruan Tengku Ariff

Chiu Andrew Wah Wai

Hoong Cheong Thard

Dato' Noorizah Hj Abd Hamid

RMC RISK MANAGEMENT COMMITTEE

Dato' Noorizah Hj Abd Hamid, Chairman

Dato' Ir Dr A Bakar Jaafar

YM Tengku Maruan Tengku Ariff

Low Gay Teck

RO REGISTERED OFFICE

8trium, Level 21 Menara 1

Jalan Cempaka SD 12/5

Bandar Sri Damansara

52200 Kuala Lumpur

Tel : 603-6279 8000

Fax : 603-6277 7061

CO CORPORATE OFFICE

8trium, Level 21 Menara 1

Jalan Cempaka SD 12/5

Bandar Sri Damansara

52200 Kuala Lumpur

Tel : 603-6279 8000

Fax : 603-6277 7061

E-mail : lgb@land-general.com

Website : www.land-general.com

S SECRETARY

Lee Siw Yeng (MAICSA 7048942)

SSM Practising Certificate No. 201908001160

AC AUDIT COMMITTEE

Dato' Hj Ikhwan Salim Dato' Hj Sujak, Chairman

Dato' Ir Dr A Bakar Jaafar

Hoong Cheong Thard

A AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)

Chartered Accountants

NC NOMINATING COMMITTEE

Dato' Hj Zainal Abidin Putih, Chairman

Dato' Ir Dr A Bakar Jaafar

YM Tengku Maruan Tengku Ariff

L LISTING

Main Market of Bursa Malaysia Securities Berhad

RC REMUNERATION COMMITTEE

Dato' Ir Dr A Bakar Jaafar, Chairman

Hoong Cheong Thard

Chiu Andrew Wah Wai

SR SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

(Reg No: 199601006647 (378993-D))

11th Floor, Menara Symphony

No. 5, Jalan Professor Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor

Tel : 603-7890 4700

Fax : 603-7890 4670

E-mail : bsr.helpdesk@boardroomlimited.com

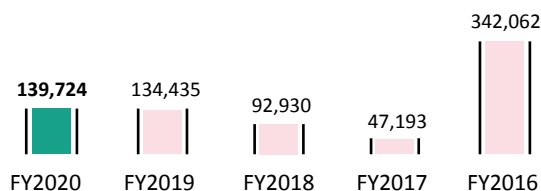
FIVE-YEAR PERFORMANCE HIGHLIGHTS

	2020 *	2019 *	2018*	2017 ^	2016 ^
Operating Results (RM'000)					
		Restated	Restated		
Revenue	139,724	134,435	92,930	47,193	342,062
Profit before tax and interest (EBIT)	28,805	55,335	84,874	73,562	129,551
Profit before tax	26,185	52,893	80,465	69,752	127,172
Profit after tax	20,633	48,955	63,322	51,558	91,592
Profit attributable to owners of the Company	14,891	41,672	61,341	35,526	95,002
Key Financial Position Data (RM'000)					
Total assets	1,565,643	1,540,168	1,538,684	1,108,455	1,125,876
Total borrowings and lease liabilities (included ICULS - liability portion)	206,810	191,892	185,700	91,736	83,505
Shareholders' fund	1,080,279	1,095,283	1,098,401	656,314	697,392
Total equity	1,167,662	1,168,981	1,119,817	672,867	701,771
Issued and paid up share capital	660,232	660,232	651,664	272,032	218,618
Share Information (RM)					
Basic earnings per share	0.01	0.01	0.02	0.03	0.09
Net assets per share	0.36	0.37	0.37	0.58	0.64
Share price as at 31 March	0.08	0.150	0.175	0.325	0.345
('000)					
Number of ordinary shares issued as at 31 March	2,973,135	2,973,135	2,930,294	1,122,585	1,093,091
Weighted average number of ordinary shares in issue	2,973,135	2,952,582	2,711,446	1,108,471	1,086,509
Financial Ratio					
After Tax Return on Equity (%)	1.91%	4.47%	5.76%	7.86%	13.13%
Return (EBIT) on Total Assets (%)	1.84%	3.59%	5.52%	6.64%	11.51%
Gearing ratio (times)	0.19	0.18	0.17	0.14	0.12
Price to earnings ratio (times)	16.00	10.64	8.36	10.83	3.83

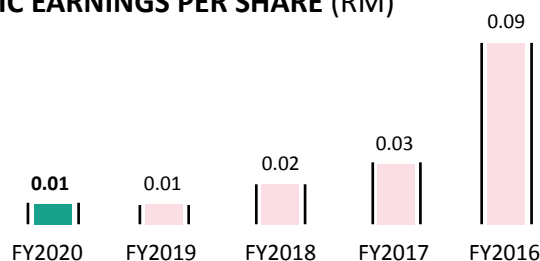
^ Figure reported based on FRS framework.

* Figure reported based on MFRS framework.

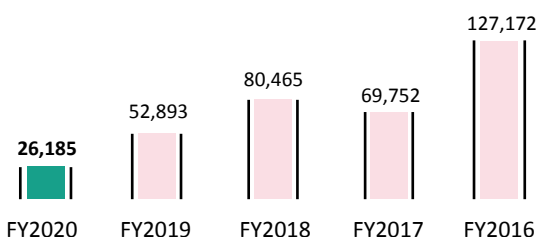
REVENUE (RM'000)



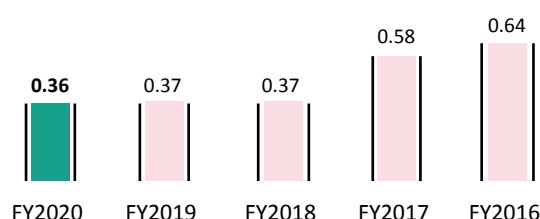
BASIC EARNINGS PER SHARE (RM)



PROFIT BEFORE TAX (RM'000)



NET ASSETS PER SHARE (RM)



DIRECTORS' PROFILE

DATO' HJ ZAINAL ABIDIN PUTIH Independent Non-Executive Chairman



Dato' Hj Zainal Abidin Putih, a Malaysian male aged 74, was appointed as Chairman of L&G on 1 June 2010. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Dato' Hj Zainal qualified as a Chartered Accountant of the ICAEW in 1972 and has very extensive experience in audit throughout his career as a practising accountant. He also has a good working knowledge of taxation and has been involved in management consulting especially those involved in acquisition, take over, amalgamation and restructuring of companies and company flotation.

Dato' Hj Zainal was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad and was an Adviser with Messrs Ernst & Young Malaysia until his retirement in 2005. He was the President of MICPA from 1989 until 1991 and the Chairman of the Malaysian Accounting Standards Board from 2003 until 2009.

He had also served in Government Agencies as the Chairman of Pengurusan Danaharta Nasional Berhad, a member of the Malaysian Communications & Multimedia Commission and a member of the Investment Panel of the Employees Provident Fund.

Dato' Hj Zainal was awarded the Darjah Setia Negeri Sembilan (D.S.N.S.) by the Yang Di Pertuan Besar Negeri Sembilan and the Jaksa Pendamai (J.P.) by the Yang Di Pertua Negeri Melaka in 1995 and 2008, respectively.

Dato' Hj Zainal is the Chairman of Dutch Lady Milk Industries Berhad and Tokio Marine Insurans (Malaysia) Berhad and sits as a Board Member of Petron Malaysia Refining & Marketing Bhd.

Dato' Hj Zainal is also the Chairman of Mobile Money International Sdn Bhd, Touch 'n Go Sdn Bhd and a director of several private limited companies. He is a trustee of the National Heart Institute Foundation (IJNF) and a member of Frost & Sullivan's FinTech

Advisory Council. He is also a member of the Board of Trustees of Yayasan Universiti Multimedia and an Advisor to the Advisory Board of RHL Ventures Sdn Bhd.

Dato' Hj Zainal does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended eight (8) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

Dato' Hj Zainal is the Chairman of the Nominating Committee of L&G.

DIRECTORS' PROFILE

LOW GAY TECK
Managing Director



Mr Low Gay Teck, a Malaysian male aged 55, was appointed as Director of L&G on 15 October 2007 and was redesignated as the Managing Director of L&G on 1 January 2008. Mr Low holds a Bachelor of Civil Engineering from Footscray Institute of Technology (now known as Victoria University), Australia.

Prior to joining L&G, Mr Low was with the Mayland Group since 1996. In 2002, he was appointed Director of the Mayland Group and assumed the position of Managing Director in 2005. Mr Low has been involved in property development and project management for the past 32 years, handling and implementing projects such as residential, commercial, shopping complex, hotel, golf course, condominium and serviced apartments.

Currently, Mr Low sits on the Board of a few subsidiaries of L&G and several private limited companies.

Mr Low does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended eight (8) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

Mr Low is a member of the Risk Management Committee of L&G and a committee member of the Tabung Amanah Land & General Berhad.

FERDAUS MAHMOOD
Non-Independent Non-Executive Director



Encik Ferdaus Mahmood, a Malaysian male aged 65, was appointed as Executive Director of L&G on 16 June 2008 and was redesignated as Non-Independent Non-Executive Director on 1 January 2016 following his retirement as Executive Director on 31 December 2015.

Encik Ferdaus started his career as Trainee Accountant with Tractors Malaysia Bhd in 1974 and joined United Estate Projects Sdn Bhd (UEP) (initial developer of Subang Jaya, Selangor) in 1976 where his last position was the Credit Controller.

Subsequently, in 1980, Encik Ferdaus made a decisive switch in his career into the main stream of the property industry and since then has garnered extensive experience in this industry especially in the areas of marketing, sales, credit control and property management.

In 1990, Encik Ferdaus joined L&G as the General Manager in one of the property subsidiaries of L&G. In 1998, he was appointed the Chief Operating Officer to head the property operations of L&G in Australia and returned to Malaysia in 2005 to be based in Kuala Lumpur as the Director of Property Division, L&G.

Currently, he sits on the Board of a few subsidiaries of L&G.

Encik Ferdaus does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended six (6) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

DIRECTORS' PROFILE

DATO' IR DR A BAKAR JAAFAR
Senior Independent Non-Executive Director



Dato' Ir Dr A Bakar Jaafar, a Malaysian male aged 70, was appointed as Director of L&G on 18 October 1999 and redesignated as the Senior Independent Director of L&G on 28 November 2012. He is an engineer by profession and holds a Bachelor of Engineering (Honours) degree in Mechanical Engineering from the University of Newcastle, Australia, a Master of Environmental Science from Miami University and a Doctorate in Marine Geography from the University of Hawaii at Manoa and Honorary Doctorates in Science from University Malaysia Terengganu and the University of Newcastle, Australia. On 10 February 2018, he was awarded with "Tokoh ASAS 2018" from "Persatuan Alumni Sekolah Alam Shah".

He served in the Malaysian Civil Service for over 22 years in various positions including as the Director-General of the Department of Environment from 1990 to 1995. He continued to serve the Malaysian Government as the Elected-Member to the Commission on the Limits of Continental Shelf, UN HQ, New York (1997-2002) (2002-2007) (2007-2012). He is now a Professor at the Perdana Centre, Razak Faculty of Technology & Informatics of University of Technology Malaysia (UTM), and as Research Fellow of UTM Ocean Thermal Energy Centre (OTEC) and Chairman of Malaysian Green Technology and Climate Change Centre (MGTC) since 4 October 2019.

Currently, Dato' Ir Dr A Bakar sits on the Board of several private limited companies.

Dato' Ir Dr A Bakar does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended seven (7) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

Dato' Ir Dr A Bakar is the Chairman of the Remuneration Committee as well as a member of the Audit Committee, Nominating Committee and Risk Management Committee of L&G.

DATO' HJ IKHWAN SALIM DATO' HJ SUJAK
Independent Non-Executive Director



Dato' Hj Ikhwan Salim Dato' Hj Sujak, a Malaysian male aged 63, was appointed as Director of L&G on 1 December 2007. He holds a Bachelor of Science (Economics & Accounts) from Queen's University Belfast, United Kingdom.

In 1977, he began his career as an auditor with Coopers & Lybrand, UK and joined Nestle (M) Sdn Bhd as Finance Executive in 1979. In 1980, he moved on to be the Group Financial Planning Manager of Kumpulan Low Keng Huat Sdn Bhd.

Currently, Dato' Hj Ikhwan runs his private business, Konsortium Jaringan Selangor Sdn Bhd. He is also a Board member of Malaysia Steel Works (KL) Berhad, Glomac Berhad and several private limited companies.

Dato' Hj Ikhwan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended eight (8) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

He is the Chairman of the Audit Committee of L&G.

DIRECTORS' PROFILE

YM TENGKU MARUAN TENGKU ARIFF
Independent Non-Executive Director



YM Tengku Maruan Tengku Ariff, a Malaysian male aged 67, was appointed as Director of L&G on 1 July 2008 and was redesignated as Independent Non-Executive Director on 24 August 2011. He holds a Bachelor of Mechanical Engineering (Design) Degree from University of Huddersfield, United Kingdom.

YM Tengku Maruan started his career as a credit officer with Citibank Berhad, Kuala Lumpur ("Citibank") in 1980 where he was exposed to various aspects of the banking industry. In 1985, YM Tengku Maruan left Citibank holding the position of Manager and joined Southern Bank Berhad as the Head of Personal Banking Division where he was involved in all aspects of budgeting, credit, product marketing and business development. Subsequently in 1996, he joined Rohas Sdn Bhd ("Rohas") as the General Manager and also served on the board of several companies related to Rohas until his retirement in 2008. While in Rohas, he was responsible for various business operations such as manufacturing, education, property management and investments.

Currently, YM Tengku Maruan sits on the Board of several private limited companies.

YM Tengku Maruan does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended eight (8) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

YM Tengku Maruan is a member of the Nominating Committee and Risk Management Committee of L&G.

HOONG CHEONG THARD
Non-Independent Non-Executive Director



Mr Hoong Cheong Thard, a Malaysian male aged 51, was appointed as Director of L&G on 1 June 2010. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor in Mechanical Engineering degree from Imperial College, University of London, United Kingdom.

Mr Hoong has extensive experience in mergers and acquisitions as well as international capital markets. He was an investment banker for over 12 years and had held senior positions at Deutsche Bank, Hong Kong and UBS, Hong Kong where he was responsible for corporate finance business in Asia.

Mr Hoong was the Chief Executive Officer of China LotSynergy Holdings Ltd (a company listed on the Hong Kong Stock Exchange) (2006) prior to joining Far East Consortium International Limited ("FECIL") in September 2008 as Managing Director.

As the Managing Director of FECIL, Mr Hoong is responsible for the formulation and implementation of the FECIL group's overall strategies for development.

Mr Hoong also sits on the Board of several public companies which are incorporated and listed overseas and several private limited companies which are incorporated in Malaysia.

Mr Hoong does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended seven (7) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

Mr Hoong is a member of the Audit Committee and Remuneration Committee of L&G.

DIRECTORS' PROFILE

CHIU ANDREW WAH WAI Non-Independent Non-Executive Director



Mr Chiu Andrew Wah Wai, a male Chinese citizen of Hong Kong SAR aged 31, was appointed as Director of L&G on 1 April 2014.

Mr Chiu is the founder and the Executive Chairman of Land Pacific Limited, Deacon House International Limited and Ariana Social Community Limited. Land Pacific Limited was formed in 2013 is a property development company focusing on residential and commercial developments in South East Asia. Deacon House International Limited formed in 2015 is a hotel company based on Chinese contemporary designs and influences, exemplifying Chinese cultures and traditions with a modern twist. Ariana Social Community Limited formed in 2016 is a community based student housing company with its flagship property in Farringdon, London and projects pipelined in England, Australia and North America.

Mr Chiu started his career with DTZ Hong Kong in 2008, he joined FECIL in 2009 and was appointed as the business development manager of FECIL in 2012. He is responsible for property investment and development for FECIL. From 2015, Mr. Chiu serves as the assistant to the Chairman of FECIL.

Mr Chiu was appointed as Director of Ju Ching Chu English College Limited 裘錦秋書院校董會校董 in May 2018, he is also an Executive Director of i-Cable Communications Limited, Director of Malaysia Land Properties Sdn Bhd and a director and vice chairman of the board of directors of AMTD International Inc., a company listed on both New York Stock Exchange and Singapore Exchange.

Mr Chiu is the member of Hong Kong Beijing Association (香港北京交流協進會理事), Vice Chairman of Federation of HK Jiangsu Community Organisations (香港江蘇社團總會第三屆副會長), Member of Shenzhen Overseas Friendship Association (深圳海外聯誼會第七屆理事會理事), Member of The Real Estate Developers Association of Hong Kong (香港地產建設商會會員) and Member of Hong Kong General Chamber of Commerce ("HKGCC") (香港總商會會員).

Mr Chiu is the son of YBhg Tan Sri Dato' David Chiu, the major and controlling shareholder of Prestige Aspect Sdn Bhd, the holding company of Malaysia Land Properties Sdn Bhd and its subsidiaries (Mayland Group).

He does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

He attended seven (7) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

Mr Chiu is a member of the Remuneration Committee of L&G.

DIRECTORS' PROFILE

DATO' NOORIZAH HJ ABD HAMID Independent Non-Executive Director



Dato' Noorizah Hj Abd Hamid, a Malaysian female aged 60, was appointed as Director of L&G on 1 December 2018. She holds a Master in Business Administration (Finance & Management) from Central Michigan University, USA, a Bachelor of Science in Business Administration (Finance) from Central Michigan University, USA and a Diploma in Accountancy from MARA Institute of Technology.

Dato' Noorizah has more than 30 years of work experience and has extensive experience in corporate finance and strategic management. She was the Managing Director/Chief Executive Officer of PLUS Expressways International Berhad and PLUS Malaysia Berhad from 2012 to 2016 and also the Managing Director of PLUS Expressways Berhad from 2007 to 2012. Prior to that, she was the Managing Director of Faber Group Berhad and Faber Hotels Holdings Berhad from 1999 to 2007 and had also held other senior positions which include Senior General Manager Finance of Projek Lebuhraya Utara Selatan Berhad and Senior Manager of Hatibudi Management Sdn Bhd (UEM Group).

Currently, Dato' Noorizah sits on the Board of Scientex Berhad, Petron Malaysia Refining & Marketing Bhd and several private limited companies.

Dato' Noorizah does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

She attended eight (8) out of eight (8) Board Meetings held during the financial year ended 31 March 2020.

She is the Chairman of the Risk Management Committee of L&G.

KEY SENIOR MANAGEMENT PROFILE

TAN BOON SIONG
Chief Financial Officer



Mr Tan Boon Siong, a Malaysian male aged 52, joined L&G on 1 March 2016 as Corporate Advisor and later was appointed as Chief Financial Officer on 1 October 2017. He graduated with a Bachelor of Commerce (Hons) Degree from University of Melbourne and is a member of Australian Society of Certified Practising Accountants and Malaysian Institute of Accountants.

Mr Tan Boon Siong has over 29 years of work experience in audit, finance, corporate finance, investment banking and private equity roles. He has worked extensively in various capacities, which includes stints at one of the Big Four accounting firms,

corporate finance and investment banking at an investment bank, Finance Director at a Malaysian conglomerate, including a 9-year stint in the United Kingdom.

Currently, Mr Tan Boon Siong sits on the Board of a few subsidiaries of L&G.

Mr Tan Boon Siong does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

JENNY CHEE YUET SIN
Group Financial Controller



Ms Jenny Chee Yuet Sin, a Malaysian female aged 55, was appointed as Group Financial Controller of L&G on 1 December 2010. She holds a Professional Qualification from CPA Malaysia and is a member of Malaysia Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA).

Prior to joining L&G, Ms Jenny Chee Yuet Sin had worked as a Group Finance Manager in a public listed company and a Senior Manager with the Big Four accounting firms, PricewaterhouseCoopers and Ernst & Young. She is a Chartered Accountant with more than 22 years of experience in finance, audit and taxation covering various industries such as manufacturing & trading, hospitality and property development.

Ms Jenny Chee Yuet Sin does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

KEY SENIOR MANAGEMENT PROFILE

TAI YOON JEN
Project Director



Mr Tai Yoon Jen, a Malaysian male aged 48, joined L&G on 10 July 2017 as Project Director. He holds a Bachelor of Development Science from National University of Malaysia and a Master of Science in Planning from University Science Malaysia. He is also a Graduate Member of Malaysian Institute of Planners.

Mr Tai Yoon Jen has over 23 years of work experience in property development and construction industries. He has worked extensively in various capacities which includes as Chief Operating Officer in KIP Group Sdn Bhd, Group General Manager of Projects in Plenitude Berhad and Deputy General Manager in Dijaya Corporation Berhad.

Mr Tai Yoon Jen does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

CHIN FOO TECK
Senior Project Manager



Mr Chin Foo Teck, a Malaysian male aged 59, joined L&G on 8 February 2012 as the Senior Project Manager in property implementation.

Mr Chin Foo Teck attained his Master in Business Administration from University of Leicester UK in 2002 and graduated with a Diploma from Tunku Abdul Rahman College, Kuala Lumpur in 1984.

Mr Chin Foo Teck has more than 33 years of experience in property development and construction industries.

Prior to joining L&G, he also held other senior position in several established public companies. He has hands-on experience in managing high rise residential building and project management of high end lifestyle residential development.

Currently, Mr Chin Foo Teck sits on the Board of a few subsidiaries of L&G.

Mr Chin Foo Teck does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

KEY SENIOR MANAGEMENT PROFILE

CHIAH HWA KAI
Senior Project Manager



Mr Chiah Hwa Kai, a Malaysian male aged 43, joined L&G on 18 July 2011 as Project Manager and was later promoted to Senior Project Manager in 2015. He holds a B. Eng (Hons) in Civil Engineering from University of Leeds and is a Graduate Member of the Institution of Engineers Malaysia.

Mr Chiah Hwa Kai has over 19 years of work experience in property development and construction industries. He has worked extensively in various capacities in his previous companies which involved in projects such as residential, shopping complex and highways.

Currently, Mr Chiah Hwa Kai sits on the Board of a few subsidiaries of L&G.

Mr Chiah Hwa Kai does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

JENNY YAP YIN KUEN
Senior Manager, Township Development



Ms Jenny Yap Yin Kuen, a Malaysian female aged 55, was appointed as Senior Manager, Township Development of L&G on 15 October 2014. She holds an Advanced Diploma in Business & Management from Swansea Institute (associated institution of University of Wales).

Ms Jenny Yap Yin Kuen has more than 20 years working experience in the property development industry with SP Setia Berhad in various capacities and experience.

Currently, Ms Jenny Yap Yin Kuen sits on the Board of a few subsidiaries of L&G.

Ms Jenny Yap Yin Kuen does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

KEY SENIOR MANAGEMENT PROFILE

DR STEVEN BAPTIST
Principal, Sri Bestari Private School



Dr Steven Baptist, a Malaysian male aged 52, was appointed as Principal of Sri Bestari Private School on 3 June 2013. He is a double degree and double Masters holder coupled with a Doctorate and professional qualifications. He has more than 20 years' experience in the education industry.

Dr Baptist does not have any family relationship with any Director and/or major shareholder of L&G and he does not have any conflict of interest with L&G. He has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

DR WONG SIEW CHIN
Principal, Sri Bestari International School



Dr Wong Siew Chin, a Malaysian female aged 40, was appointed as Principal of Sri Bestari International School on 8 May 2017. She holds a Bachelor of Science from University of Malaya, a Master of Science from University of Malaya and a Doctorate in Management and Education Policy from University of Malaya. She is also a Master holder in Business Administration from Monash University.

Dr Wong Siew Chin has more than 16 years of work experience in the private education sector. Prior to joining Sri Bestari International School, she has worked extensively in various capacities. She started off her career as a Lecturer in Tunku Abdul Rahman College.

Dr Wong was then with Cempaka International School where she helmed various academic and management positions over the course of 14 years, from an A-Levels teacher to becoming the Head of A-Levels and later as a Principal in Cempaka Schools (National and International Schools), Cheras campus.

Dr Wong Siew Chin does not have any family relationship with any Director and/or major shareholder of L&G and she does not have any conflict of interest with L&G. She has no conviction for any offences over the last five (5) years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2020.

CHAIRMAN'S STATEMENT

DEAR
VALUED
SHAREHOLDERS,

On behalf of the Board of Directors, I am delighted to share Land & General Berhad's ("L&G" or "the Group") Annual Report 2020.

• • •

The year 2020 has indeed been unprecedented, with the COVID-19 crisis putting the already soft global and domestic economies on a downward trajectory beyond expectations. Whilst the Group continued to record profitability for the financial year ended 31 March 2020 ("FY2020"), we remain conscious of the continued challenging conditions.



CHAIRMAN'S STATEMENT

OPERATING LANDSCAPE

After growing at a slower pace of 2.4% in 2019 from 3.0% in 2018^[1] due to US-China trade tensions, a slowdown in major economies and sluggish global trade, the global economy was further battered by the emergence of the COVID-19 pandemic. The World Bank now expects the global economy to experience the worst recession in 2020 since World War II, as countries across the world continue to grapple with the health crisis and business came to a standstill from the first quarter of the year due to lockdown measures.

Although Malaysia has successfully contained the pandemic thus far, earning recognition for being one of the few countries globally to do so, our country remains vigilant over future waves of the disease. As regards the economy, despite various supportive measures implemented by the government, the economy is still expected to contract in 2020 following growth of 4.3% in 2019. This will place pressure on the property market which had been on a mild recovery since 2017.

The National Property Information Centre ("NAPIC") recorded a total of 328,647 property transactions in 2019, representing a growth of 4.8% from 2018, with the value of transactions rising 0.8% to RM141.40 billion. The Malaysian House Price Index rose just 1.9 points from 2018 to 197.5 in 2019, the residential property overhang declined by 5.1% in volume to 30,664 units and 5.2% in value to RM18.82 billion.^[2]

The property market however, remains fragile as the volume of transactions contracted 13.6% year-on-year ("y-o-y") to 72,908 units in the first quarter of 2020, while the value of transactions shrank 22.9% y-o-y to RM28.64 billion. During the same period, the residential property overhang declined 9.8% to 29,698 units valued at RM18.91 billion.^[2]

FINANCIAL PERFORMANCE

Against the backdrop of challenging operation conditions, the Group recorded profit after tax of RM20.63 million against RM48.96 million in FY2019, achieving

marginally higher revenue of RM139.72 million from RM134.44 million in the previous year. Profitability was lower mainly because in FY2019, there was a significantly higher writeback of provision for financial obligation relating to liquidation of a former subsidiary as well as one-off writeback of impairment loss on car park.

We also registered lower profitability following a provision for liquidated ascertained damage for our Astoria Ampang project amounting to RM2.76 million and loss on fair value changes of RM3.94 million from our investment in Vietnam Industrial Investments Ltd ("VII").

Under our Property Division, although we managed to achieve higher sales from our ongoing Astoria Ampang, Sena Parc Senawang

Our Education Division on the other hand continued its commendable performance with higher revenues and profitability as student enrolment continued to rise. I am also pleased to announce that our new Sri Bestari International School buildings and facilities were completed in time for the Academic Year 2019/2020 during FY2020, and we believe this will augur well for the future of our Education Division.

Other Divisions such as Plantation Division returned marginal profitability, but our Property Investment Division continued to make losses due to difficulty in securing tenants in Putrajaya.

DIVIDEND

We regret that the Board of Directors does not propose any dividend for FY2020 in light

ALTHOUGH MALAYSIA HAS SUCCESSFULLY CONTAINED THE PANDEMIC THUS FAR, EARNING RECOGNITION FOR BEING ONE OF THE FEW COUNTRIES GLOBALLY TO DO SO, OUR COUNTRY REMAINS VIGILANT OVER FUTURE WAVES OF THE DISEASE. AS REGARDS THE ECONOMY, DESPITE VARIOUS SUPPORTIVE MEASURES IMPLEMENTED BY THE GOVERNMENT, THE ECONOMY IS STILL EXPECTED TO CONTRACT IN 2020 FOLLOWING GROWTH OF 4.3% IN 2019. THIS WILL PLACE PRESSURE ON THE PROPERTY MARKET WHICH HAD BEEN ON A MILD RECOVERY SINCE 2017.

and Damansara Seresta projects this year, the number of units sold and the gross sales value achieved remained subdued due to the present soft property market.

Nonetheless, I am pleased to announce that we will be handing over Phase 1A of Sena Parc Senawang and Phase 1 Astoria Ampang projects to our home buyers soon, pending regulatory approvals.

of the uncertain economic conditions ahead posed by the COVID-19 pandemic. The Board of Directors takes the view that the Company should conserve its cash resources to cushion any potential adverse economic impact.

CORPORATE GOVERNANCE

We remain committed to practising the strictest standards of corporate governance and continuously update our policies in line with regulatory requirements and industry best practices. During the year

CHAIRMAN'S STATEMENT

in review, we established our Board-level Risk Management Committee ("RMC"). In line with the Companies Act 2016, Bursa Malaysia's Main Market Listing Requirements and the Malaysian Code on Corporate Governance, the RMC will assist the Board in effectively discharging its primary responsibilities of identifying, managing, evaluating and monitoring principal risks. It will also oversee the implementation of appropriate systems and risk assessment processes to manage risks within the Group.

In response to the enforcement of the corporate liability provision under the Malaysian Anti-Corruption Commission ("MACC") Act 2009 ("Section 17A") on 1 June 2020, the Group has established our Anti-Bribery and Corruption ("ABAC") Framework, which sets out the principles and procedures we have put in place to curb bribery and corruption in our business. The development of the ABAC Framework was guided by, among others, the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the amended MACC Act 2009, as well as other international better practices.

The ABAC Framework is applicable Group-wide to all Directors and employees as well as external parties working for or on behalf of the L&G Group. It is further supported by our ABAC Policy, which forms the core of the Framework and the relevant policies supporting it.

In the spirit of transparency and accountability, our ABAC Policy, as well as our other policies on corporate governance are available on our website at <https://www.land-general.com/investor-relations/>.

SUSTAINABILITY

As part of our continuing commitment to the creation of sustainable long-term value for our stakeholders, striving to maximise our positive impact for all, including the environment, we have developed our Sustainability Policy based on our existing 4 strategic pillars: Marketplace, Workplace, Environment and Community.

The Policy guides our Group towards the integration of economic, environmental, social and governance elements throughout our strategy and business. Additionally, we have formalised our Sustainability Committee and Sustainability Working Group through a Terms of Reference, which sets out their roles and responsibilities in managing sustainability-related opportunities, risks and impacts Group-wide.

We continue to report on our progress against the 11 Key Performance Indicators under the Governance and Economy, Environment and Social aspects developed in FY2019. In FY2020, we have reviewed and updated our material matters, prioritising 20 areas most relevant to our stakeholders and our business. We have also adopted a sixth United Nations Sustainable Development Goal (SDG) to which our sustainability initiatives are aligned, SDG 13: Climate Action.

For further information on our sustainability activities, I invite you to read our Sustainability Report on page 22 to page 56 of this Annual Report.

MOVING FORWARD

While Malaysia is gradually recovering from the COVID-19 health crisis and most economic activities have resumed with the implementation of strict Standard Operating Procedures from 10 June 2020, we remain cautious on our outlook due to the uncertainties which remain.

We believe the Economic Recovery Stimulus Package announced by the government, which included incentives for the property market will cushion some of the impact from the COVID-19 crisis.

Nonetheless, the general consensus is that the economic repercussions from COVID-19 will be significant. As a result, we expect the Group's performance in FY2021 to remain flat. We will continue to closely monitor our operating conditions to ensure we address any developments accordingly.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express our sadness over the passing of Allahyarham Dato' Pahlawan Mohd Shukri Dahlan, who had been an Independent Non-Executive Director of L&G, on 18 November 2019. Allahyarham had served the Board since 2017. We mourn his loss and are grateful for his contributions during his time with us, and continue to wish his family the best.

I would like to extend our appreciation to our senior management team and all our employees for the perseverance amid these difficult times, enabling the Group to continue to record profits for the year.

We also extend our gratitude to our customers, business associates, regulators and the relevant government authorities for their support and guidance. Allow me to also express a word of thanks to my fellow colleagues on the Board for their stewardship and cooperation.

Finally, we would like to record our appreciation to our valued shareholders for their continued trust and support to the Group.

Thank you.

Dato' Hj. Zainal Abidin Putih
Chairman

25 August 2020

-
- [1] <https://www.worldbank.org/en/publication/global-economic-prospects>
[2] <http://napic.jpph.gov.my/portal>

MANAGEMENT DISCUSSION AND ANALYSIS



DEAR SHAREHOLDERS,

The COVID-19 crisis has forced upon us a new norm of living and working. Although the pandemic only escalated at the tail end of our financial year ended 31 March 2020 (“FY2020”), its early impact was acute enough to pose risks to the delicate conditions prevailing in our property market.



Against this backdrop, Land & General Group Bhd (“L&G”, or “the Group”) still proved resilient and continued to register a profit after tax of RM20.63 million, albeit at a lower level than RM48.96 million in FY2019. We also recorded slightly higher revenue of RM139.72 million against RM134.44 million in FY2019.

Given the challenging operating conditions, the Group’s performance for the year demonstrated our continued ability to deliver value to our stakeholders. In the face of these unprecedented times, we have embraced innovative ways of marketing our properties, and with a ready pipeline of projects with development orders in choice locations as well as an undeveloped land bank of over 3,000 acres, we are confident of yielding further returns in the long-term.

FINANCIAL PERFORMANCE

The Group’s financial results for FY2020 remained driven by our property division. Operating expenses rose to RM136.65 million from RM129.52 million in FY2019 mainly due to construction progress of our development projects, while other income declined to RM23.10 million from RM47.89 million as a result of a higher writeback of provision for financial obligations in relation to the liquidation of a former subsidiary and a reversal of impairment losses on 8trium car park in FY2019. Earnings per share declined to 0.50 sen from 1.41 sen in FY2019.

During the year, we recorded a loss on fair value changes of RM3.94 million from our investment in Vietnam Industrial Investments Ltd (“VII”), a company listed on the Australian Stock Exchange. Nonetheless, this was partially offset by our share of profit from our associated company, Country Garden Properties (M) Sdn Bhd (“Country Garden”), of RM2.31 million.

MANAGEMENT DISCUSSION AND ANALYSIS



REVIEW OF OPERATIONS

PROPERTY DIVISION

Our property division remains our core business, contributing a revenue of RM116.01 million in FY2020 (FY2019: RM109.76 million) from progress billings and sales of our ongoing Astoria Ampang, Damansara Seresta and Sena Parc projects. Operating profit was however lower at RM24.58 million (FY2019: RM35.43 million) as the previous year's operating profit included a reversal of RM7.75 million relating to an impairment loss on a carpark which was no longer required.

The Malaysia's property market had been soft since 2018, with the COVID-19 crisis, it is likely to further weigh down the market.

Although there was a 4.8% growth in the volume of transactions to 328,647 and a 0.8% increase in the value of transactions to RM141.40 billion in 2019 from 2018; in the first quarter of 2020 there was

decline in the volume and value of transactions by 13.6% year-on-year ("y-o-y") to 72,908 units and 22.9% y-o-y to RM28.64 billion, respectively.

Despite the prevailing conditions, we are continuing to develop and sell our Astoria Ampang, Damansara Seresta and Sena Parc projects, as well as the Diamond City project undertaken through a joint venture with Country Garden.

Located in Ampang, Kuala Lumpur, Phase 1 of Astoria Ampang with gross development value of RM465 million, was completed in August 2020 and will be handing over soon, pending regulatory approvals. This development which seamlessly integrates nature and urban amenities, will eventually house 1,012 units of serviced apartments, of which close to 80% of 506 units in Phase 1 have been taken up to date, include bookings.

MANAGEMENT DISCUSSION AND ANALYSIS



Phase 1A of our Sena Parc township in Senawang, Negeri Sembilan will be handing over soon with Phase 1C targeted for launch in September 2020. We have recorded an 80% take up rate for Phase 1A, consisting of 163 units of two-storey terrace houses. Surrounded by lush greenery in the sunny enclave of Senawang, Sena Parc offers spacious garden homes presenting views and landscapes of thematic parks.



Our Damansara Seresta project located in Bandar Sri Damansara, Selangor, consists of two blocks of 452 luxurious units of high-rise condominium. This on-going project has registered a 40% take up rate. Another nature-inspired development built against the backdrop of the Bukit Lanjan Forest Reserve, the built-up area of the condominium units ranges from 1,300 sq. ft. to 1,800 sq. ft for standard units and from 2,500 sq. ft to 3,200 sq. ft for penthouses. This project is targeted for completion in 2022.

In Semenyih, Selangor, we are developing two plots under the Diamond City project in a joint venture arrangement with Country Garden. Developed in 3 phases, Plot A, which is completed, has recorded sales take up rate of 96%, 93% and 89% respectively, for Phase 1, 2 and 4 while Phase 3, consisting of a high-end development is to be launched. For Plot B, the completed Phase 1 and 4 have recorded a sales take up rate of 93% and 91%, respectively, while Phase 2, which is still under construction, has registered a take up rate of 69%. There remain two phases in Plot B to be launched.

MANAGEMENT DISCUSSION AND ANALYSIS

WE ARE ALSO PROGRESSING WELL WITH OUR FUTURE LAUNCHES COMPRISING OUR ARIA RIMBA PROJECT IN SHAH ALAM, SELANGOR AND SRI DAMANSARA CLUB IN BANDAR SRI DAMANSARA.

With the implementation of the various stages of movement control order following the onset of the COVID-19 pandemic, we have adopted a new approach to selling our properties. From March 2020, we have leveraged online technology to engage with prospects through various mediums with encouraging results.

We expect the relaunch of the government's Home Ownership Campaign ("HOC") for the period from June 2020 till May 2021 which amongst others, includes stamp duties exemption for instruments of transfer and loan documents, as well as other property market incentives such as waiver of real property gain tax (RPGT) and the abolishment of the financing limit for the third and subsequent home loans worth RM0.6 million and above during the HOC period, would provide some impetus for buyers going forward. We believe these would help mitigate the impact of the current weak market condition.

We are also progressing well with our future launches comprising our Aria Rimba project in Shah Alam, Selangor and Sri Damansara Club in Bandar Sri Damansara.

Aria Rimba is a 112.35 acres mixed development township in Section U10, Shah Alam, with 14 acres of community parks, an abundant greenery nestled next to Bukit Cherakah Forest Reserve. It is easily accessible to New Klang Valley Expressway, Guthrie Corridor Expressway, ELITE Expressway, Federal Highway and upcoming DASH Highway expected to be opened in year 2021. This project has been planned for 606 units of 2-3 storey terrace house, 150 units of semi-detached, 770 units of Rumah Selangorku and commercial lots with a total GDV of RM1.1 Billion. The launch of the project is pending site clearing and completion of earthworks.

Our Sri Damansara Club land which will be redeveloped in five phases, has a total GDV in excess of RM2 billion and will comprise 732 units of serviced apartments and 602 affordable units for its initial first 2 phases and is targeted for launch in the second quarter of 2021. We have commenced earthworks in July 2020.

We are also undertaking a development in Hidden Valley in Melbourne, Australia with a total GDV of AUD160.78 million. Comprising 950 lots, we have 48 lots remaining to sell for the project which is targeted for completion in 2023.

EDUCATION DIVISION

Our education division, which operates Sri Bestari Private School ("SBPS") and Sri Bestari International School ("SBIS"), recorded higher revenue of RM19.43 million in FY2020 against RM15.67 million in FY2019. Operating profit rose to RM6.25 million from RM4.57 million due to an increase in school fees and higher student enrolment at both schools.

As at 30 June 2020, SBPS which offers students a comprehensive high-quality education programme from kindergarten, primary and secondary levels based on the Malaysian national syllabus, have over 945 students.

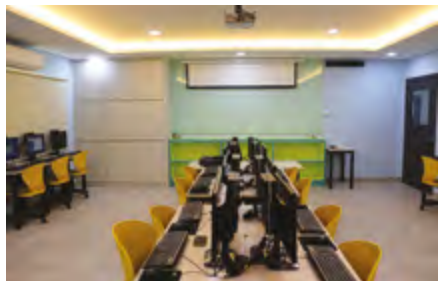
In addition to the national syllabus, the school offers other programmes aimed at enhancing the academic curriculum and providing value to its students. Beyond the required national school exams, the school offers optional examinations such as the New South Wales Examination ("NSWE"), Cambridge Checkpoints Examination, IGCSE Examination and the Hanyu Shuiping Kaoshi Mandarin Exam ("HSK").



SBPS is also one of the five Inquiry Based Science Education ("IBSE") schools in the whole of Malaysia, which is a cutting-edge approach to the teaching and learning of Science. Our science teachers are regularly trained by renowned scientists from ISTIC (International Science, Technology, and Innovation Centre for South-South Cooperation Under the Auspices of UNESCO) and the *Fondation La main à la pâte*, Paris.

In July 2020, SBPS was officially recognised as the first and only IBSE Pilot Centre associated with *Fondation La main à la pâte* in Peninsular Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS



SRI BESTARI PRIVATE SCHOOL WAS
AWARDED ITS THIRD ECO SCHOOL
GREEN FLAG
BY WWF-MALAYSIA AND THE
FOUNDATION FOR ENVIRONMENT
EDUCATION, DENMARK ("FEE").

During the year, the school was awarded its third ECO School Green Flag by WWF-Malaysia and the Foundation for Environment Education, Denmark ("FEE"), which recognises schools for actively adopting sustainable ecological practices. This makes it only the second school in Malaysia to achieve such a recognition out of almost 200 registered ECO schools.

SBIS provides affordable, high-quality education which equips students with the skills, confidence and abilities grounded on embracing the entrepreneurial mindset in STEAM learning (Science, Technology, Engineering, Arts and Mathematics). Currently in its third academic year, the school recorded a student enrolment of 279 as at 30 June 2020.

In September 2019, the school, which offers the British Curriculum from Early Years to Secondary levels, moved into its new building after previously being housed on the SBPS campus. The new building features state-of-the-art facilities such as a sports hall, ICT suites, an auditorium, a Hall of Arts, fully equipped science and culinary arts laboratories, music and dance studios, a swimming pool, an indoor playground, a modern library and purpose-built classrooms for 21st century teaching and learning.

OTHER DIVISIONS

Our other divisions consist of property investment, investment holding and other segments. During the year, other divisions registered lower revenue of RM4.29 million compared with RM9.00 million in FY2019 and an operating loss of RM4.66 million against an operating profit of RM12.81 million in the previous year. The operating losses were mainly a result of a lower writeback of a financial obligation of RM6.24 million in FY2020 compared with a writeback of RM20.81

million in FY2019. The division's profitability was also impacted by the fair value losses recorded from VII as discussed in the previous section of this Management Discussion & Analysis.

Our investment properties include Menara L&G in Putrajaya, 8trium in Bandar Sri Damansara and Sri Damansara Business Park. The occupancy at Menara L&G remains low, while we expect the tenancy at 8trium retail space to remain at the status quo. Nonetheless, subject to approval from MRT Corporation for our construction of a link bridge to connect the 8trium with its station, the take up rate of the remaining portion of the unoccupied space on the first and third floor of the building could be enhanced.



MANAGEMENT DISCUSSION AND ANALYSIS

Among activities undertaken through our other divisions included our rubber and oil palm estate at Ladang Sg. Jernih, Mukim Kerling, Hulu Selangor. We have ceased operations on the rubber estate due to the unproductive rubber trees aged more than 30 years, except for some portions, which have been leased to contractors. We have started felling some of the rubber trees on the estate to make way for other short-term crops. We are also maintaining and harvesting some 1,546 acres of matured oil palm plantation in the same location. With a longer-term view, we are planning a master township development for these 2,500 acres of land.

After 25 years of serving the communities in Bandar Sri Damansara and its surrounding areas, Sri Damansara Club obtained a court order to wind up its Interest Scheme on 24 June 2019. Operations ceased in September 2019, and as mentioned above, earthwork has commenced in July 2020 to develop the site into a mix development project with total GDV in excess of RM2 billion.

MOVING FORWARD

Backed by our rich history in property development, the Group has performed commendably over the years and expects to remain a cornerstone of Malaysia's property landscape for years to come. While the COVID-19 pandemic has created a general slowdown across many sectors of the economy, we still see continued interest from the public to buy property over the longer-term.

Following the gradual easing of the MCO since June 2020, we have recommenced construction works, albeit at a slower pace to ensure strict compliance with the government's Standard Operating Procedures. We look forward to our future launches and to continue unlocking value from our landbank, with the book value of some of our lands currently vastly below market value.

We also remain optimistic on the prospects of our education division, with SBPS expected to sustain its enrolment of close to 1,000 students and SBIS targeting to reach enrolment of approximately 370 students in the coming academic year commencing in September 2020.

With the Malaysian economy only expected to recover from the COVID-19 crisis in 2021, and in the midst of vigilance against further outbreaks, we will continue to exercise prudence across our business and strive to maintain the Group's profitability for the coming financial year.

Low Gay Teck

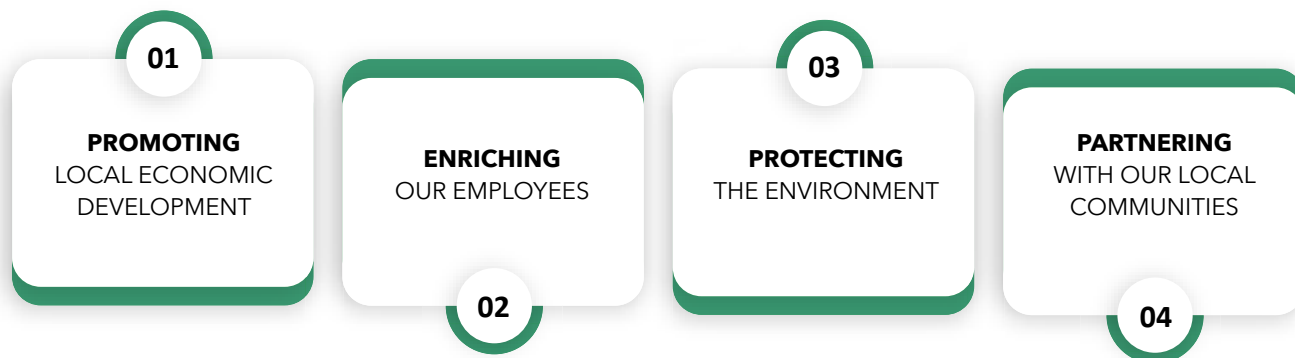
Managing Director

25 August 2020

SUSTAINABILITY REPORT

ABOUT OUR STATEMENT (102-1)

As one of the leading property developers in Malaysia, Land and General Berhad (“L&G” or “the Group”) continues to maintain a record of sustainable business practices to meet the expectations of our customers and other stakeholders. This statement, which is our fourth publication, demonstrates how we operationalise four sustainability focus areas:



Where appropriate, we present comparative data as evidence of our continuous improvement in our sustainability initiatives.

OUR HIGHLIGHTS

In line with L&G's Vision, Mission and motto, “**Building Value for Tomorrow**”, we are pleased to announce that the Group has developed an independent Sustainability Policy based on our existing sustainability strategic pillars: Marketplace, Workplace, Environment and Community. The policy serves as a guide for Group-wide operations to integrate economy, environment, social and governance elements in our management approach.

We have also prepared a Terms of Reference to formalise the roles and responsibilities as well as the structure of the Sustainability Committee and Sustainability Working Group to manage sustainability related opportunities, risks and impacts effectively across the Group.

As we embark on our sustainability journey, we continue to track our 11 Key Performance Indicators (“KPIs”) representing Governance and Economy, Environment, and Social (“EES”) aspects which were developed in FY2019. Of the 11, we are pleased to announce that we have achieved our targets for eight of the KPIs this year. We did not achieve two of the KPIs with the remaining one KPI subjected to ongoing monitoring.

REPORTING FRAMEWORK

The content of this statement was developed in accordance with the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and its Sustainability Reporting Guide 2018. This statement references the Global Reporting Framework (“GRI”) Standards 2018 (Core Option). The following GRI indicators have been disclosed:

GRI 102-1 to 102-9: Organisational Profile

GRI 102-14 Strategy

GRI 102-18 to 102-20, 102-22 to 102-23, 102-29 and 102-32: Governance

GRI 102-40, GRI 102-42 to 102-44: Stakeholder Engagement

GRI 102-45 to 102-47, 102-50, 102-53 and 102-55: Reporting Practice

GRI 102-16 and 102-17: Ethics and Integrity

GRI 204: Procurement Practices

GRI 302: Energy 2016

GRI 303: Water and Effluents 2018

GRI 306: Effluents and Waste 2016

GRI 307: Environmental Compliance 2016

GRI 401: Employment 2016

GRI 403: Occupational Health and Safety 2018

GRI 404: Training and Education 2016

GRI 405: Diversity and Equal Opportunity 2016

GRI 413: Local Communities 2016

GRI 418: Customer Privacy 2016

GRI 419: Socioeconomic Compliance 2016

Throughout the statement, where applicable, the relevant GRI indicators have been denoted. The indicators and corresponding material matters are listed in a table provided on pages 34 to 36 of this statement.

SUSTAINABILITY REPORT

REPORTING SCOPE (102-2, 102-3, 102-4, 102-46, 102-50, 103-1)

The boundary of this statement includes L&G's operations at our headquarters, property and education divisions as stated below.

Headquarters	8trium building, Sri Damansara, Selangor
Property Division	Property Development and Sales Galleries
	Damansara Seresta, Sri Damansara
	Sena Parc, Senawang
	Astoria Ampang, Ampang
Education Division	Schools
	Sri Bestari Private School ("SBPS"), Sri Damansara
	Sri Bestari International School ("SBIS"), Sri Damansara

CONTACT US (102-53)

We aspire to continuously improve our sustainability performance and your feedback is essential to us. For any suggestions and feedback, please write to:

Tan Boon Siong
Chief Financial Officer
Land & General Berhad
Email: bstan@land-general.com
Telephone no.: +603-62798000

Information in this statement reflects our sustainability progress from 1 April 2019 to 31 March 2020 ("FY2020").



AWARDS AND RECOGNITIONS

The Group's efforts in sustainability have been reflected in numerous awards and recognitions.



SBPS was presented the third Eco Schools Green Flag Award by the World Wildlife Fund, Malaysia in recognition of its excellence in environmental actions and learning.



L&G bagged the Best Sustainability Report Award at the Best Under Billion Awards 2019. The award ceremony was organised by Focus Malaysia.

102-2: Activities, brands, products, and services

102-3: Location of headquarters

102-4: Location of operations

102-46: Defining report content and topic Boundaries

102-50: Reporting period

102-53: Contact point for questions regarding the report

103-1: Explanation of the material topic and its Boundary

SUSTAINABILITY REPORT

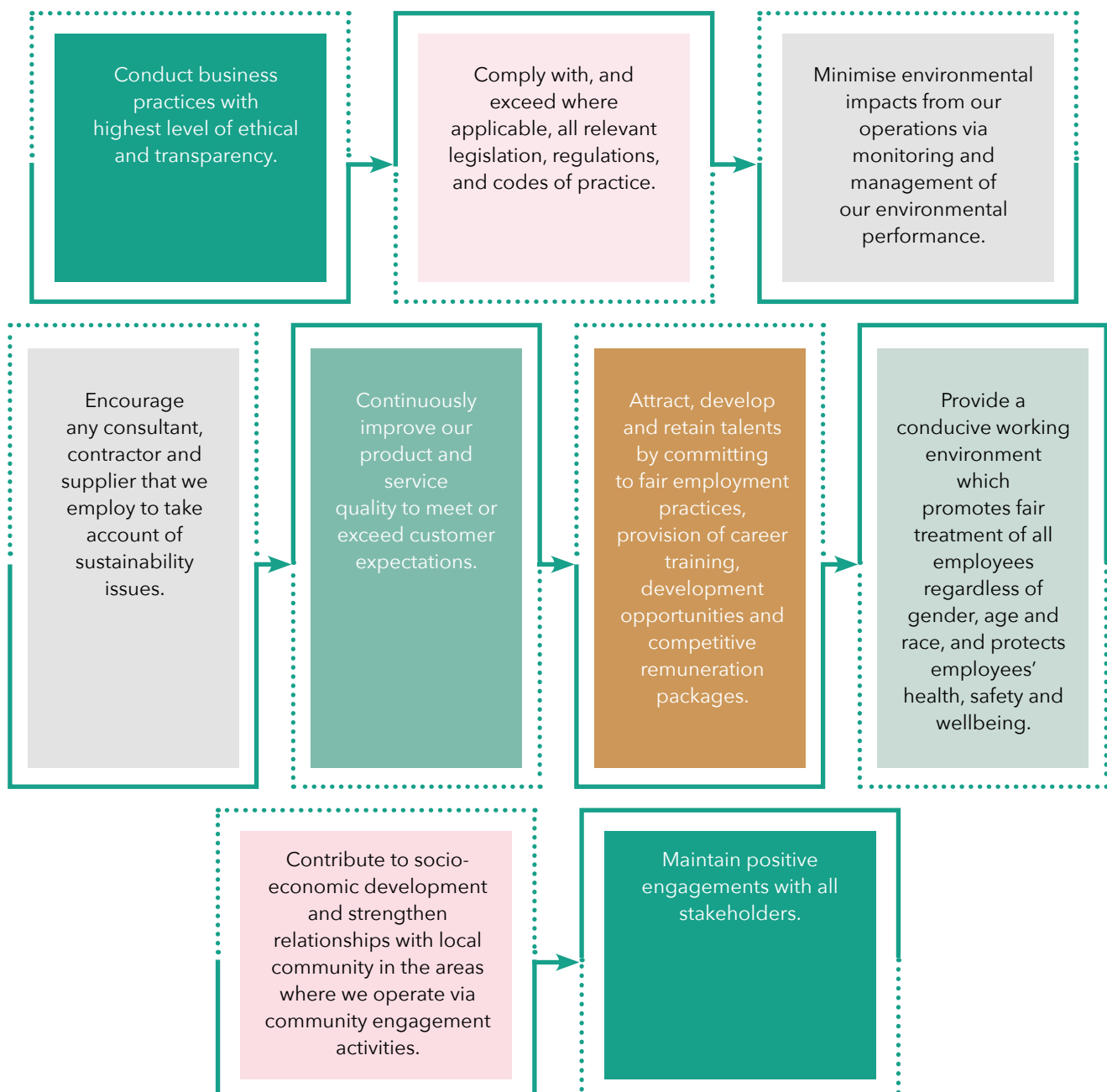
OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY POLICY

Our commitment to sustainability extends to the development of an independent Sustainability Policy. The key tenets of the policy have been developed based on the four pillars of our sustainability strategy: Marketplace, Workplace, Environment and Community.

To ensure the Policy remains relevant to our operations, we commit to review the policy on an annual basis and if there are amendments to any of the relevant laws, codes or regulations that require changes to our internal processes.

Sustainability Policy Statement



SUSTAINABILITY REPORT

SUSTAINABILITY STRATEGY

As a property developer, L&G is guided by our vision and mission to create long-term value for our business and stakeholders by delivering quality excellence. We have developed a sustainability strategy that is aimed at undertaking our operations in a manner which enhances social integration, improves environmental stewardship and creates sustainable economic returns for our shareholders. As shown below, we have defined our ambition to build a sustainable business across the four pillars - Marketplace, Workplace, Environment and Community.



To become a major and successful business group in Malaysia and in the region
by **Creating Value for Tomorrow**

- To continually strive for improvement in all aspects of our business operations;
- To deliver value for money products and services to our customers;
- To enhance the environment and community within which we operate in;
- To provide a safe and inclusive workplace for our staff to grow in; and
- To build a sustainable foundation for the future growth of the business and its stakeholders.














MISSION

SUSTAINABILITY POLICY

Drives the four pillars representing our sustainability strategy;

Marketplace, Environment, Workplace and Community

that manages our Governance and EES opportunities and risks.

Marketplace	Workplace	Environment	Community
<p>To establish a market presence built on a solid financial foundation that ensures a sustainable revenue stream for the Group and good returns for our investors.</p>	<p>To create a workplace that is safe, embraces diversity and provides fair and equal opportunity for employee growth and career development.</p>	<ul style="list-style-type: none"> • To promote environmental stewardship in property development and education. • To develop sustainable and wellplanned urban living spaces without compromising our responsibility to our surroundings. 	<ul style="list-style-type: none"> • To build projects of enduring value for our customers and to uplift the quality of surrounding areas, and to have a positive impact on the surrounding communities. • To integrate entrepreneurship into sustainability and develop leaders for tomorrow.
 	  	 	   

SUSTAINABILITY REPORT

SUSTAINABILITY KEY PERFORMANCE INDICATORS ("KPIs")

At L&G, we are committed to continuous development and improvement of our sustainability performance across the governance, economic, environmental and social aspects of our operations. Setting targets in these areas create a goal-oriented approach throughout the organisation. With this in mind, we have developed 11 KPIs in FY2019 which align with our ambition to be sustainable in the short, medium and long term. We use them to measure our progress and to identify areas for continual improvement on an annual basis. Our progress and achievement towards these targets during this reporting period are as per the table below.

A Achieved **N** Not achieved **O** Ongoing

Material Sustainability Matter	Key Performance Indicator (KPI)	Achievement
COMPLIANCE	To achieve zero stop-work orders by Department of Environment ("DOE") and Department of Occupational and Health ("DOSH")	A No stop work orders received from DOE and DOSH.
	To commit to the principles of the Malaysian Code on Corporate Governance ("MCCG") 2017	A All principles of MCCG 2017 were complied with.
ANTI-CORRUPTION	To develop the Anti-Bribery and Corruption Policy and Framework to ensure the Group complies with the Corporate Liability section of the Malaysian Anti-Corruption Commission (Amendment) Act 2018	A Anti-Bribery and Corruption Policy and Framework is being finalised ¹ .
ECONOMIC PERFORMANCE	To pay dividends annually to shareholders	N The Board decided not to declare any dividend for FY2020.
PROCUREMENT PRACTICES	To achieve 65% local procurement by FY2020	A Total spending on local procurement was 69%.
CLIMATE CHANGE	To reduce electricity consumption at the headquarters from FY2019 baseline value by 5%	N A reduction of 0.8% was recorded in our electricity usage at headquarters. Moving forward, we will implement robust measures to reduce energy consumption and achieve the KPI.
WASTE MANAGEMENT	To ensure that 100% of construction wastes are disposed at authorised landfills which are licensed by the Local Authority	A 100% of construction wastes were disposed at authorised landfills.
EMPLOYEE DEVELOPMENT AND TRAINING	To achieve average training hours of 2.5 hours per employee for our property division and 10 hours per employee for our education division	A Average of 4.7 training hours at Property division and average of 16 hours of training at the Education division were recorded.
SAFETY AND HEALTH	To achieve zero man-hours lost due to occupational accidents	A Zero man-hours lost out of the 591,246 man-hours worked.
PRODUCT QUALITY AND SERVICES (Customer Satisfaction and Responsibilities)	To conduct customer satisfaction survey once a year (Net Promoter Score)	A Customer satisfaction survey was conducted for Astoria Ampang and a score of 88% was achieved.
	To achieve a minimum 65% QLASSIC score for each project	O QLASSIC assessment is yet to be conducted for the on-going projects.

¹ The Anti-Bribery and Corruption Policy and Framework was implemented with effect from 1 June 2020.

SUSTAINABILITY REPORT

OUR SUSTAINABILITY JOURNEY:

HOW FAR HAVE WE COME

FY
2017



- First materiality assessment was conducted and 12 material sustainability matters ("material matters") were identified based on their importance to business operations and stakeholders.
- No identified sustainability governance structure.
- Classification of material matters into four pillars: Economic, Governance, Workplace and Society.
- No Sustainable Development Goals were adopted.

FY
2018



- Second materiality assessment was conducted and 18 material matters were identified based on their importance to business operations and stakeholders.
- Materiality Matrix generated based on the 18 material matters identified.
- Sustainability governance structure was developed.
- Classification of material matters into four pillars: Economic, Governance, Workplace and Community.
- Sustainability Committee and Sustainability Working Committee were established.
- Five Sustainable Development Goals were adopted.

FY
2019



- Re-assessment of material matters was conducted to ensure the accuracy of materiality matrix and the ranking of material matters.
- 22 material matters were identified based on their importance to business operations and stakeholders.
- Materiality Matrix generated based on the 22 material matters identified.
- The respective roles and responsibilities of the sustainability governance structure were disclosed.
- Five Sustainable Development Goals were adopted.
- GRI indicators were disclosed along with the corresponding material matters.

FY
2020



- The 22 material matters selected in FY2019 were reviewed and from the list, 20 matters were identified to be relevant to the Group and stakeholders in FY2020.
- Materiality Matrix was revised to determine the position of the 20 material matters.
- Sustainability Policy was established.
- Terms of Reference was developed for the Sustainability Committee and Sustainability Working Committee.
- Six Sustainable Development Goals were adopted.
- GRI indicators were disclosed along with the corresponding material





SUSTAINABILITY REPORT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The United Nations' 17 Sustainable Development Goals ("SDGs") define global sustainable development priorities and aspirations for 2030, and seek to mobilise global efforts around a common set of goals and targets. The SDGs provide an invaluable roadmap for us to align our own sustainability efforts with the shared objectives of the global community.

In doing our part, the Group identified five goals in FY2019 which are relevant to our business activities in the property and education sectors. This year, we have taken a step further to include one additional goal, SDG 13: Climate Action. As a property developer, we are cognisant of the impacts of climate change has on our business activities in terms of increasing greenhouse gas emissions, ambient temperatures, extreme weather events, disrupted ecosystems and flooding.

The Group's key initiatives, targets and performance are mapped against the six SDGs.

SDGs	Contribution or Initiative by L&G
 SDG 3: Good Health and Well-being	<ul style="list-style-type: none"> The Group provides healthcare benefits for employees which include personal accident insurance coverage, hospitalisation, outpatient medical claims and dental claims. Safety and Health Policy was established at Group level to demonstrate Management's commitment towards employees' safety and health. Hazard Identification Risk Assessment and Risk Control ("HIRARC") is conducted before the commencement of any construction project to safeguard employees and contractors on site. Conducted scheduled training for property and education divisions to equip employees with new and relevant information on safety and health management tools and guidelines. Zero Lost Time Injury ("LTI") was recorded from a total of 591,246 working hours in FY2020. Our three residential projects; Damansara Seresta, Sena Parc and Astoria Ampang feature green spaces, distinctive parks and recreational spaces to encourage healthy living and integrated communities.
 SDG 4: Quality Education	<ul style="list-style-type: none"> SBPS provides quality education through programmes such as Robotics Coding, Stem Lab, Inquiry Based Science Education. Besides the national education syllabus, SBPS also provides the New South Wales Examination, Hanyu Shuiping Kaoshi Examination and Cambridge Examination. SBPS received its third World Wildlife Fund ("WWF") Eco Schools Green Flag award in December 2019. We are proud to announce that the school is one of the two schools to receive the award in Malaysia. SBIS places emphasis on the teaching of Science, Technology, Engineering, Arts and Mathematics (STEAM) to ensure the students excel in creativity, science and innovation.
 SDG 8: Decent Work and Economic Growth	<ul style="list-style-type: none"> A total of 4,204 training hours were invested across four employment levels, namely Senior Management, Management, Executive and Non-Executive employees. Employee engagement activities were organised including team building sessions, annual dinner and festive celebrations to facilitate engagement among employees, improve workplace morale and enhance productivity.
 SDG 11: Sustainable Cities and Communities	<ul style="list-style-type: none"> The Property division has integrated environmental-friendly designs and green practices into our residential buildings and townships to align with the green building certification requirements.

SUSTAINABILITY REPORT

SDGs	Contribution or Initiative by L&G
	SDG 13: Climate Action <ul style="list-style-type: none"> Electricity consumption at headquarters has reduced by 5,652 MJ (0.8%) since FY2019. Energy saving initiatives were implemented at headquarters, sales galleries and schools which include the replacement of conventional lighting with Light Emitting Diode ("LED") as well as turning off electrical appliances, lights and air-conditioning after operating hours. Our projects, Astoria Ampang, Damansara Seresta and Sena Parc incorporated green features including parks, cascading waterfalls, wetlands and marshlands.
	SDG 16: Peace, Justice and Strong Institutions <ul style="list-style-type: none"> Established the Code of Conduct and Ethical Practices and Whistleblowing Policy at the Group level. The Group has implemented our Anti-Bribery and Corruption Policy and Framework effective 1 June 2020 in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Group ensures compliance to all applicable laws and regulatory requirements, including Environmental Quality Act 1974, Employment Act 1955, Education Act 1996 (For School) and Housing Developers (Control and Licensing) (Amendment) Act 2015. Throughout the reporting year, we contributed to the local community through multiple sponsorships for local authorities, residents' associations and civil society organisations.

SUSTAINABILITY GOVERNANCE (102-18, 102-20)

L&G's sustainability governance framework is built on strong corporate governance and ethical standards. Our framework is led by the Board of Directors ("BOD") and supported by the Sustainability Committee ("SC"). The SC is led by the Managing Director, with the assistance of the Chief Financial Officer and Project Director. The Committee ensures that sustainability programmes are planned, implemented and monitored across the Group.

The responsibilities of the SC are carried out with the assistance of the Sustainability Working Group ("SWG") which comprises the Economic Group, Environmental Group and Social Group. The illustration below outlines the key roles and responsibilities of the BOD, SC and SWG within the sustainability governance structure.

During FY2020, the Group developed a specific Terms of Reference for the SC and SWG that describes the purpose, scope and authority of both these groups. This document shall be reviewed by the Committee once every two years or at any point of time as deemed appropriate.



ROLES & RESPONSIBILITIES

BOD	SC	SWG
<ul style="list-style-type: none"> Oversees the progress of the Group's sustainability initiatives. Approving body for sustainability policies, strategies and initiatives recommended by the SC. 	<ul style="list-style-type: none"> Monitors the SWG's progress in its implementation of sustainability initiatives. Recommends sustainability policies, strategies and initiatives. Reports on the progress of the Group's sustainability initiatives. 	<ul style="list-style-type: none"> Identifies material matters relevant to the Group's business operations. Implements sustainability initiatives to address sustainability risks and opportunities. Conducts engagement sessions on sustainability matters across business operations

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT APPROACH (102-40, 102-43, 102-44)

At L&G, diverse stakeholder groups are involved in operations across the entire value chain of our property and education divisions. We are constantly improving our engagement processes with our stakeholders to understand their expectations, address their concerns, enhance our performance and drive long-term sustainability. Active stakeholder engagement also allows us to anticipate emerging issues and changing stakeholder preference or interest. This is important, especially since it has a direct impact on the material matters relevant to our business performance.

Our stakeholder groups, engagement methods and engagement frequency are listed in the table below.

SHAREHOLDERS & INVESTORS (CRITICAL)

Area of Concern

- Group's financial performance
- Corporate governance and compliance
- Ethical business conduct

Method and Frequency

Annual general meeting	Annually
Quarterly results announcement	Quarterly
Annual report	Annually
Investor Relations page on the Group's website (Concerns and queries directed to Chief Financial Officer / Company Secretary)	Throughout the year
Engagements with analysts and fund managers	Quarterly

GOVERNMENT AGENCY (CRITICAL)

Area of Concern

- Approval and permit
- Compliance with the latest regulations and requirements

Method and Frequency

Meetings with regulators	As and when required
Site inspections	As and when required

BOARD OF DIRECTORS (CRITICAL)

Area of Concern

- Financial performance
- Compliance
- Growth and direction of company

Method and Frequency

Board meetings	Quarterly and as and when required
Ongoing electronic communications	As and when required
Directors training	Annually and as and when required

CUSTOMERS (CRITICAL)

Area of Concern

- Product and service quality
- Updates on latest product and service offerings

Method and Frequency

Feedback and enquiry templates	Throughout the year
Advertising and Marketing campaigns	Throughout the year
Company website and social media network	Throughout the year
Student Portal and Parents' Portal	Throughout the year
Customer satisfaction survey	Annually
Direct marketing	Daily

SUSTAINABILITY REPORT

PARENTS AND STUDENTS (CRITICAL)

Area of Concern

- Environment and school surroundings
- Instructions from Ministry of Education
- Academic performance
- Extra-curricular activities

Method and Frequency

Campaigns and events	Throughout the year
Open Day & Info Day	Monthly
Counselling sessions	As and when required
Schoology/School Management System	Throughout the year

EMPLOYEES (CRITICAL)

Area of Concern

- Training and career development
- Safety and health at workplace
- Work-life balance
- Employee welfare and benefits

Method and Frequency

Performance appraisal	Semi-annually
Staff e-Portal (Education)	As and when required
Work safety training on site	As and when required
Team building activities and annual dinner	Annually
Sports Club activities	Semi-annually
Best Employee Award	Annually
Training and development	Throughout the year

BOARD OF GOVERNANCE (HIGH)

Area of Concern

- Teaching pedagogy
- Academic performance
- Extracurricular activities
- Student enrolment
- Marketing programme

Method and Frequency

Board of Governors' Meetings	Quarterly
E-mail communication	As and when required
Campaigns and events	Throughout the year

VENDORS / SUPPLIERS (CRITICAL)

Area of Concern

- Cost of services
- Quality and timely delivery
- Legal compliance

Method and Frequency

Contract negotiations	As and when required
Supplier audits and evaluation	As and when required
Vendor registration screening (pre-qualification of suppliers and contractors)	As and when required

SUSTAINABILITY REPORT

MEDIA (HIGH)

Area of Concern

- Company reputation
- Creating awareness of product offering
- Communication of corporate news

Method and Frequency

Press conference and interviews (mainstream media and web-based platforms)	As and when required
Advertisement	As and when required
Write-ups in newspaper (Education)	Once every two months
Company website and social media	As and when required

INDUSTRY ASSOCIATIONS (MODERATE)

Area of Concern

- Environmental and social issues in relation to business operations
- Latest building products and services
- New acts and regulations relevant to business operations

Method and Frequency

Information exchange	As and when required
Seminars, events and networking sessions	As and when required

CIVIL SOCIETY ORGANISATION AND LOCAL COMMUNITY (MODERATE)

Area of Concern

- Environmental impact
- Social contribution
- Local community support

Method and Frequency

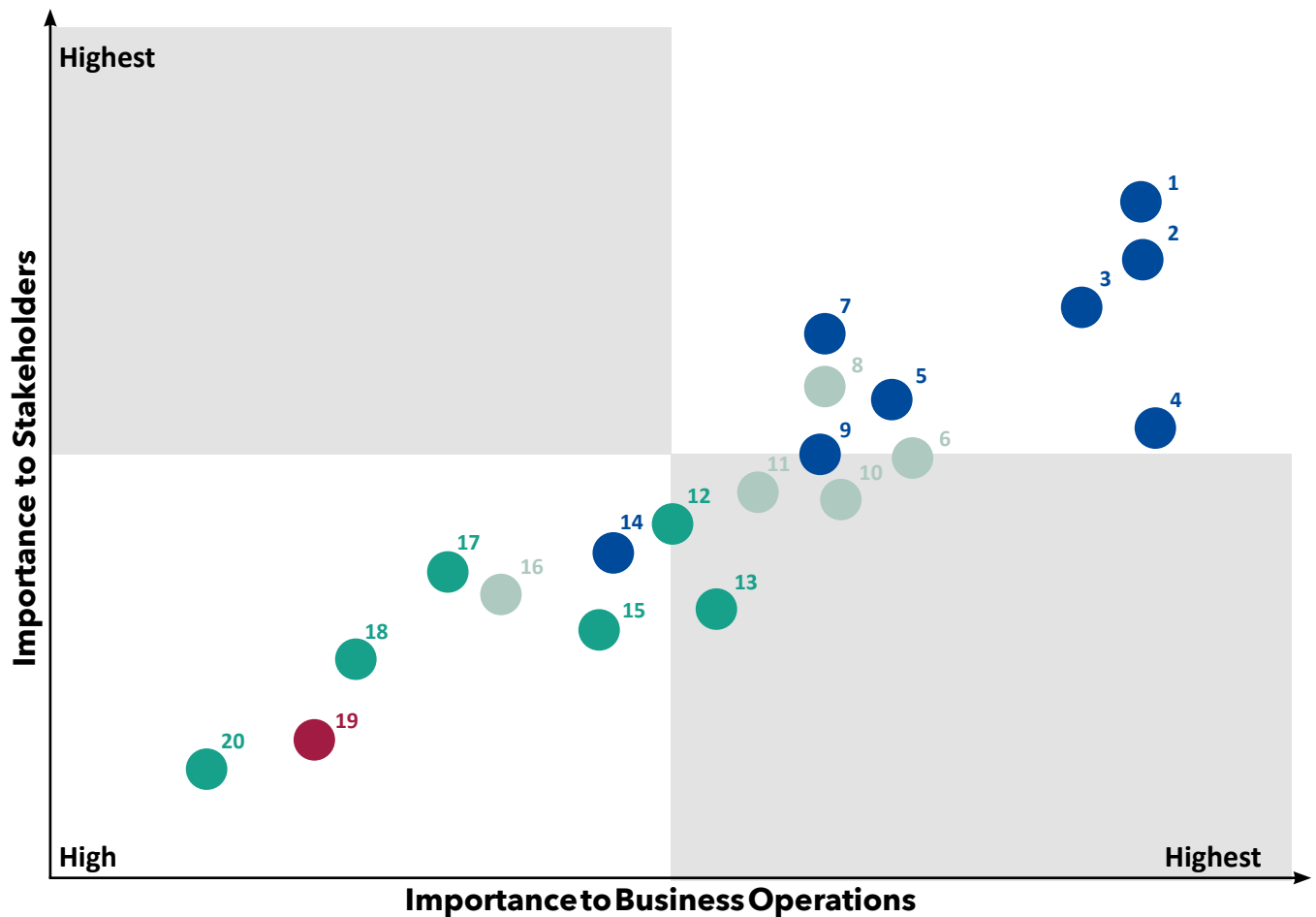
Collaborations and discussions with relevant Civil Society Organisation	As and when required
Community engagement programmes	As and when required
Strategic partnership	As and when required

PRIORITISING OUR MATERIAL SUSTAINABILITY MATTERS (102-47)

The Group has identified and prioritised significant material matters which impact the Group and influence stakeholder decisions through a materiality assessment process. These material matters reflect our EES risks and opportunities as well as our potential to deliver short and long-term value to our key stakeholders. Our first materiality assessment was conducted in FY2017 where 19 material matters were identified based on their significant impacts on the Group's operation and the impact the Group has on these material matters. Since then, we review the material matters annually and have identified 20 matters this reporting year.

SUSTAINABILITY REPORT

MATERIALITY MATRIX (102-47)



Marketplace Competitiveness

- 1 Product Quality and Services
- 2 Customer Satisfaction and Responsibility
- 3 Compliance
- 4 Economic Performance
- 5 Anti Corruption
- 7 Customer Privacy
- 9 Industry Presence
- 14 Procurement Practices



Community Impact

- 19 Local Community Contribution



Environmental Responsibility

- 12 Climate Change
- 13 Water
- 15 Waste Management
- 17 Biodiversity
- 18 Green Building Certification
- 20 Eco Schools Status
















Conducive Workplace

- 6 Employee Development and Training
- 8 Safety and Health
- 10 Employee Engagement
- 11 Employee and Student Benefits
- 16 Diversity and Equal Opportunity














SUSTAINABILITY REPORT

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS

Material Sustainability Matter	GRI Indicator	Stakeholder Group	UN SDG
Marketplace Competitiveness			
Ethics and Integrity	102-16 Values, principles, standards and norms of behaviour 102-17: Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> • Board of Directors • Shareholders and Investors • Employees • Government Agencies • Vendors/ Suppliers 	
Compliance	103-2: Management Approach 103-3: Evaluation of the management approach	<ul style="list-style-type: none"> • Shareholders and Investors • Government Agencies • Industry Associations • Parents 	
Anti-Corruption	205-1: Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • Shareholders and Investors • Government Agencies • Employees • Vendors/ Suppliers 	
Economic Performance	201-1: Direct economic value generated and distributed	<ul style="list-style-type: none"> • Board of Directors • Shareholders and Investors • Employees • Vendors/ Suppliers 	
Industry Presence	103-2: Management Approach	<ul style="list-style-type: none"> • Shareholders and Investors • Industry Associations • Parents 	
Procurement Practices	102-9: Supply Chain Management 203-2: Significant indirect economic impacts 204-1: Proportion of spending on local suppliers	<ul style="list-style-type: none"> • Shareholders and Investors • Government Agencies • Vendors/ Suppliers • Industry Associations • Communities 	
Product Quality and Services	103-2: Management Approach	<ul style="list-style-type: none"> • Shareholders and Investors • Government Agencies • Vendors/ Suppliers • Customers • Parents 	
Customer Satisfaction and Responsibilities	102-43: Approach to stakeholder engagement 103-2: Management Approach 103-3: Evaluation of the management approach	<ul style="list-style-type: none"> • Shareholders and Investors • Customers • Parents 	
Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> • Customers • Parents 	
Environmental Responsibility			
Climate Change	302-1: Energy consumption with organisation 302-3: Energy Intensity 302-4: Reduction of energy consumption	<ul style="list-style-type: none"> • Government Agencies • Employees • Communities 	 
Water	303-5: Water consumption	<ul style="list-style-type: none"> • Government Agencies • Employees • Communities 	 

SUSTAINABILITY REPORT

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS

Material Sustainability Matter	GRI Indicator	Stakeholder Group	UN SDG
Environmental Responsibility			
Waste Management	306-2: Waste by type and disposal method	<ul style="list-style-type: none"> Government Agencies Employees Communities Civil Society Organisations 	
Biodiversity	304-1: Operational sites owned, leased, managed in, or adjacent to protected areas	<ul style="list-style-type: none"> Government Agencies Communities Civil Society Organisations 	
	304-3: Habitats protected and restored	<ul style="list-style-type: none"> Civil Society Organisations 	
Green Building Certification	103-2: Management approach	<ul style="list-style-type: none"> Government Agencies Customers Vendors/Suppliers Industry Associations Communities 	 
Eco Schools Status	103-2: Management Approach	<ul style="list-style-type: none"> Industry Associations Parents Communities Civil Society Organisations Media 	 
Conducive Workplace			
Diversity and Equal Opportunity	102-7: Scale of the organisation 401-1: New employee hires and employee turnover 401-2: Full-time employee benefits 405-1: Diversity of governance bodies and employees	<ul style="list-style-type: none"> Board of Directors Employees 	
Employee Engagement	102-43: Approach to Stakeholder Engagement	<ul style="list-style-type: none"> Employees 	
Employee and Student Benefits	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Employees Parents 	 
Employee Training and Development	404-1: Average hours of training per year per employee 404-2: Programmes for upgrading employee skills and transition assistance programmes 404-3: Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> Employees 	
Safety and Health	403-2: Hazard identification, risk assessment, and incident investigation (HIRARC) 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-9: Work-related injuries	<ul style="list-style-type: none"> Employees Government Agencies Industry Associations Parents 	 

SUSTAINABILITY REPORT

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS

Material Sustainability Matter	GRI Indicator	Stakeholder Group	UN SDG
Community Impact			
Local Community Contribution	413-1: Operations with local community engagement	<ul style="list-style-type: none"> • Employees • Communities • Civil Society Organisations 	   

MARKETPLACE COMPETITIVENESS

UPHOLDING BUSINESS PRINCIPLES AND PRACTICES

(102-16, 102-17, 103-2, 103-3, 205-1)

Honesty and integrity are the two cornerstones of our business practices at L&G Group. Our employees are expected to uphold the highest degree of professional conduct throughout their career at L&G Group.

CODE OF CONDUCT AND ETHICAL PRACTICES

L&G's Code of Conduct and Ethical Practices ("Code") outlines the set of ethical principles and standards that guide the professional behaviour and business conduct of our employees when undertaking business dealings with third parties. All employees are expected to understand and uphold the requirements of the Code to ensure honesty, diligence and integrity in their day-to-day activities. New employees are briefed on the Code and its requirements during their induction training.

The Group has also adopted a Directors' Code of Conduct to guide Directors on how to conduct business that protects the reputation of the Group and to help foster a culture of social responsibility and accountability.

WHISTLEBLOWING POLICY

Our employees are encouraged to report any malpractice through the guidance of the Group's Whistleblowing Policy and procedures. Any concerns relating to misconduct, questionable issues or improper actions should be emailed to whistleblower@land-general.com.

In FY2020, there were zero whistleblowing cases reported.

ANTI-BRIBERY AND CORRUPTION POLICY AND FRAMEWORK

Our efforts to eliminate any unlawful or corrupt practices within the Group include the implementation of our Anti-Bribery and Corruption Policy and Framework with effect from 1 June 2020 in accordance to the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

COMPLIANCE

Led by strong governance, we adhere to all applicable laws and regulatory requirements, including environmental and social regulations. Some of the key laws and regulations that we adhere include:

- Companies Act 2016;
- Housing Developers (Control and Licensing) (Amendment) Act 2015;
- Environmental Quality Act 1974;
- Education Act 1996;
- Personal Data Protection Act 2010;
- National Land Code (Amendment) Act 2008
- Strata Management Act 2013
- Strata Title Act 1985
- Town and Country Planning Act 1976
- Local Government Act 1976
- Occupational Safety and Health Act 1994

102-16: Values, principles, standards, and norms of behavior

102-17: Mechanisms for advice and concerns about ethics

103-2: The management approach and its components

103-3: Evaluation of the management approach

205-1: Operations assessed for risks related to corruption

SUSTAINABILITY REPORT

CREATING SHARED ECONOMIC VALUE

ECONOMIC PERFORMANCE (103-2, 201-1)

Year-on-year, we continue to strengthen our brand in the industry and be resilient. We strive to create economic value as well as social and environmental value by realising our vision for sustainability as defined in our sustainability strategy. The Group has remained profitable even with a challenging property market over the last few years and we have continued to pay dividends to our shareholders for the past six financial years prior to the current financial year.

The main economic challenges faced in FY2020 include:

- weak market sentiments;
- high inventory levels (surplus properties in the market); and
- tenancy risks.

Despite these challenges, the Group incorporated strategic measures and prudent spending to ensure profitability. Our other direct economic contributions are illustrated below.



A more detailed discussion of the Group's economic performance can be found in the Management Discussion and Analysis ("MD&A") section of this Annual Report.

INDUSTRY PRESENCE (103-2)

As an established organisation in the property development and educational service sectors, L&G strives to uphold brand reputation and ensures business continuity by delivering products and services that are relevant, practical and value-for-money.

Property Division

As an established property developer, L&G has successfully launched and completed various development projects, including our flagship township, Bandar Sri Damansara. We market ourselves as a leading developer with several on-going development projects at a time so as to give confidence to our prospective homebuyers. We have also expanded our brand beyond our traditional confine of Klang Valley by holding marketing events outside the Klang Valley to promote the L&G brand.

We take pride in our reputation as a property developer who always delivers products which are practical, functional and value-for-money. Our properties are designed and built with these three features in mind and this has led to our strong presence in the industry.

Education Division

In terms of the schools' performance, we remain at the forefront of primary and secondary education.

SBPS

The curriculum at SBPS is benchmarked against international standards including the Hanyu Shuiping Kaoshi Mandarin Test, International General Certificate of Secondary Education ("IGCSE"), New South Wales Examination Assessment, Singapore mathematics syllabus and Inquiry-Based Science Education ("IBSE").

SBPS IS THE
ONLY SCHOOL IN
WEST MALAYSIA
APPROVED AS
AN IBSE PILOT
CENTRE.

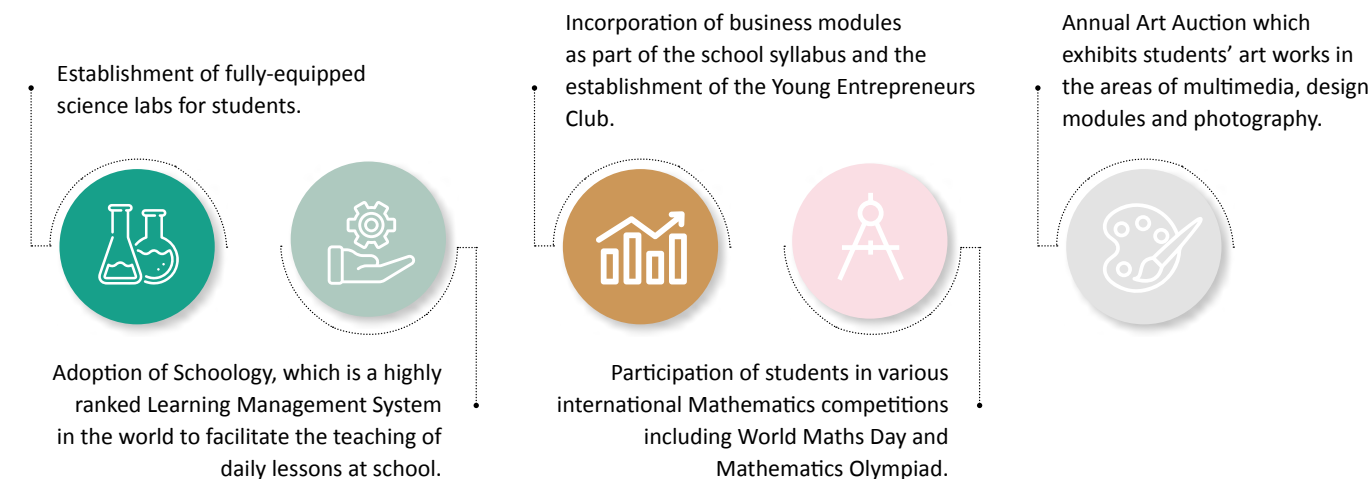
In addition, SBPS implemented the following initiatives for student intellectual development:

- I. **Robotics, Coding and Stem Lab initiatives** which aim to strengthen and support students' skills in developing their knowledge through the creation, design, assembly and operations of robots. This is to prepare our students for Industrial Revolution 4.0.
- II. **Eco-Schools Programmes** which aim to promote environmental awareness among students. Further details on these programmes are disclosed in the 'Eco-Schools Status' section of this report.

SUSTAINABILITY REPORT

SBIS

Science, Technology, Engineering, Arts and Mathematics ("STEAM") education is the core of SBIS as we endeavour to nurture a future generation that is able to think creatively with a sound foundation in science and innovation. Initiatives implemented by SBIS to promote STEAM are as follows:



PROCUREMENT PRACTICES (102-9, 103-2, 203-2, 204-1)

In Malaysia, Small and Medium Enterprises ("SMEs") are the key players of the domestic economy as they provide employment opportunities that strengthen economic growth. With the majority of our materials procured in Malaysia, we are able to support SME suppliers.

KPI 65%
OF LOCAL
PROCUREMENT:
ACHIEVED 69%
IN FY2020

At L&G, to ensure the provision of quality products and services, we evaluate, monitor and assess the service quality of suppliers based on their work progress. In line with this approach, we have established stringent criteria to assure the robust selection of reliable contractors and suppliers as well as formulated Standard Operating Procedures ("SOP") to effectively manage our supply chain.

The construction quality of the appointed Main Contractors for each of our projects is closely monitored based on the Project Quality Plan. The plan, which is tailored for each development project, includes the Quality Policy, Quality Management System and Quality Operating Procedure to be implemented by the contractors.

Quality Assessment System in Construction ("QLASSIC") is a scoring system developed by the Construction Industry Development Board ("CIDB") to assess and evaluate the quality of workmanship of building projects. To ensure quality property developments, we have established a KPI target to achieve a minimum QLASSIC score of 65% for each property project.

Education Division

At both SBPS and SBIS, we assure the quality of our educational services by delivering a well-developed curriculum and improving the competency of our teaching staff.

DELIVERING QUALITY EXCELLENCE

PRODUCT QUALITY AND SERVICES (103-2)

Property Division

Maintaining and improving the quality of our development projects is key to strengthening our market positioning as well as customer trust. As a responsible developer, we strive to deliver innovative green designs, high standards of workmanship and constructability, while meeting and exceeding industry requirements.

SBPS

SBPS offers similar core subjects as national schools and prepares students for public examinations. Additionally, we have implemented various programmes to incorporate the Singapore mathematics syllabus, IBSE and other advanced curricula as an enhancement of the national curriculum with the objective of uplifting the quality of education at SBPS.

102-9: Supply chain

103-2: The management approach and its components

203-2: Significant indirect economic impacts

204-1: Proportion of spending on local suppliers

SUSTAINABILITY REPORT

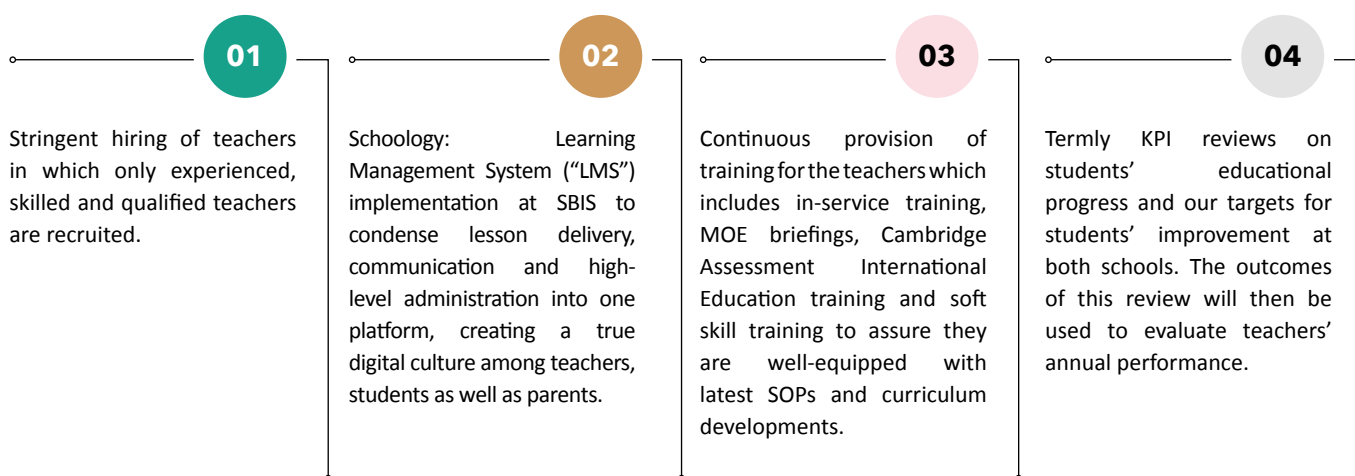
For this reason, we highly encourage the school's participation in national and international programmes which include extra-curriculum activities. We believe involvement in these activities improve students' leadership abilities, critical thinking and other soft-skills.

To enhance the performance of our teachers, SBPS encourages them to participate in training programmes covering a diverse range of topics including robotics, science, sports and arts.

Programmes	Descriptions
Robotics Competitions	Participated by the students of SBPS to enhance their intellectual development, creativity and productivity.
Arts Training by Kuala Lumpur Performing Arts Centre	Participated by 20 teachers to build new skillsets on the finer points of performing arts.
Roundtable discussions and online forums with the Autism Link, Permata Kurnia, State Education Departments (Special Needs Division)	Attended by teachers and the Head of Emotional Literacy Support Assistant ("ELSA") Centre to acquire latest information on therapy and support for students with special needs.
Centre of Sports Excellence Programme	Provided platform for sports teachers to sharpen their skillsets and acquire knowledge on sports with the assistance of Olympic Athletes, Nordin Mohamed Jadi and his team.
Workshops by Academy Science Malaysia, International Science, Technology and Innovation Centre Malaysia and La main à la pâte Fondation, Paris.	<ul style="list-style-type: none"> Participated by our science teachers for continuous enhancement and acquisition of new scientific knowledge. Two of our teachers participated in the discussion with the La main à la pâte Fondation, in Paris for further collaboration and recognition. Through this engagement, SBPS is now recognised as an IBSE Pilot Centre in Malaysia.
Eco-School Programmes	Implemented robust and engaging Eco-School programmes which had major focus on environmental sustainability and spearheading green initiatives in Malaysia.

SBIS

SBIS adopts the International Early Years curriculum ("IEYC") for early years, United Kingdom curriculum for Year One up to Year Nine and the IGCSE curriculum for Year 10 and 11. Our initiatives to deliver quality educational services include the following:



SUSTAINABILITY REPORT

CUSTOMER SATISFACTION AND RESPONSIBILITY (102-43, 103-2, 103-3)

Property Division

Customers are at the heart of our business and customer satisfaction is imperative for the sustainability of the L&G Group. We believe that listening to our customers strengthens customer relations and is an effective approach to meet their expectations as well as create shared value.

The Group conducted a customer satisfaction survey and benchmarked the score obtained with our established KPI for the first time this year. The survey was conducted at Astoria Ampang, where customers were requested to complete the Customer Satisfaction Survey form upon booking of our property units. We are pleased to announce that the score achieved from the survey was 88% which was higher than the established KPI of 70%. The exercise helped us gauge the expectations of homebuyers and solicit feedback and suggestions on project design and show units/sales gallery presentation. By analysing the feedback, we are able to ascertain customer preferences and identify areas of continuous improvement to ensure our products are always in tune with market trends.

Education Division

SBPS

At SBPS, we conduct a Parents' Feedback Survey based on the Likert scale method. During the reporting year, we refurbished our canteen to provide sufficient space for students and improved food service quality. The improvements were made in response to the low satisfaction scores we received for canteen food and services in FY2018.

Our Parents' Feedback Survey this year focused on Online Teaching and Learning practised by the school during the National Movement Control Order ("MCO") in response to the recent COVID-19 pandemic. The survey topics included attendance, syllabus coverage, quality of instruction, the need for tutor's guidance and overall educational experience.

The survey provided invaluable insight on the effectiveness of the Online Teaching and Learning during the MCO as the school planned for an increase in home-based hands-on activities. Feedback received from parents and students were encouraging and most of their recommendations were implemented. Areas identified for improvements were to have more in-depth explanation by the instructors, increase the student interaction time as in a physical classroom setting and to maintain the use of video clips and slides.

SBIS

Parents' Feedback Surveys are carried out at SBIS on an annual basis to obtain parents' expectations and evaluate their satisfaction levels on the school's quality of education and services. The survey aims to appraise the overall satisfaction levels in the aspects of a child's progress in school, teachers, course content, extra-curricular activities, LMS (Schoology), security, food and beverages, and cleanliness. These areas are pertinent in providing a conducive learning environment for our students. The aspect on food and beverages has shown improvement in satisfaction level for this year (94%) as compared to last year (84%). Parents are generally satisfied with the variety, quality and pricing of the food and beverages served at our campus. We are pleased to note that the SBIS overall parents' satisfaction levels for FY2020 stood at above 90%.

CUSTOMER PRIVACY (103-2, 418-1)

At L&G, we are committed to safeguarding our customers' personal information to build customer trust. We have established corporate-wide SOP which ensure the confidentiality of information received from homebuyers as well as parents or legal guardians of our students.

All the relevant departments and divisions at L&G were issued instructions in 2014 to comply with the Personal Data Protection Act 2010 ("PDPA"), which came into force in November 2013. Guidelines and supporting documents were formulated by respective departments and divisions to ensure customers' personal data are protected from loss, misuse, modification, unauthorised or accidental access or disclosure. We ensure all staff submit their confirmation of compliance with the PDPA to our Legal Manager for this reporting year.

Property Division

Within the property division, only authorised officers such as the Sales Administration Manager and Credit Control Manager as well as selected users are permitted to obtain customers' personal data for the purpose of opening utility accounts for new homebuyers. This is to ensure traceability and accountability in the unlikely event of a breach of the PDPA.

Education Division

Both SBPS and SBIS have established a standalone SOP for Personal Data Management to safeguard staff, students' and parents' personal data. In line with the SOP, the online School Management System was created to manage the confidentiality of information concerning personal and financial data of students and parents. The system can only be accessed by the authorised personnel for data updates and viewing purposes.

Our Personal Privacy Policy is available on the Sri Bestari Schools' website, informing our customers about how we manage their personal information.

102-43: Approach to stakeholder engagement

103-2: The management approach and its components

103-3: Evaluation of the management approach

418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY REPORT

Mitigation Plan for Cyber Security

Data breaches can adversely impact even the most resilient of companies through substantial financial loss, damage to reputation and regulatory sanctions. In light of this, L&G has put in place effective cyber security measures to protect our business from data theft, data breaches, data loss and Denial of Service (“DoS”) attacks to develop customer trust and minimise financial consequences of data breaches.

Our Information Technology (“IT”) Department carried out an assessment of our cyber security system and the following areas of improvement were identified.

- The use of traditional on-premise software which can only be accessed within office premises.
- The practice of traditional backup methods using external hard disks and offsite storage of internal application databases and users’ shared folders.
- Continuing usage of paper documentation including printing reports, form submissions, cheque printing, billing and envelope postage.
- More than 60% of devices used were outdated in terms of hardware, window operating systems, office applications and network switches.

To address the issues identified above, the Group has proposed several initiatives to build our IT capabilities and improve personal data protection to be future ready for the Fourth Industrial Revolution 4.0.

DoS ATTACK
AN ATTACK ON
A SERVICE THAT
DISRUPTS ITS
FUNCTION AND
PREVENTS OTHER
UNINTENDED
USERS FROM
ASSESSING IT.

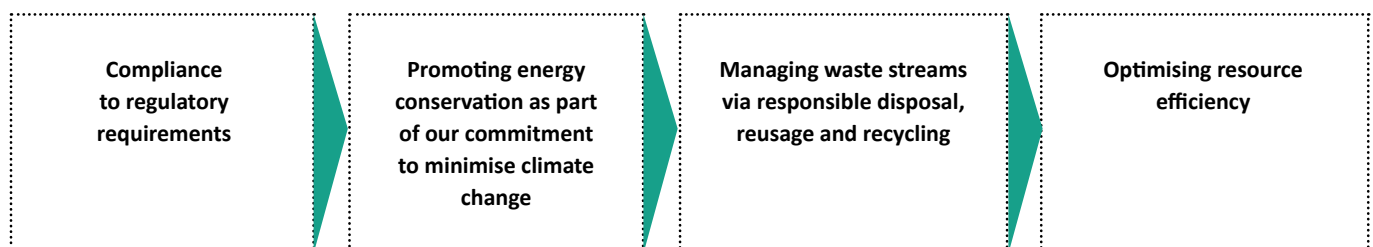
CYBER SECURITY PROPOSED INITIATIVES

- Software upgrades that enable remote accessibility, flexibility and capability to generate digital reporting and use email as collaboration tools.
- Installation of Load Balance Broadband Router to support multiple simultaneous users and provide reliable applications.
- Implementation of IT Disaster Recovery solution that enables replication and offsite backup of data to remote locations in compliance with the Bursa Malaysia’s IT Security Standards.
- Switching from paper-based processes to digital and online transactions that enhance the security of data and documents while saving on costs associated with printing and storing paper.
- Continuous usage of anti-virus and anti-malware software as a security suite that integrates Endpoint Protection and Endpoint Detection and Response solutions.
- Continuous usage of firewalls which deliver high performance threat protection including web filtering, antivirus and application control. This ensures our business is not harmed by cyber security threats such as Malware, Spyware, blended network attacks and social engineering.

The Management will evaluate the cost-effectiveness of the above initiatives prior to their implementation.

ENVIRONMENTAL RESPONSIBILITY

We continue to incorporate environmental sustainability at all levels of management and stages of our projects. The direction and thrust of our environmental efforts are stated below.



SUSTAINABILITY REPORT

ENVIRONMENTAL COMPLIANCE

As a responsible corporate citizen, we recognise the impact of development on the environment. The Group is committed to reducing environmental impacts arising from our activities and operations. We conduct environmental monitoring which includes energy, waste and water quality monitoring at all our project sites.

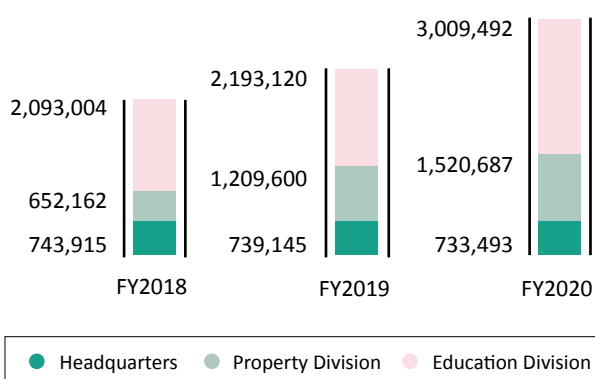
CLIMATE CHANGE (103-2, 103-3, 302-1, 302-3, 302-4)

Our main source of energy consumption is purchased electricity. With the increasing concern on greenhouse gas emissions, the Group intends to improve our energy efficiency and reduce energy usage at our corporate headquarters, sales galleries, construction sites and schools. For the reporting year, the largest consumption was recorded by the Education Division, followed by Property Division and lastly Headquarters.

The increase in electricity consumption at the Education Division for FY2020 is due to increased usage of the air-conditioning units at the SBPS to counter noise and dust pollution arising from the construction of a new building for SBIS. For the Property Division, higher electricity consumption in FY2020 is attributed to the newly renovated Astoria Ampang sales gallery which has been fitted with more heavy-duty air-conditioning units.

However, the Group reduced consumption by 5,652 MJ (0.8%) at our headquarters compared to the previous reporting year.

Energy Consumption by Group (MJ)



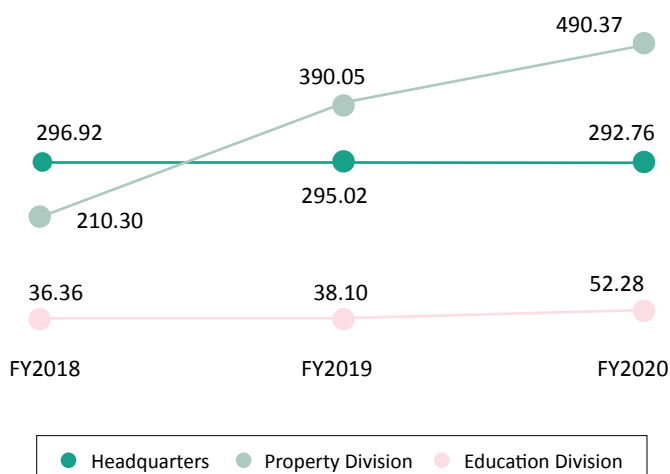
Headquarters Covers Land & General Bhd (Level 18, 19, 20 & 21 at 8trium)

Property Division Covers Seresta Sales Gallery, Astoria Gallery and Sena Parc Gallery

Education Division Covers SBPS and SBIS (SBIS from September 2019)

This year, we expanded our energy disclosure by estimating energy intensity which is a more accurate representation of energy consumption.

Energy Intensity by Group (MJ/sqm)



Headquarters Covers Land & General Bhd (Level 18, 19, 20 & 21 at 8trium)

Property Division Covers Seresta Sales Gallery, Astoria Gallery and Sena Parc Gallery

Education Division Covers SBPS and SBIS (SBIS from September 2019)

The overall energy intensity for FY2020 increased by 112.24 MJ/sqm (16%) compared to the previous reporting year. In order to reduce our energy consumption, the Group aims to explore more energy saving initiatives that can be implemented in our buildings. We will identify major energy users and energy wastages in our workplace and, develop energy efficient practices for the coming years.

Initiatives on Electricity Efficiency

As a Group, we continuously implement electricity saving initiatives across our headquarters, sales galleries and schools to reduce our electricity usage.



Headquarters and Property Division

- The switch from conventional lighting to LED.
- Turning off electrical appliances, lights and air-conditioners during lunch and after working hours.

SUSTAINABILITY REPORT



Education Division

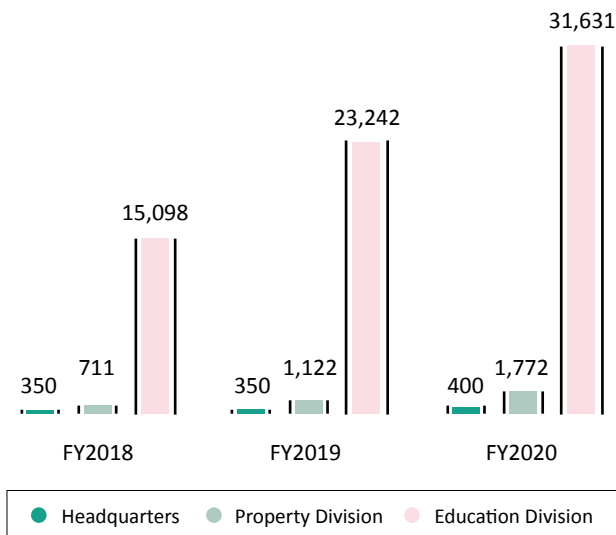
- Usage of air-conditioners installed with programmed thermostats in classrooms and teachers' offices for optimal cooling.

Moving forward, we plan to monitor fuel consumption at our project sites to ensure we responsibly manage our carbon footprint.

WATER (103-2, 103-3, 303-5)

The Group aspires to optimise water consumption and conserve water throughout our operations. We encourage our employees, contractors, teachers and students to reduce water consumption through monitoring and implementing water-saving initiatives. In FY2020, our total water consumption was 33,803 m³.

Water Consumption by Group (m³)

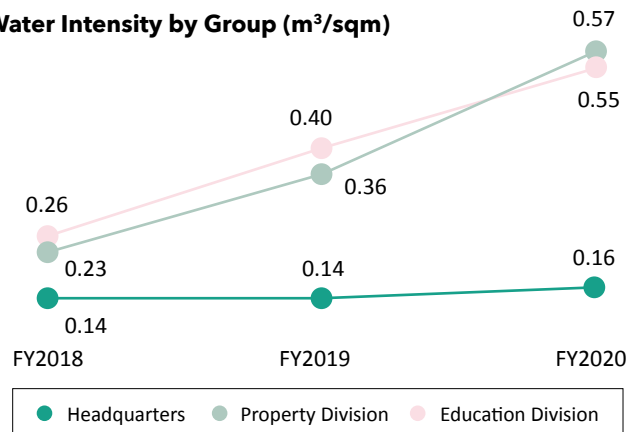


Headquarters Covers Land & General Bhd (Level 18, 19, 20 & 21 at 8trium)

Property Division Covers Seresta Sales Gallery, Astoria Gallery and Sena Parc Gallery. Water data for Seresta Sales Gallery in FY2018 and FY2019 are excluded.

Education Division Covers SBPS and SBIS (SBIS from September 2019)

Water Intensity by Group (m³/sqm)



Headquarters Covers Land & General Bhd (Level 18, 19, 20 & 21 at 8trium)

Property Division Covers Seresta Sales Gallery, Astoria Gallery and Sena Parc Gallery. Water data for Seresta Sales Gallery in FY2018 and FY2019 are excluded.

Education Division Covers SBPS and SBIS (SBIS from September 2019)

We recorded an overall increase in consumption by 37% as compared to FY2019. This was largely attributed to the new SBIS buildings which became operational in August 2019.

Headquarters and Property Division

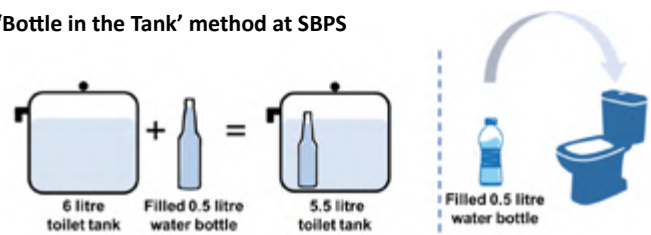
At all of our construction sites, we monitor the management of water resources by our contractors. One of the water conservation efforts by our contractors was to utilise water stored in the rainwater detention pond to wash construction vehicle tires to remove traces of soil and sediment before they exit onto public roads.

Education Division

At SBPS, the water taps in our buildings are fitted with aerators. The aerators fixed on the end of the tap act as sieves, separating a single flow of water into small streams which result in a reduction of flow that contributes to less consumption.

We also practice the 'Bottle in the Tank' method to reduce water consumption at our schools. This method displaces 0.5 litre of water in toilet tanks by reducing the amount of water used per flush.

'Bottle in the Tank' method at SBPS



Moving forward, we intend to install a rainwater harvesting system within the SBPS school compound.

SUSTAINABILITY REPORT

WASTE MANAGEMENT (103-2, 306-4)

As a responsible property developer, L&G adheres to requirements set by the Environmental Quality Act 1974 as well as its subsidiary regulations for proper waste handling within the Group.

Headquarters and Property Division

We practise the segregation of recyclable waste at our offices, where the quantity of waste is tracked in order to understand our waste generation pattern. Individual recycle bins for metals, paper and plastics are placed at our corporate headquarters. In the reporting year, we recycled 193 kg of waste and we intend to use this data to establish a baseline. Next year, we intend to monitor solid wastes generated at our sales galleries.

At our construction sites, we practice waste reduction and reuse methods. Instead of the conventional timber formwork, we utilise aluminium formwork that can be recycled and reused. With this method, we have reduced our timber waste by 95%. Chemical wastes, such as mould oil and curing compounds, are collected for reuse whenever possible to minimise the quantity of waste that requires disposal. Moving forward, our construction sites will put in place a system to track the total quantity of construction waste generated

and its disposal methods. Construction wastes that cannot be reused are collected using Roll-On Roll-Off ("RORO") bins which are removed from sites by a licensed contractor for disposal at approved landfills.

As for scheduled waste, our contractors generate SW 305 (Spent lubricating oil), SW 311 (Waste oil sludge), SW 408 (Contaminated soil), SW 409 (Used containers that contained chemicals) and other waste types. As a property developer, we remain accountable to ensure scheduled waste generated at our construction sites are stored, transported and treated in accordance to the local laws and regulations. The Group has put in place plans to track, record and disclose more detailed information on scheduled waste in our future reports.

Education Division

At SBPS, we engage with non-governmental organisations including Global Environmental Centre ("GEC"), EcoBrick Malaysia, iCYCLE Malaysia and other civil services to assist us in implementing waste management initiatives at our schools. We also collaborated with Cenviro Sdn Bhd, operators of Malaysia's first Integrated Waste Management Centre in Negeri Sembilan, to establish innovative and sustainable waste management.

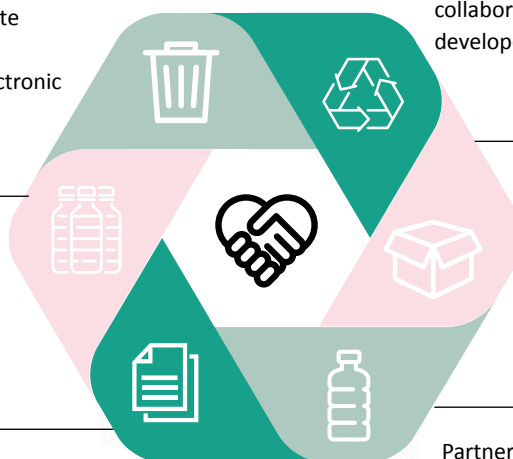
The illustration below details our waste management initiatives conducted.

Encouraged the recycling of electronic waste among students via the collaboration with iCYCLE Malaysia, a solution provider of electronic waste separation and recycling.

A sharing session was conducted on Eco Brick with EcoBrick Malaysia. The session educated students on how recycled items can be used to make building blocks.

Teamed up with Kloth Care, a Malaysian social enterprise set up to recycle and repurpose clothing and keep fabrics out of landfills.

A Kloth Care Bin is placed on campus to encourage students to drop old clothes or other fabric items for recycling. A total of 825kg of cloth was collected this year.



A recycling programme was organised in collaboration with GEC and a Cardpoint system was developed via this programme.

Organises CAREton Project with Nestlé (Malaysia) Berhad and Tetra Pak (Malaysia) Sdn Bhd to encourage students to use carbons as disposal bins in the school campus.

Partnered with GEC on Cooking Oil Recycling Project to collect used cooking oil from the school to be recycled into bio-diesel.

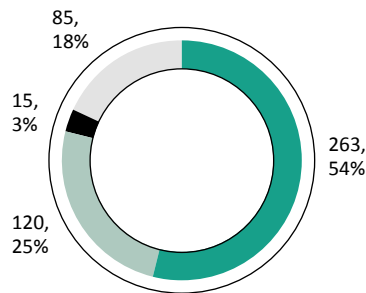
With an establishment of storage centre at the school canteen, we collected an amount of 212kg of used cooking oil this year.

SUSTAINABILITY REPORT

Through our recycling programme with GEC held between August and October 2019, 483.65 kg of recyclable materials was collected. With the SBPS Recycling Programme, over half the waste recycled was made up of paper – much of it was single use paper, followed by plastic waste, cardboard and metal waste (as shown in the pie chart below).

Total Amount of Solid Waste (kg) Collected during SBPS Recycling Programme

- Paper
- Plastic
- Metal
- Cardbox



BIODIVERSITY (103-2, 304-1, 304-3)

As an environmentally-conscious Group, L&G strives to incorporate landscapes into all our property development projects to allow residents to experience nature within an urban setting.

We also endeavour to spread awareness on the preservation of our environment, especially highlighting the need for biodiversity protection to our students. To raise awareness on such environmental issues, we incorporate into our school curriculums, subject matters pertaining to environmental protection and preservation.

Property Division

Damansara Seresta

Located in Bandar Sri Damansara, Damansara Seresta is enveloped by nature in all its lush greenery with Bukit Lanjan Forest Reserve as its mesmerising backdrop. The theme of 'Living with Nature' is exemplified through Damansara Seresta, as L&G strives to provide homes where both the outdoors and indoors can be enjoyed.

The overall construction site consists of 2.59 hectares, whereby only 1.41 hectares will be used for residential development, leaving the remaining area for green spaces. The development incorporates elements inspired by its green surroundings through the inclusion of facilities such as a cascading waterfall, courtyard garden, tree house, pavilions, sky gym, rood garden and a 325 m forest trail and deck.

The forest trail and deck connect the building to the Bukit Lanjan Forest and allow residents to explore the neighbouring forest reserve. We carefully select specific species of trees and shrubs to be planted around our residential area to avoid disturbing the existing ecosystem.



Over
3,000
species of
forest trees



Over
1,000
tropical wildlife
species

Astoria Ampang

Located in Ampang, Astoria Ampang is positioned at a nexus of road and rail connections, making it accessible and convenient for residents. The project has a total of 1.61 hectares of green space dedicated to allow tenants to experience nature up close.

We went beyond the required space allocated for green space as we believe it is important to integrate the natural environment into the lifestyle of residents.

Within the development, there is a thriving ecosystem with water terraces, a cascading waterfall, woodland, grassland, wetland and marshland. We have designed the property such that the natural ecosystem is not harmed and both air and water quality control keep the biodiversity intact. Only suitable species of trees and shrubs are planted in order to preserve the existing ecosystem flora and fauna in the area.



Over
13
green features
on premises

103-2: The management approach and its components

304-1: Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas

304-3: Habitats protected or restored

SUSTAINABILITY REPORT

Sena Parc

Our Sena Parc project is located in Senawang, in a hidden enclave set against open spaces and hilltops in the distance. The residence, though hidden away, is still conveniently accessible to multiple public amenities, major roads and KTM stations.

This project has been allocated numerous green spaces for residents to enjoy the beautiful outdoors

safely. A total of 6.63 hectares have been designated for green space.

Sena Parc offers a collection of parks that provide homely, communal areas for family recreation and social interaction. In total, there will be eight parks spread around the neighbourhood that have been carefully designed to match the existing ecosystem.



Eight Parks inside Sena Parc:

- Central Park
- Wellness Park
- Picnic Park
- Lakeview Park
- Linear Park
- Zen Park
- Atelier Park
- Inspiration Park

Education Division

SBPS

Our efforts to conserve and preserve nature in surrounding areas where we operate, focus on nurturing and understanding the importance of biodiversity.

At SBPS, there is a dedicated space for an Eco-Learning Corner and Outdoor Science Lab where lessons on environmental processes and issues take place. This project was executed in collaboration with the Malaysian Nature Society and World Wildlife Fund Malaysia.

SBPS is planning to introduce 'Biodiversity' as a separate learning topic at the Eco-Learning Corner. The school also strives to provide programmes that promote sustainability and environmental awareness.

In addition, we have set up a paddy planting plot as one of our initiatives at SBPS. This is to provide students with hands-on experience on paddy cultivation while offering practical knowledge on the germination of seeds, the importance of sun, water and irrigation systems as well as the need for herbicides and pesticides for healthy paddy growth.

Added

Biodiversity
as a curricular topic



SBIS

SBIS has established an Eco-Club for children between two and five years of age to instill the importance of environmental preservation at an early age. The school has also instituted environmental projects in its IEYC.

One of its projects involved building the IEYC Gallery using recyclable items such as plastic bottles, toys and plastic containers.



Establishment
of

Eco-Club

SUSTAINABILITY REPORT

ECO SCHOOLS STATUS (103-2)

Education Division

SBPS as an Eco School

Eco Schools is the largest global sustainable school programme established by the WWF. It sets out to improve students' environmental awareness, enhance school environment, create financial savings for schools and foster positive changes in the surrounding community at large.

Malaysia, along with 67 other countries, has Eco Schools. Since 2011, when the programme started in Malaysia, over 200 schools have embarked on the Eco Schools journey, including SBPS. It is one of the 15 schools to have received the World Wildlife Fund Green Flag in Malaysia. Furthermore, the first

coveted WWF Eco Schools Green Flag Award was garnered by SBPS in 2015. The school has been awarded its third Green Flag award this year which showcases the school's continued excellence in environmental actions and learning.

One of the initiatives which raised SBPS's Eco School status is its efforts raise awareness and to minimise reliance on single use plastic. We encourage students to bring their own food containers and water bottles for their lunch orders at the school canteen. Moving forward, SBPS intends to implement more proactive initiatives among students to further reduce its plastic footprint.



SBPS is one of the two schools to be presented with the coveted

Third
Green
Flag
Award
in Malaysia.

CONDUCTIVE WORKPLACE

SAFETY AND HEALTH (103-2, 403-2, 403-4, 403-5, 403-6, 403-9)

The Group strives to create a conducive, safe and healthy environment for our employees, contractors, customers, students and teachers across both property and education divisions. Achieving zero fatality is our main target and the Group ensures that the safety and health procedures and processes are in compliance with the statutory requirements.

A Safety and Health Policy was established at the Group level to demonstrate our commitment to safety and health. The aim of this document is to minimise workplace hazards and protect the health and welfare of employees and other stakeholders who may be impacted by our operations. We review the policy annually, taking into consideration the evolving market environment and working capital requirements.

SAFETY AND HEALTH MANAGEMENT

Property Division

The Group requires the appointed contractors to establish policies, manuals, and procedures for safety and health management at the three construction sites. This is to ensure a proactive approach and garner stronger management commitment, employee involvement and risk management with regard to safety and health.

In addition to this, we have HIRARC in place and we conduct regular inspections to ensure HIRARC is effectively implemented. The process is used to identify possible work hazards at construction sites, assess the risk associated with the hazard identified and recommend control measures to ensure a safe and conducive work environment.

Standard procedures on incident and accident investigation have been developed as a guide to address work-related incidents at the construction sites. These procedures ensure we identify the root cause of the incident, effect mitigation measures and take corrective actions.

SAFETY AND HEALTH COMMITTEE AND EMERGENCY RESPONSE TEAM

We have established the Safety and Health ("OSH") Committee for L&G's headquarters and property division, and the Emergency Response Teams ("ERTs") for our education division. The OSH Committee and ERTs are established to monitor the safety and health aspects of respective operations and conduct periodical inspections to reduce potential safety risks at the workplace. The OSH Committee is led by a Chairman and supported by a team with equal representatives from Management and employees. ERTs at the schools are headed by the Emergency Manager and supported by employees from various departments. In light of the COVID-19 pandemic that has resulted in adverse public health impacts, we have established a dedicated COVID-19 Prevention Programme Committee to enforce Groupwide prevention measures.

SUSTAINABILITY REPORT

TRAINING ON SAFETY AND HEALTH

Apart from our incident management, we periodically organise safety training for our employees and contractors to ensure they are equipped with new and relevant information on safety and health management tools and guidelines.

Property Division

To enhance the awareness and importance of safety practices at construction sites, our contractors conduct periodic training sessions including safety induction training, toolbox meetings, and environment, safety and health awareness training. These training programmes provide instruction on safe work practices, rules, and provide skills and necessary knowledge to identify and control workplace hazards to prevent potential injuries and illnesses.

Education Division

At the schools, we collaborate with the Fire and Rescue Department to conduct fire drill sessions to train teachers, students and employees on emergency response. In addition, we organise First Aid Training on an annual basis as well as first aid examination for teachers at SBPS.

WORK-RELATED INCIDENTS AND ACCIDENTS

The Group keeps tracks of safety and health incidents that occur at our workplaces. The table below shows the total working hours registered and work-related injuries recorded at our L&G headquarters, property division and education division for FY2020.

Division	Total Working Hours	Lost Time Injuries (LTI)
Headquarters	202,800	0
Property Division	83,094	0
Education Division	305,352	0

Headquarters: Covers Land & General Bhd (Level 21, 8trium) and Sri Damansara (Level 18, 19 & 20 at 8trium)
Property Division: Covers sales galleries and project sites of Damansara Seresta, Astoria Ampang and Sena Parc
Schools: Covers SBPS and SBIS

The Group recorded zero work-related injuries and ill health throughout 591,246 man-hours worked for the period between 1 April 2019 to 31 March 2020.

OUR RESPONSE TO THE COVID-19 OUTBREAK

The Malaysia Government initiated the MCO in response to the COVID-19 pandemic in the country on 18 March 2020. In line with the requirements of the MCO, we established guidelines and protocols in accordance with the SOP stipulated by the Ministry of Health ("MOH") which were enforced at our corporate headquarters, project sites, sales galleries and schools. Since the implementation of MCO, the Group recorded zero positive COVID-19 cases.

Headquarters

- Encouraged conference calls and online meetings with stakeholders to minimise face-to-face meetings. Some internal meetings were held via video calls.
- Promoted one-way use of staircase and paths as much as possible to reduce human contact.
- Daily temperature screening for all employees.
- Hand sanitisers were made available at multiple locations in the office.
- Employees were encouraged to wear face masks in public areas.
- Employees are informed and reminded to practice the recommended 1-metre physical distancing as much as possible.
- Formation of a COVID-19 Prevention Programme Committee to co-ordinate Groupwide safety and prevention measures.

Sales Galleries

- Restricted group briefings to two employees.
- Used video recording walkthrough for explanation on completed sites for sales employees, agents and purchasers.

Project Sites

Contractors at the projects sites are to abide by the SOP for Construction Industry to Operate During MCO Period formulated by the Ministry of Works Malaysia and the CIDB. Among the measures include:

- Letter of Approval to Operate to be displayed clearly at the construction sites.
- Ensures all workers have undergone COVID-19 screening before resuming operation.
- Respective OSH Committees at the project sites are required to perform temperature screening and provide face masks, sanitizers and hand gloves for site staff.
- To conduct risk management, job scheduling and distribution of workers following job requirements.

103-2: The management approach and its components
 403-2: Hazard identification, risk assessment, and incident investigation
 403-4: Worker participation, consultation, and communication on occupational health and safety

403-5: Worker training on occupational health and safety
 403-6: Promotion of worker health
 403-9: Work-related injuries

SUSTAINABILITY REPORT

Schools

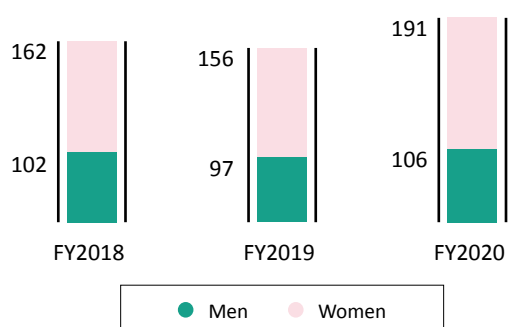
- Schools were closed during the MCO.
- All formal gatherings of students which include morning assembly, and sports activities were cancelled until further notice.
- Dedicated labelling in classrooms, canteens, school staircases and lifts in accordance with the Ministry of Education and MOH guidelines.
- Implemented home-based online learning for students.
- Conducted Hand Hygiene Campaign, health and safety exhibitions and Sick Bay set-ups to bring a heightened awareness on the importance of well-being of our students, teachers and that of our neighbours. These initiatives were communicated via students' portal.

DIVERSITY AND EQUAL OPPORTUNITY (102-7, 103-2, 401-1, 405-1)

Diversity offers a variety of different perspectives, increases creativity and innovation, leading to improved performance. We embrace workforce diversity and strive towards providing equal opportunities for employment, employee development and career progression without bias on the grounds of gender, age, ethnicity and religion.

L&G aims to strengthen the socio-economic status of local communities, in the areas where it operates. Our organisation is made up largely of local staff and comprises 106 (36%) men and 191 (64%) women in this reporting period. The larger female employee representation at L&G is a result of the large quantity of female teachers at SBPS and SBIS.

Workforce by Gender (Numbers)

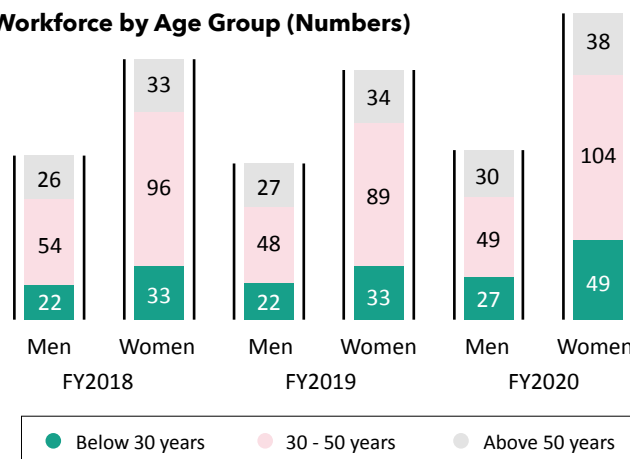


The bar graph above presented represents employees from headquarters, property and education divisions.

For three consecutive years, the majority of our employees have been within the 30-50-year age group. We believe that this age group has broad industry experience, strong operational skills as well as sound

decision making skills. However, we also seek to provide employment for young talent to build their potential, encourage innovative ideas and groom the future leaders of L&G's businesses.

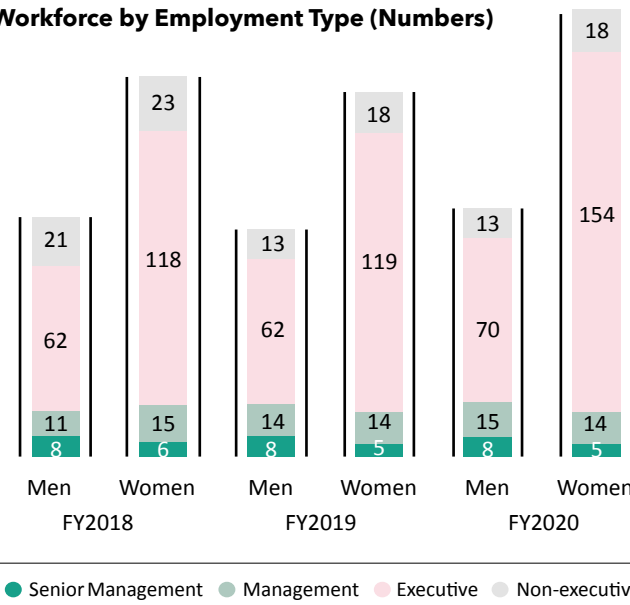
Workforce by Age Group (Numbers)



The bar graph above represents employees from headquarters, property and education divisions.

In FY2020, we recorded 224 (75%) employees that belong to the executive working group. Both non-executive and management groups had 31 employees (13 males; 18 females) and 29 employees (15 males and 14 females) respectively. The remaining of the workforce was represented by senior management. The representation of women in Senior Management was recorded at 39% (5 women).

Workforce by Employment Type (Numbers)



The bar graph above represents employees from headquarters, property and education divisions.

102-7: Scale of the organization

103-2: The management approach and its components

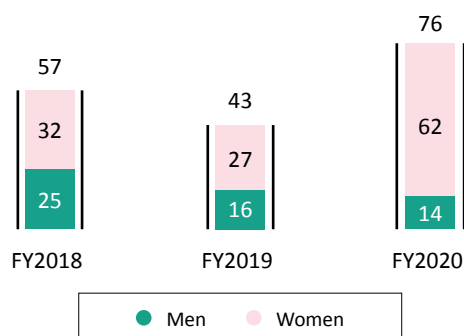
401-1: New employee hires and employee turnover

405-1: Diversity of governance bodies and employees

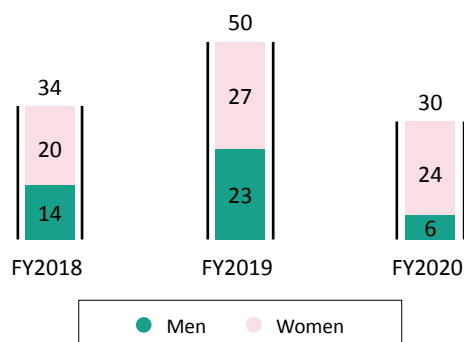
SUSTAINABILITY REPORT

We recruit candidates from various backgrounds with high potential to remain competitive in the industry. We hired a total of 76 new employees, and recorded 30 employee resignations in FY2020. Most of the new hires were made at SBIS in line with our expansion, as we expect to record an increase in student enrollment at the school.

New Employee Hires (Numbers)



Employee Resigned (Numbers)



The bar graphs above represent employees from headquarters, property and education divisions.

EMPLOYEE AND STUDENT BENEFITS (103-2, 401-2)

In terms of providing fringe benefits, we emphasise on improving healthcare benefits for our employees as we believe healthy employees are productive employees. Our healthcare benefits and other benefits including parental leave and staff discounts are listed below.

Property Division



HEALTH CARE

- Personal accident insurance coverage;
- Hospitalisation;
- Outpatient medical claims; and
- Dental claims



LEAVE DAYS

- Annual leave;
- Study leave;
- Two-day paternity leave;
- Two-month maternity leave; and
- Compassionate leave where appropriate.



STAFF DISCOUNTS

- Discounts are offered on the purchase of residential property under the conditions set in the Group Procedures and Authorities; and
- Staff discount for children's enrolment into SBPS and SBIS

Education Division

SBPS introduced the Bestari Scholarship Awards for eligible students from public schools. There are three categories of the Scholarship Awards: Sekolah Jenis Kebangsaan Cina Scholarship to Form One, Sports Scholarship and High Achiever Scholarship (for Academic and Co-curriculum) that are awarded based on the applicant's academic excellence in UPSR and co-curriculum activities.

We continuously review the employee remuneration package and are pleased to report that the medical and hospitalisation benefits have been upgraded as of 1 January 2020. For our students, we offer discounts on their school fees and student insurance premiums at both SBIS and SBPS, based on their respective eligibility.

EMPLOYEE ENGAGEMENT (102-43, 103-2)

Our Management regularly engages with employees to improve workplace morale and understand the challenges they face at the workplace. We promote employee engagement in a variety of ways which include the organisation of annual dinner, team-building activities, festive celebrations, and training and development programmes to encourage employees to be actively involved.

103-2: The management approach and its components

401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

102-43: Approach to stakeholder engagement

103-2: The management approach and its components

SUSTAINABILITY REPORT

Team Building and Annual Dinner 2019

We organised a two-day one-night team building session at Eagle Ranch Resort in Port Dickson on 26 and 27 April 2019. The session gathered staff from all departments and fostered a bond of unity among them.

In conjunction with team building activities, we held our 2020 annual dinner with 'Country Rock' as its theme where employees dressed up as cowboys and cowgirls. Activities at the annual dinner included staff performances, presentation of awards and a lucky draw.



Group photo of staff during the L&G Annual Dinner 2020

Employee team building activities



A Time of Celebration

During the Chinese New Year celebration, an acrobatic lion dance was organised at the 8trium building on 4 February 2020 to usher in happiness and good fortune.

In addition to this, we distributed red packets or *hongbao* to staff as a token of appreciation for their contribution to L&G.



The lions made their way from the main entrance of the 8trium building to the L&G offices to bring in good tidings and prosperity.

Similarly, the Group organised a Hari Raya gathering for all the departments at the headquarters on 19 June 2019. To spread the Raya cheer, we organised a buffet lunch with traditional Raya dishes and hosted a ketupat weaving competition. Prior to this celebration, Hari Raya tokens were distributed to all staff.



Staff participating in the ketupat weaving competition during the Hari Raya gathering.

SUSTAINABILITY REPORT

EMPLOYEE TRAINING AND DEVELOPMENT

(103-2, 404-1, 404-2, 404-3)

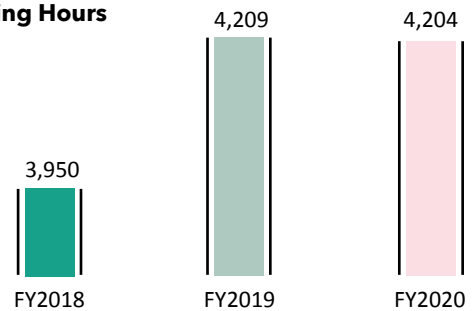
To maintain our competitive edge, the Group aims to strengthen employee competency in the direction that meets the current requirements of the business. We continuously encourage our employees to enroll for internal as well as external training and development programmes.

Our training programmes are conducted with the purpose of improving the skillset of employees that support their professional growth based on their job requirements. We cover topics which include general skills, technical skills and productivity in our training programmes for our employees. Below is a list of the key training programmes conducted in FY2020.

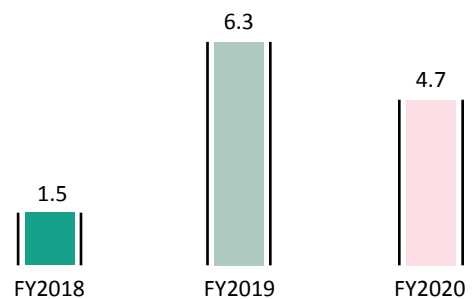
Property Division
Safety Induction for Construction Workers
Education Division
Cambridge Exams Officer Training Malaysia
Cambridge Lower Secondary Global Perspectives (1129) – Introductory (Online Tutor-guided)
Training on Implementing the IEYC
Effective Classroom Management Training
Latihan Pernerakaan PT3 Peringkat Negeri

By the end of FY2020, a total of 4,204 training hours were recorded by employees across all employment levels. Each employee in the property division received an average 4.7 hours of training whilst in the education division, each teacher received an average 16 hours of training in this reporting period. This exceeded our KPI of 2.5 hours of training for each employee in the property division and 10 hours of training for each employee in the education division. The bar graphs below represent the average employee training hours for the property and education divisions between FY2018 and FY2020. Both divisions exceeded their respective annual KPI targets.

Total Training Hours



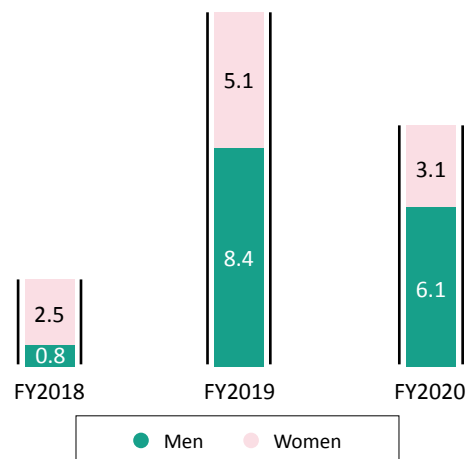
Average Training Hours Per Employee-Property Division



Average Training Hours Per Employee-Education Division



Average Training Hours by Gender-Property Division

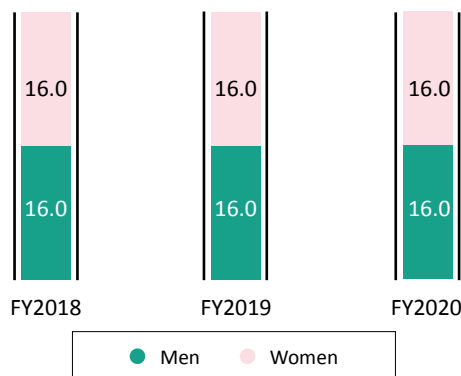


103-2: The management approach and its components
 404-1: Average hours of training per year per employee
 404-2: Programs for upgrading employee skills and transition assistance programs

404-3: Percentage of employees receiving regular performance and career development reviews

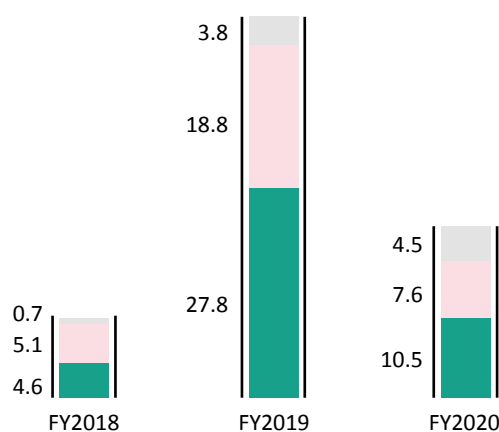
SUSTAINABILITY REPORT

Average Training Hours by Gender-Education Division

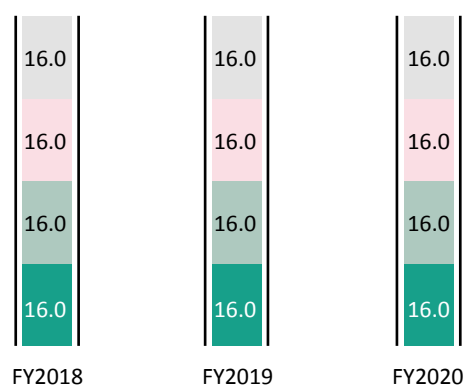


As for employment type, Senior Management received the highest training hours with 10.5 hours per employee in this reporting period, followed by 7.6 hours for Management and 4.5 hours for Executive in the Property Division. The majority of our employees in the Non-Executive category are very experienced having worked within the Group for many years. Their training programmes are typically carried out internally by line managers and when new job-related duties are assigned.

Average Training Hours by Employment Category - Property Division



Average Training Hours by Employment Category - Education Division



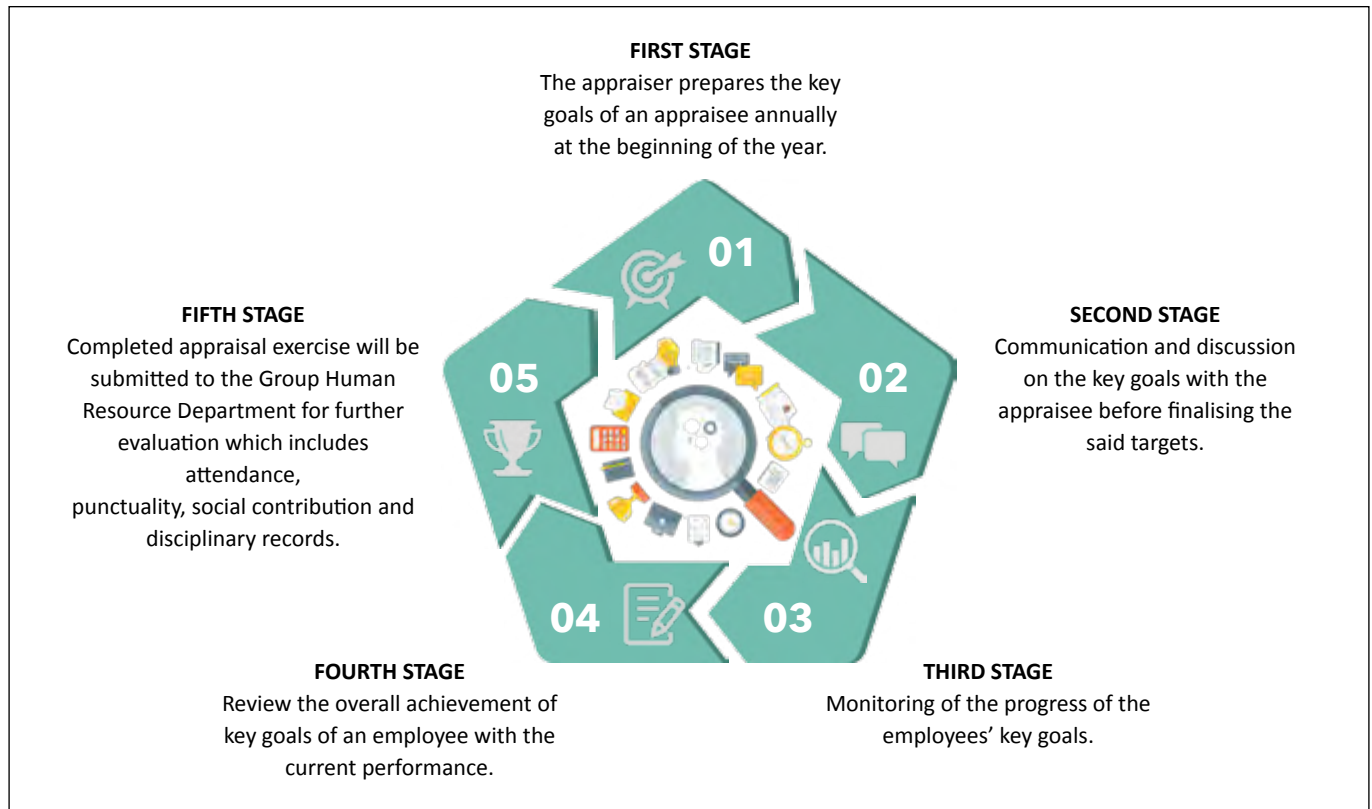
Moving forward, the Group intends to revisit our KPI targets by increasing the average training hours for both property and education divisions.

CAPACITY BUILDING AND EMPLOYEE PERFORMANCE APPRAISAL SYSTEM

At L&G, in our efforts to be an employer of choice, we aim to provide an environment where our employees can develop above their initial skillsets and capabilities to ensure operational efficiency. We analyse their training needs annually through the Group's Performance Appraisal System that involves consultation with the line managers. The Group's key requirements for performance appraisal are effective communication with the appraisee and face-to-face engagement with employees on a regular basis.

SUSTAINABILITY REPORT

The process of this system for each employee is illustrated below.



This process is applied for all of our employees in the headquarters and property division as well as for our teachers from the education division. In this reporting period, 100% of our employees from the headquarters, property division and education division received a performance review.

COMMUNITY IMPACT

LOCAL COMMUNITY CONTRIBUTION (103-2, 413-1)

L&G acknowledges the impact it creates on local communities. We strive to maintain a positive relationship with our customers, inspire the youth and support community-related activities that are in line with our sustainability strategy.

Property Division

We contributed to activities conducted by local authorities, residents' associations and civil society organisations as listed below.

Organisations	Contributions/Events
Bandar Sri Damansara Residents' Association	Contribution for Bandar Sri Damansara Residents' Association Newsletter – Volume 32
The Dyslexia Association of Malaysia	Sponsorship for Tun Siti Hasmah Charity Gala X 2019 – The Phantom of the Opera
Malaysia Spinal Injuries Association	
Shah Alam City Council (Majlis Bandaraya Shah Alam)	Contribution for Treasure Hunt event during the <i>Hari Perancangan Bandar Sedunia 2019</i>

SUSTAINABILITY REPORT

Organisations	Contributions/Events
Malaysian Employers Federation ("MEF")	Contribution for MEF Family Day 2019 held at the Resorts World Awana, Genting Highlands
Persatuan Warga Emas Bandar Sri Damansara	Contribution for 2019 Annual Dinner of Persatuan Warga Emas Bandar Sri Damansara
Malaysian Association of Hotels	Sponsorship with the purchase of 200 booklets for the TLC Carnival Day held at Dorsett Grand Subang
Lembaga Hasil Dalam Negeri Malaysia	Sponsorship for Sukan Hasil 2020 Johor Bahru
Kelab Rekreasi Majlis Bandaraya Shah Alam	Contribution for Kejohanan Golf Amal Majlis Bandaraya Shah Alam 2019 at Glenmarie Golf & Country Club
The Edge Kuala Lumpur Rat Race 2019	Bronze sponsorship for The Edge Kuala Lumpur Rat Race 2019 held on 27 November 2019
Communitas Wangsa Maju Berhad	Gold Table Sponsorship for Gift of Hope Dinner Concert on 15 June 2019 at SJKC Yuk Chai
Pertubuhan Penduduk Pangsapuri Sri Meranti ("PPPSM")	Contribution for refurbishment of PPPSM's Management Office
Institut Jantung Negara ("IJN") Foundation	Gold sponsorship for IJN Foundation Charity Golf Challenge 2019 at Kota Permai Golf and Country Club on 24 August 2019
Real Estate and Housing Developers' Association ("REHDA") Wilayah Persekutuan (KL) Branch	Contribution for Corporate Partner for 11 th International Conference on World Class Sustainable Cities 2019 held on 19 September 2019

Education Division

Apart from the property division, the education division also places importance on reaching out to vulnerable communities, to create a positive social impact and to encourage a spirit of volunteerism among the students. Below are the key community related events organised by both SBPS and SBIS in FY2020.

Hair Donation for Cancer Patients

SBIS partnered with the Locks of Hope Association to organise a hair donation campaign at the school. This campaign was conducted on 25 October 2019 in conjunction with Deepavali celebrations. About 33 individuals including the Principal of SBIS, Dr Wong Siew Chin, donated six (6)-inches of hair for cancer patients. At the end of the programme, a cash contribution of RM2,950 from the SBIS community was donated to the Association.



Dr Wong made her contribution for the cancer patients.



Group photo session during the mock cheque presentation to the association.

SUSTAINABILITY REPORT

A Time of Giving and Sharing

SBIS hosted Myanmar refugee children from the United Learning Centre ("ULC") for Christmas celebrations. We treated them to lunch and donated essential items including rice and oil.

Students from SBIS visited 80 orphans at Rumah Kebajikan Anak-Anak Yatim Damai Kuang during the Hari Raya Celebration on 31 May 2019. We distributed food hampers and Duit Raya (cash gifts).



SBIS welcomed the children of ULC on 29 November 2019.

Visiting a Refugees' Home

10 students accompanied by two teachers from SBPS visited the home of Palestine refugees located at Bukit OUG, Kuala Lumpur on 2 October 2019. This was organised by SBPS to educate school students on the living conditions of refugees in Malaysia. It was organised in collaboration with PichaEats Malaysia which is a social enterprise empowering the refugee community in Malaysia.



A Palestinian refugee shares her experience with SBPS students.



Students of SBIS spread the Raya cheer with the children of Rumah Kebajikan Anak-Anak Yatim Damai Kuang.

CONCLUSION

Sustainability is an integral part of our business strategy. We believe in the synergy of strengthening corporate sustainability while safeguarding the longevity and success of our business. Both property development and education will continue to play an important role in shaping the future of this country and as a key player in both these sectors, we recognise the importance of setting the foundation for sustainable growth. Having established a Sustainability Policy this year, we hope to build business resilience, improve financial as well as non-financial performance by going beyond compliance, and create long-term value for our stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

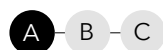
The Board of Directors (“the Board”) of Land & General Berhad (“the Company”) is fully committed to the principles of the Malaysian Code on Corporate Governance 2017 (“MCCG”).

The Board constantly strives to ensure that good corporate practices are carried out throughout the Group as fundamental in fulfilling its responsibilities, which include protecting and enhancing shareholder value as well as the financial performance of the Company.

The Board is pleased to present this Corporate Governance Overview Statement to provide an overview of the application of the 3 Principles as set out in the MCCG.

The Corporate Governance Report which sets out the application of each Practice in the MCCG is available for viewing on the Company’s corporate website at www.land-general.com.

PRINCIPLE



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Charter

The Board had formalised a Board Charter, which the primary objective of the Board Charter is to set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference and composition of Board Committees, and other administrative policies and procedures in relation to the operation of the Board as a whole.

The Board Charter has been reviewed to ensure it remains consistent with the Board’s objective and responsibilities, and all the relevant standards of corporate governance.

The Board Charter can be found from the Company’s website at www.land-general.com.

Roles and Responsibilities

The roles of the Chairman and the Managing Director are clearly defined, with each carrying out his duties and responsibilities within the Company. The Chairman heads the Board and is responsible for ensuring the effectiveness of the Board. The Managing Director has overall executive responsibilities for the day-to-day business operations and the implementation of the Board’s decisions.

The details of the roles and responsibilities of the Chairman and Managing Director are clearly stated in the Board Charter of the Company.

The Board has established written policy determining which issues would require Board decision and which issues are delegated to the Board Committee or Management, subject to variation from time to time as determined unanimously by the Board.

The Board reserves full decision making powers on the matters relating to:

- conflict of interests relating to major shareholders or a Director or persons connected to Director;
- whether convening of a general meeting to approve a transaction or contract is required;
- material acquisition and disposal of Company assets not in the ordinary course of business which may require the shareholders’ approval;
- investments of capital levels;
- authority level, in particular cheque signatories;
- cash investment policies; and
- key human resource issue e.g. renewal of contract of service and remuneration of executive Directors.

Overseeing the Conduct of Businesses of the L&G Group

The Board has delegated the Group’s executive responsibilities for day to day business operations to the Managing Director. Management personnel are in turn delegated with specific functions as assigned by the Managing Director. Plans and operating procedures are in place for each function to ensure continuity and smooth business operations of the L&G Group.

Strategic planning is an ongoing process in L&G and during the financial year under review, the Board had reviewed the business performance of the Group quarterly in the Managing Director’s Report. Performance of the Group in each business unit was reviewed and variance analysis was conducted for each quarter and reported by the Managing Director at the Board meetings.

Management had conducted review and revision of the budget for the current financial year before end of 3rd financial quarter and had drawn up budgets and plans for the next financial years. The revised budget and the budget for the next financial years had been tabled to the Board for deliberation and approval in the 4th financial quarter, before commencement of the new financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Board Committees as follows:

(a)	Audit Committee
(b)	Nominating Committee
(c)	Remuneration Committee
(d)	Risk Management Committee

The Risk Management Committee was formed by the Board on 25 November 2019 to enhance the effectiveness of managing the risks of the Group.

Each operating within clearly defined terms of reference and the details of which could be found in the appendices to the Board Charter, a copy of which is posted at the Company's website.

The Board noted the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these Board Committees. Matters which require consideration and deliberation by the Board are escalated by the Board Committees to the Board.

The composition and key functions of the Board Committees are summarised as follows:

a) Audit Committee

The Audit Committee, comprising wholly non-executive Directors with a majority being Independent Directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with the external auditors.

b) Nominating Committee

The Nominating Committee consists exclusively of Independent Directors.

The key functions of the Nominating Committee include assessing and recommending candidates for the appointment of new directors to the Board, and carrying out annual assessment on the effectiveness of the Board as a whole, the effectiveness of the Board Committees, and contribution of each individual Director and thereafter, recommend its findings to the Board, where applicable.

c) Remuneration Committee

The Remuneration Committee, which comprises entirely non-executive Directors, is authorised to review, assess and recommend to the Board the remuneration of Directors.

d) Risk Management Committee

The Risk Management Committee consists of majority of independent non-executive directors and the Managing Director, is primarily responsible to assist the Board in the effective discharge of its responsibilities of reviewing the process in identifying, managing, evaluating and monitoring principal risks as well as overseeing the implementation of appropriate systems and risk assessment process to manage such risks of the Group.

Support Services

In furtherance of their duties, the Board is supported by a qualified Company Secretary in carrying out its roles and responsibilities. The Board also have access to the advice of both external and internal auditors of the Company and other independent professional advisers, at the Company's expense.

The Company Secretary provides support services to the Board and Board Committees. The Company Secretary attends all Board meetings as well as Board Committee meetings and ensures that accurate and proper records of the proceedings of such meetings are kept. Further, the Company Secretary also provides advice and updates on regulatory requirements to the Board and Board Committee as well as carrying out tasks as assigned by the Board and Board Committees.

Board Meetings

Dates for Board meetings are scheduled in advance before the end of the previous financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules.

Board meetings are held every quarter and additional meetings are convened as and when necessary. Additional Board meetings are held when there are important corporate exercises or issues that require urgent consideration or decision of the Board.

During the financial year ended 31 March 2020, a total of eight (8) Board Meetings were held.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance of the Board Meetings held during the financial year ended 31 March 2020 is as follows:

Directors	No. of Meetings attended/held
Dato' Hj Zainal Abidin Putih	8/8
Low Gay Teck	8/8
Ferdaus Mahmood	6/8
Dato' Ir Dr A Bakar Jaafar	7/8
Dato' Hj Ikhwan Salim Dato' Hj Sujak	8/8
YM Tengku Maruan Tengku Ariff	8/8
Hoong Cheong Thard	7/8
Chiu Andrew Wah Wai	7/8
Dato' Noorizah Binti Hj Abd Hamid	8/8
Allahyarham Dato' Pahlawan Mohd Shukri Dahlan	6/6

To ensure effective conduct of Board Meetings, a structured formal agenda and Board Meeting papers relating to the agenda had been circulated to all Directors prior to each Board Meeting. Board Meeting papers included progress reports on operations, quarterly results of the Group and the Company, financial information and minutes of the Board and Board Committees. The Directors were thus given sufficient time to peruse the matters that were tabled at the Board Meetings to enable effective participation and deliberation of the matters, and ensuring informed decision making.

To provide clarification on matters tabled for the Board's consideration, Management personnel was invited to attend Board Meetings to furnish additional details.

Directors' Training

Directors' Training is important to enable the Directors to equip themselves with the knowledge to discharge their duties more effectively.

During the financial year under review, the Directors had attended relevant training programmes conducted by external experts. In addition to this, internal management had from time to time provided updates regarding the latest updates pertaining to the Listing Requirements of Bursa Securities, statutory provisions, new regulations and accounting standards imposed by the relevant authorities.

Annually, In-house Directors' Training is organised after the training need of the Directors is reviewed by the Board.

During the financial year under review, two In-house Directors' trainings, entitled "Leadership Greatness in Turbulent times – Building Corporate Longevity" and "Corporate Liability – Section 17A, MACC Act 2009" were organised.

In addition to the In-house Directors' Training, the Nominating Committee also encouraged Directors to attend any other appropriate trainings to keep the Directors abreast of the current developments in the marketplace.

Briefings, seminars, conferences, workshops, and others attended by the Directors of L&G during the financial year are summarised as stated below.

Dato' Hj Zainal Abidin Putih

CIMB 2020 Risk Posture Workshop	20 August 2019
3 rd Regional Directors' Sharing Session - CIMB	22 & 23 August 2019
The Cooler Earth Sustainability Summit - CIMB	1 & 2 October 2019
Khazanah Megatrends Forum 2019: Building Our Collection Brain	7 & 8 October 2019
Understanding Fintech and Its Implications for Insurance Companies – FIDE/ICLIF	9 October 2019
CIMB Group's Annual Management Summit	8 & 9 November 2019
CIMB – Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign"	4 December 2019
L&G In house Directors' Training – Leadership Greatness in Turbulent Times – Building Corporate Longevity	12 December 2019
MFRS 17 – Insurance Contract Training	17 February 2020
Briefing on RAROC, Capital & FRS 9	18 February 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Low Gay Teck

Briefing on MBRS	2 April 2019
Transformation of Greater KL	3 April 2019
2018/2019 Global Investor Conference	14 April 2019
Qlassic Awareness Training	30 April 2019
Robotics Process Automation	11 June 2019
REHDA CEO Series	19 November 2019
REHDA Housing 2019 Conference	20 November 2019
L&G In house Directors' Training – Leadership Greatness in Turbulent Times – Building Corporate Longevity	12 December 2019
L&G In house Directors' Training – Corporate Liability – Section 17A, MACC Act 2009	9 March 2020

Ferdaus Mahmood

L&G In house Directors' Training – Leadership Greatness in Turbulent Times – Building Corporate Longevity	12 December 2019
---	------------------

Dato' Ir Dr A Bakar Jaafar

12 th General Assembly of the Academy of Sciences Malaysia- Hydrogen Economy What is the way forward for Malaysia?	27 April 2019
The 3 rd South China Sea Conference (SCS 2019) Sea, Science & Societies: Forging Alliances in Facing Global Environmental Change	24 - 28 June 2019
International Workshop on Haze and Biomass Burning in Asia	9 - 10 July 2019
Akademi of Sciences Malaysia (ASM) 31 st IdeaXchange	29 July 2019
International Workshop on Renewable Energy: Affordable & Clean Energy for All	31 July 2019
Equity Investment For Business Growth 2019	8 August 2019
Symposium and Networking on Bioindustry – Potential Collaboration in Bioenergy Production	28 August 2019

"Hydrogen Economy: Preliminary Assessment For Malaysia" Workshop	4 September 2019
Round Table discussion on the theme "The use of waste generated by palm oil production"	6 September 2019
The 7 th International OTEC Symposium	26 - 27 September 2019
Malaysia International Water Convention (MIWC) Conference 2019	1 October 2019
2 nd Meeting Malaysia Biomass to Biofuels and Biomaterials Network	2 October 2019
International Greentech & Ecoproducts Exhibition & Conference Malaysia (IGEM 2019)	9 - 11 October 2019
IKIM National Colloquium Series on Islamic Understanding: "Islam and Disruptive Technologies"	22 October 2019
International Conference Indo-Pacific: The New Maritime Geopolitical Theater	24 October 2019
Reducing Marine Litter By Addressing The Management Of The Plastic Value Chain In South East Asia (SEA Circular) for Malaysia National Stakeholder Consultation Programme	5 - 6 November 2019
Workshop on Energy Security in Malaysia : The Past, Present and Way Forward	14 November 2019
Waste Management Sustainability Forum 2019	26 November 2019
The 19 th Science Council of Asia (SCA) Conference 2019	3 - 5 December 2019
L&G In house Directors' Training - Corporate Liability – Section 17A, MACC Act 2009	9 March 2020

Dato' Hj Ikhwan Salim Dato' Hj Sujak

Sustainability – What Directors need to know	18 June 2019
Digital Upskilling for Board	5 August 2019
L&G In house Directors' Training – Corporate Liability – Section 17A, MACC Act 2009	9 March 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

YM Tengku Maruan Tengku Ariff

L&G In house Directors' Training – Corporate Liability – Section 17A, MACC Act 2009	9 March 2020
---	--------------

Hoong Cheong Thard

UBS Global Family Office Summit Asia	9 May 2019
UBS GFO 2020 – Macro trends and priorities for family offices	19 November 2019

Chiu Andrew Wah Wai

L&G In house Directors' Training – Corporate Liability – Section 17A, MACC Act 2009	9 March 2020
---	--------------

Dato' Noorizah Binti Hj Abd Hamid

PNB Leadership Forum 2.0	25 June 2019
Independence Directors' Programme: The Essence of Independence	27 June 2019
QRDP – Directors' Guide to Risk Maturity Framework	17 September 2019
Building our Collective Brain – Khazanah Megatrends Forum 2019	7 – 8 October 2019
Case study Workshop of Independent Directors	9 October 2019
International Directors Summit 2019	14 – 15 October 2019
Raising Defence, Section 17A of MACC Act	17 October 2019
L&G In house Directors' Training – Corporate Liability – Section 17A, MACC Act 2009	9 March 2020

Sustainability

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board believes no company can prevail by maximising the shareholder's value alone, the needs and interests of other stakeholders must be taken into consideration.

More information is provided in the Sustainability Report on page 22 to 56 of this Annual Report.

Code of Conduct

The Company had adopted a Code of Conduct for Directors relating to ethical practices. A separate set of Code of Ethical Practices relating to Group's business operations was formulated for staff and employees.

Code of Conduct for Directors stresses on the following key values where all Directors of the Group are to:

- act honestly, fairly and professionally in all business dealings;
- foster a culture of integrity;
- work together to promote a safe, ethical and professional workplace;
- comply with the laws, rules and regulations under which the Company conducts its business; and
- respect the local communities wherever the Company operates.

The Code of Conduct for Directors can be found from the Board Charter published at the Company's website at www.land-general.com.

Whistle-blowing policy

The Board had formalised a whistle-blowing policy as the Board is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. In recognising these values, L&G provides avenues for all employees, and members of the public to disclose any improper conduct within the L&G Group of Companies.

Any concerns relating to misconduct, questionable issues or improper actions should be emailed to whistleblower@land-general.com by providing the following information:

- nature of misconduct, questionable issues or improper actions;
- name of person/persons involved;
- date, time and location;
- the details of events taken place;
- other witness, if any; and
- documentation or evidence available.

Alternatively, such concerns which shall be classified as "Strictly Private and Confidential" may be directed in writing to the Senior Independent Director which the contact details are set out on page 67 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

Composition of the Board of Directors

The Board's composition is well balanced with five (5) Independent Non-Executive Directors, three (3) Non-Independent Non-Executive Directors and one (1) Managing Director.

The Company is led and controlled by an experienced Board made up of professionals and entrepreneurs who have a diverse range of business, financial and technical skills and experience.

During the financial year under review, Encik Ferdaus Mahmood continued to undertake the advisory role to Management on operational matters of the Group following his retirement as Executive Director since 31 December 2015.

Boardroom Diversity

The Board supports gender diversity as part of the agenda in achieving boardroom diversity as the Board acknowledges and embraces that a wide range of perspectives is critical to effective corporate governance and strategic decision making in the fast changing business environment.

Diverse skill and experience are essential for the successful attainment of the corporate plans and objectives of the Group.

A brief profile of each Director is set out on pages 3 to 8 in the Director's Profile of this Annual Report.

Independent Directors

The Independent Non-Executive Directors are independent of management and are free from any business or other relationship with the Company which could interfere with the exercise of their independent judgment. These will ensure unbiased and independent view in the decision-making process.

To reinforce independence, the Independent Directors do not receive performance based remuneration or share based incentives from L&G.

Board Evaluation Processes

Periodical board evaluation processes would facilitate improvement on the effectiveness of the Board and individual Directors.

Pursuant to Paragraph 15.08A of the Main Market Listing Requirements ("MMLR"), the activities of the Nominating Committee in respect of the financial year ended 31 March 2020 are disclosed as stated below.

Nominating Committee had two (2) meetings during the financial year under review and all the Nominating Committee members attended the said meetings.

a) Assessment on Independent Directors

In respect of financial year ended 31 March 2020, the Nominating Committee had reviewed and assessed the performance and independence of all the Independent Directors, including Dato' Hj Zainal Abidin Putih, Dato' Ir Dr A Bakar Jaafar, Dato' Hj Ikhwan Salim Dato' Hj Sujak and Tengku Maruan Tengku Ariff who have served the Board for a cumulative term of more than 9 years, based on the criteria as set out in Paragraph 1.01 of the MMLR.

In addition to the independence criteria stated under the MMLR, the Independent Directors were also assessed on the following aspects:

- whether the Independent Directors have the ability to exert considerable influence on the L&G Group's financial transactions; and
- whether there is any significant links with other directors through involvement in other companies or body corporates which would materially hamper the independent judgement or ability to act in the best interest of the L&G Group.

The Board had considered and was satisfied with the assessments carried out by the Nominating Committee.

The Board shall seek shareholder's approval to enable Dato' Hj Zainal Abidin Putih, Dato' Ir Dr A Bakar Jaafar, Dato' Hj Ikhwan Salim Dato' Hj Sujak and Tengku Maruan Tengku Ariff to continue to serve as an Independent Directors/Chairman at the 57th Annual General Meeting ("AGM") based on the justifications as set out below.

- (i) Fulfilment of the criteria of Independent Directors pursuant to the MMLR.
- (ii) Possession of high academic qualifications.
- (iii) Enhancement of the Board's diversity in terms of experience, skill and expertise.
- (iv) Familiarity with the Company's business operations and the property development market given the length of service of more than 9 years in the Company and the awareness of current issues confronting the company in which valuable input were provided over the years to steer the Company forward.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- (v) Devotion of sufficient time commitment and attention to their professional obligations for informed and balanced decision making in which they were not over-committed in other directorships, their personal affairs or businesses.

b) Directors' Annual Assessments

The Nominating Committee undertakes an annual review of the performance of each Director through a self-assessment exercise and upon completion of the review and assessment, the Nominating Committee submits its comments and recommendations to the Board for consideration.

The Director's self-assessment in respect of financial year ended 31 March 2020 covered the following aspects:

- (i) fit and proper of a director;
- (ii) contribution and performance of a director;
- (iii) caliber and personality of a director;
- (iv) meeting attendance of Board and Board Committees; and
- (v) training, seminar, conference, etc, attended by director.

All Directors had carried out the Directors' self-assessment exercise in respect of the financial year ended 31 March 2020 and the Nominating Committee had submitted its comments to the Board for consideration.

The Nominating Committee had also taken into the consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking re-election and re-appointment at the AGM.

c) Board Assessment and Board Committee's Assessments

Annually, the Nominating Committee undertakes Board assessment and Board Committee's assessments.

The Nominating Committee had conducted Board assessment in respect of financial year ended 31 March 2020.

The Board assessment covered the following aspects:

- (i) Board structure;
- (ii) Board operations;
- (iii) Board roles and responsibilities; and
- (iv) Board Chairman's roles and responsibilities.

The Nominating Committee had also reviewed the Board Committee's assessments consisted of questionnaires which had been completed by the Chairman of the respective Board Committee as follows:

- (a) Audit Committee
- (b) Nominating Committee
- (c) Remuneration Committee
- (d) Risk Management Committee

The said assessments had covered the following aspects:

- (i) composition of the respective Board Committee;
- (ii) effectiveness of the respective Board Committee's roles;
- (iii) consideration on appointment of Chairman of the respective Board Committee; and
- (iv) documentation of the minutes of the respective Board Committee.

The Nominating Committee had reported the above-mentioned assessments to the Board.

d) Assessment on the members of the Audit Committee

Pursuant to the Paragraph 15.20 of the MMLR, the Nominating Committee of a listed issuer must review the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and Members have carried out their duties in accordance with their terms of reference.

The Nominating Committee had reviewed and assessed the performance of each of the members of the Audit Committee in respect of the financial year ended 31 March 2020 through a self-assessment exercise. The said assessment had covered the following aspects:

- (i) corporate governance, risk management and internal controls;
- (ii) audit and financial reporting; and
- (iii) skill set.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Upon completion of its review and evaluation, the Nominating Committee's comments and recommendations were submitted to the Board. The Nominating Committee agreed and was satisfied with the performance of the Audit Committee and each of its members.

III. REMUNERATION

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration the function, workload and responsibilities.

The Board was assisted by the Remuneration Committee to review and recommend on the remuneration of Managing Director pursuant to the contract of service. The Managing Directors' remuneration comprises basic salary and other customary benefits made available by the Group. The Board had approved the Managing Director's remuneration after taking into account the market rates and the performance of the Managing Director and the Group.

The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM.

The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM.

The former Executive Director, Encik Ferdaus Mahmood who retired on 31 December 2015 and had been redesignated as Non-Independent Non-Executive Director since 1 January 2016. A (fixed) advisory fee based on a contract of service was formalised between the Company and the former Executive Director for his advisory role in relation to operational matters of the Group. For the financial year ended 31 March 2020, the total advisory fees paid was RM121,500. This advisory fee is not subject to shareholders' approval.

As for the Senior Management personnel, the salaries and benefits were agreed upon before engagements were formalised. The salaries and benefits take into consideration the complexities of the works, qualification, experience and other factors. As senior management personnel work closely with the Managing Director, their salaries and bonuses were reviewed and decided by the Managing Director after the annual performance appraisal exercise of the Group.

The Remuneration Committee had one (1) meeting during the financial year under review. Majority of the members of the Remuneration Committee had attended the said meeting.

The Remuneration Committee had agreed that due to the unprecedented economy uncertainties arising from pandemic COVID-19, all employees of the Group including the Managing Director were not awarded bonus for the calendar year 2019 and there were no salary review for the calendar year 2020.

At the coming 57th AGM, the Board shall seek shareholders' approval for Directors' fees and meeting allowances.

Pursuant to Paragraph 9.25 and paragraph 11 of Appendix 9C of the MMLR, the details of the Directors' remuneration of the Company and the Group on the named basis for the financial year ended 31 March 2020 are tabulated as follows:

A) Managing Director

No.	Name	Defined Contribution Plan (RM)	Salaries (RM)	Bonus (RM)	Benefits in kind (RM)	Total (RM)
1.	Low Gay Teck	104,016	866,796	Nil	36,972	1,007,784

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B) Non-Executive Directors

No.	Name of Director	Directors' Fees (RM)	AC ⁽¹⁾ Fees (RM)	NC ⁽²⁾ Fees (RM)	RC ⁽³⁾ Fees (RM)	RMC ⁽⁴⁾ Fees (RM)	Fees for signing DCR ⁽⁶⁾ (RM)	Total Fees (RM)	Meeting Allowance (Paid) ⁽⁷⁾	Total Fees And Meeting Allowance
1.	Dato' Hj Zainal Abidin Putih	120,000	-	-	-	-	6,000	126,000	10,000	136,000
2.	Dato' Ir Dr A Bakar Jaafar	30,000	10,000	5,000	10,000	1,667	6,000	62,667	16,000	78,667
3.	Dato' Hj Ikhwan Salim Bin Dato' Hj Sujak	30,000	20,000	-	-	-	6,000	56,000	13,000	69,000
4.	Tengku Maruan Tengku Ariff	30,000	-	5,000	-	1,667	6,000	42,667	11,000	53,667
5.	Hoong Cheong Thard	30,000	10,000	-	5,000	-	6,000	51,000	13,000	64,000
6.	Chiu Andrew Wah Wai	30,000	-	-	5,000	-	6,000	41,000	8,000	49,000
7.	Ferdaus Mahmood	30,000	-	-	-	-	6,000	36,000	6,000	42,000
8.	Dato' Noorizah Binti Hj Abd Hamid	30,000	-	-	-	3,333	6,000	39,333	9,000	48,333
9.	Allahyarham Dato' Pahlawan Mohd Shukri Dahlan ⁽⁸⁾	30,000	-	-	-	-	5,250	35,250	6,000	41,250
TOTAL		360,000	40,000	10,000	20,000	6,667 ⁽⁵⁾	53,250	489,917	92,000	581,917

The total fees amounting to RM489,917 is subject to shareholders' approval at the 57th AGM.

There is no Directors' remuneration at subsidiary companies.

Notes:

- (1) Audit Committee.
- (2) Nominating Committee.
- (3) Remuneration Committee.
- (4) Risk Management Committee.
- (5) RMC Fees are pro-rated for the period from 25 November 2019 to 31 March 2020.
- (6) Basis used for the computation of additional fees to be paid to Non-Executive Directors based on number of Directors' Circular Resolution signed during the financial year ended 31 March 2020.
- (7) Mandate from shareholders obtained from the previous 56th AGM for payment of meeting allowance for Board and Board Committees' meetings held during the financial year under review.
- (8) Allahyarham Dato' Pahlawan Mohd Shukri Dahlan passed away on 18 November 2019 and the proposed director's fees for his services rendered during his tenure shall be paid to the family of Allahyarham Dato' Pahlawan Mohd Shukri Dahlan.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and for ensuring that the financial statements comply with the Companies Act, 2016 and applicable approved Accounting Standards in Malaysia.

The Board is assisted by the Audit Committee in fulfilling the statutory and fiduciary responsibilities in the assessment and evaluation of the Group's management and financial reports of the performance of business, accounting policies, risk and internal controls.

The Audit Committee serves as an independent party in the review of the financial information presented by Management before distribution to all shareholders and stakeholders. It ensures that the financial statements comply with applicable accounting standards and also provide direction over the internal audit function and relationship with the external auditors to ensure independence from Management.

The Audit Committee has met with the external auditors in relation to the audit of the annual financial statements in respect of the financial year under review without the presence of the management twice.

Further details are contained in the Audit Committee's Report in the next section of this Annual Report.

Internal Control and Risk Management

The Board acknowledges their responsibility to maintain a sound system of internal controls covering not only financial controls but also operational and compliance as well as risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

To enhance the risk management function, the Board had on 25 November 2019, formed a board level Risk Management Committee. The terms of reference of the Risk Management Committee is available at the Company's website at www.land-general.com.

The details of the Enterprise Risk Management ("ERM") framework are disclosed in the Statement on Risk Management and Internal Control in the following section of this Annual Report.

PRINCIPLE



PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Corporate Disclosure

To ensure timely and high quality disclosure, Company Disclosure Policies and Procedures are in place where policies, authority chart, procedures and processes are clearly defined.

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group. Such information is communicated to shareholders and investors through various disclosures and announcements to the Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

In compliance with the Listing Requirements of Bursa Securities, all announcements made by the Company to Bursa Malaysia such as the Group's quarterly financial results, annual reports and other mandatory announcements are made available at the Company's website: www.land-general.com.

The website also contains current corporate and non-financial information to provide general information and the on-going business activities of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Relationship with Shareholders and Investors

General meeting represents the principal forum for dialogue and interaction with shareholders. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also any other matters pertaining to the business activities of the Group. The Directors, Senior Management personnel, the external auditors and advisers are present during these meetings to respond to questions raised by shareholders.

At the 56th AGM, the Managing Director and Chief Financial Officer of the Company gave a slide presentation to the shareholders on the Group's operating and financial performance for the financial year under review which included up-to-date operational activities of the Group and following that, a question and answer session with the shareholders was held. As good corporate governance practice, the summary of discussion of the 56th AGM is published at the Company's website for public viewing.

At the 56th AGM held on 18 September 2019, poll vote was conducted.

To further promote effective communication and proactive engagement, any concerns or queries regarding the Group can be directed to YBhg Dato' Ir Dr A Bakar Jaafar who is the Senior Independent Non-Executive Director of the Company.

Address : YBhg Dato' Ir Dr A Bakar Jaafar
c/o Land & General Berhad
8trium, Level 21 Menara 1,
Jalan Cempaka SD 12/5
Bandar Sri Damansara
52200 Kuala Lumpur

Email : a.bakar.jaafar@land-general.com

In addition, to enable the public to forward queries to the Company, the aforesaid Company's website contains the names, contact email addresses and telephone numbers of the following personnel:

Mr Tan Boon Siong
Chief Financial Officer
Telephone No : 03-6279 8030
Fax No : 03-6275 1715
Email : bstan@land-general.com

Ms Lee Siw Yeng
Secretary
Telephone No : 03-6279 8183
Fax No : 03-6277 7061
Email : sylee@land-general.com

CONCLUSION

Moving forward, the key focus areas and future priorities of the Board shall be continuous enhancement of the corporate disclosures as required by the relevant regulations and improvement of the Group's corporate governance practices and procedures particularly on risk management and internal control.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company of the financial year then ended.

In preparing the financial statements for the year ended 31 March 2020, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Board Statement on Suitability and Independence of External Auditors

To uphold the integrity of financial reporting, the Board takes the stand that the external auditors must be objective, independent and competent in performing their audit in relation to the financial statements of the Group and the Company so as to ensure the audited financial statements give a true and fair view of the financial position of the Group and the Company.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-audit Fees

The amount of audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2020 has been reflected under Note 22 to the Audited Financial Statements, on Page 131 of this Annual Report.

The amount of non-audit fees paid or payable to the external auditor incurred by the Company and the Group for the financial year ended 31 March 2020 has been reflected under Note 22 to the Audited Financial Statements, on Page 131 of this Annual Report.

Material Contracts

There were no material contracts subsisting at the end of the financial year entered into since the end of the previous financial year by the Company and its subsidiaries involving the interests of the Directors or major shareholders.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established on 8 August 1991 to act as a Committee of the Board to fulfill its fiduciary responsibilities relating primarily to business ethics, policies and practices, and financial management and controls.

MEMBERS AND MEETINGS

The AC comprises three (3) members, two (2) of whom are Independent Non-Executive Directors and another one (1) is Non-Independent Non-Executive Director.

The AC held 5 meetings during the financial year ended 31 March 2020. The members of the AC and the record of their attendance are as follows:

	Audit Committee	Position on the Board	Attendance/Number of meetings held
1.	Dato' Hj Ikhwan Salim Dato' Hj Sujak	Chairman of Audit Committee, Independent Non-Executive Director	5/5
2.	Dato' Ir Dr A Bakar Jaafar	Senior Independent Non-Executive Director	5/5
3.	Mr Hoong Cheong Thard	Non-Independent Non-Executive Director	5/5

AC has explicit right to convene meeting with internal and external auditors without the presence of the Management. The AC held two private meetings with the external auditors in the current financial year.

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the terms of reference of the AC is made available at the Company's website: www.land-general.com.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

For the financial year ended 31 March 2020, the main activities undertaken by the AC were as follows:-

A) Financial Reporting

1. Reviewed the draft quarterly unaudited financial results of the Company and the Group and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad;
2. Reviewed the Audit Planning Memorandum before the commencement of audit. The external auditors' engagement partner was invited to present to the AC in relation to the audited financial statements for the financial year ended 31 March 2020 ("AFS"). Matters highlighted and discussed are summarised as follows:
 - a) Auditor's scope of services and audit fees;
 - b) Auditor's independence in relation to the performance of audit in accordance with MIA By-laws;
 - c) Responsibilities of external auditors and directors in relation to the AFS;
 - d) Concept of materiality in relation to the performance of audit;
 - e) On-going review of key audit matters;
 - f) Audit focus areas;
 - g) Audit methodology and timing of audit;
 - h) Fraud considerations;
 - i) Reported observations in prior year's audit; and
 - j) False or misleading financial statements.

AUDIT COMMITTEE REPORT

3. The external auditors had reported its audit findings to the AC on the outcome of their audit in relation to the financial positions of the Company and the Group. At the AC Meeting, the AC had considered and discussed the areas of audit focus as reported by external auditors;

The AC and external auditors discussed and considered the areas of audit focus and the outcome of the audit of the Group, summarised as follows:

- a) Revenue recognition;
 - b) Impairment assessment of investment in subsidiaries and amount due from subsidiaries;
 - c) Net realisable value assessment of land held for property development and inventories;
 - d) Provision for financial obligation;
 - e) Provision for costs to complete;
 - f) Accounting treatment for acquisition of Elite Land Development Sdn Bhd (*formerly known as Kasi Palani Development Sdn Bhd*);
 - g) Fair value of investment in quoted shares;
 - h) Prior-year adjustment relating to deferred tax assets; and
 - i) Other audit matter – status of stakeholder funds.
4. Reviewed on the assistance given by the Group's employees to the external auditors;
5. Reviewed the audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable Financial Reporting Standards in Malaysia); and
6. Reviewed and deliberated the assessment on external auditors' performance and independence pursuant to Guidance for Practice 8.3 of MCCG. The aspects reviewed and deliberated by the AC are summarised as follows:
- a) independence and objectivity;
 - b) audit scope and planning;
 - c) audit communication;
 - d) quality processes/performance; and
 - e) audit fees.

B) Internal Audit

- 1. Reviewed, discussed and agreed the internal audit plan, scope, timeline and professional fees before commencement of internal audits. The AC also considered experience and background of the principal of the internal audit firm;
- 2. Reviewed and discussed the internal audit findings and internal audit follow-ups on the key divisions of the Group at the AC meetings. Issues highlighted and discussed include internal control issues and implementation of recommended control measures to be undertaken by the relevant divisions;
- 3. Reviewed the updated risk profile of the Group and the adequacy and integrity of the internal control systems to manage these risks; and
- 4. Reviewed and deliberated the internal audit function evaluation pursuant to Guidance for Practice 10.1 of MCCG.

C) Others

- 1. Reviewed the Statement on Risk Management and Internal Control and the AC Report for Board's consideration and approval for inclusion in the annual report.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is currently carried out by BDO Governance Advisory Sdn Bhd (“BDO”), an independent professional services provider whose principal responsibility is to undertake regular and systematic reviews of the system of internal controls, so as to provide reasonable assurance that such systems continue to operate effectively and efficiently. The internal audit function is to assist the Board and the AC to evaluate the system of internal control and to provide their recommendation to the Board and the Management for further improvement.

The internal auditors had carried out audits according to the internal audit plan. The internal audit function of the Group adopts a risk-based approach steered by internal policies and procedures and is in-line with the Institute of Internal Auditors’ (IIA) International Professional Practices Framework (IPPF). The following activities were carried out during the financial year:-

Subsidiaries	Business Process Reviewed
Clarity Crest Sdn Bhd - Land Cultivation	<ul style="list-style-type: none"> • Sales, purchase and delivering management; • Plantation field management; • Plantation expenditures management inclusive of labour cost; and • General management.
Property Investment and Property Maintenance - 8trium and Menara L&G at Putrajaya	<ul style="list-style-type: none"> • Revenue and tenancy management; • Credit control management; • Insurance coverage; • Procurement to pay of property expenditures; and • Vendor Management.
Sri Damansara Sdn Bhd - Damansara Seresta	<ul style="list-style-type: none"> • Tender and selection of consultants, contractors and suppliers; • Project planning and cost monitoring; • Sales and Marketing Department; and • Cash management.
Land & General Berhad - Finance and Human Resources Departments	<p><u>Finance Department</u></p> <ul style="list-style-type: none"> • Compliance with Limits of Authority; • Reconciliation of control accounts including bank accounts; • Petty cash management; • Financial close control and approval process; and • Segregation of duties in relation to payment process and cash/treasury management. <p><u>Human Resources Department</u></p> <ul style="list-style-type: none"> • Manpower budgeting process; • Recruitment and resignation/retirement; • Payroll processing; • Staff performance and reward system; and • Succession planning, training and human resources development.

During the financial year, the costs incurred for the internal audit function was RM92,569.90

DATO’ HJ IKHWAN SALIM DATO’ HJ SUJAK

Chairman of Audit Committee

(Independent Non-Executive Director)

10 August 2020

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2017 requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors is required to include a statement in the Annual Report on the state of the Group's risk management and internal controls for financial year under review.

BOARD'S RESPONSIBILITY

The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's businesses and assets. The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.

The review covers, inter alia, financial, operational and compliance system controls and risk management procedures of the Group. However, such procedures are designed to manage rather than to eliminate risks that may impede the achievement of the Group's business objectives. Accordingly, the system can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of business objectives for the year and up to the date of this report. The significant risks are reported to the Board on regular basis for their deliberation.

To enhance the risk management functions of the Group, the Board had on 25 November 2019, established Risk Management Committee ("RMC") to assist the Board in the discharge of its primary responsibilities of reviewing the process in identifying, managing, evaluating and monitoring the significant risks as well as overseeing the implementation of appropriate systems and risk assessment processes to manage such risks within the Group.

Prior to the formation of the RMC, the review of the adequacy and effectiveness of risk management was delegated by the Board to the Audit Committee ("AC").

The RMC has evaluated and monitored the significant risks relevant to the Group and appraised and assessed the efficacy of controls implemented to mitigate those risks through a formalised monitoring and reporting process. Reviews are conducted by the RMC on regular basis.

Internal control and risk-related matters which warranted the attention of the Board were escalated by the AC and RMC to the Board for further deliberation.

ENTERPRISE RISK MANAGEMENT (ERM)

The Board has formalised a comprehensive Enterprise Risk Management ("ERM") Framework and clear governance structure that takes into account all significant aspects of internal control including risks assessment, the control environment and control activities, information and communication and monitoring. Key business risks have been categorised to highlight the source of the risk, and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Board, AC, RMC, Senior Management and Heads of Department / Operating units ("HOD") of the Group play an important role in ensuring the effective management of risks.

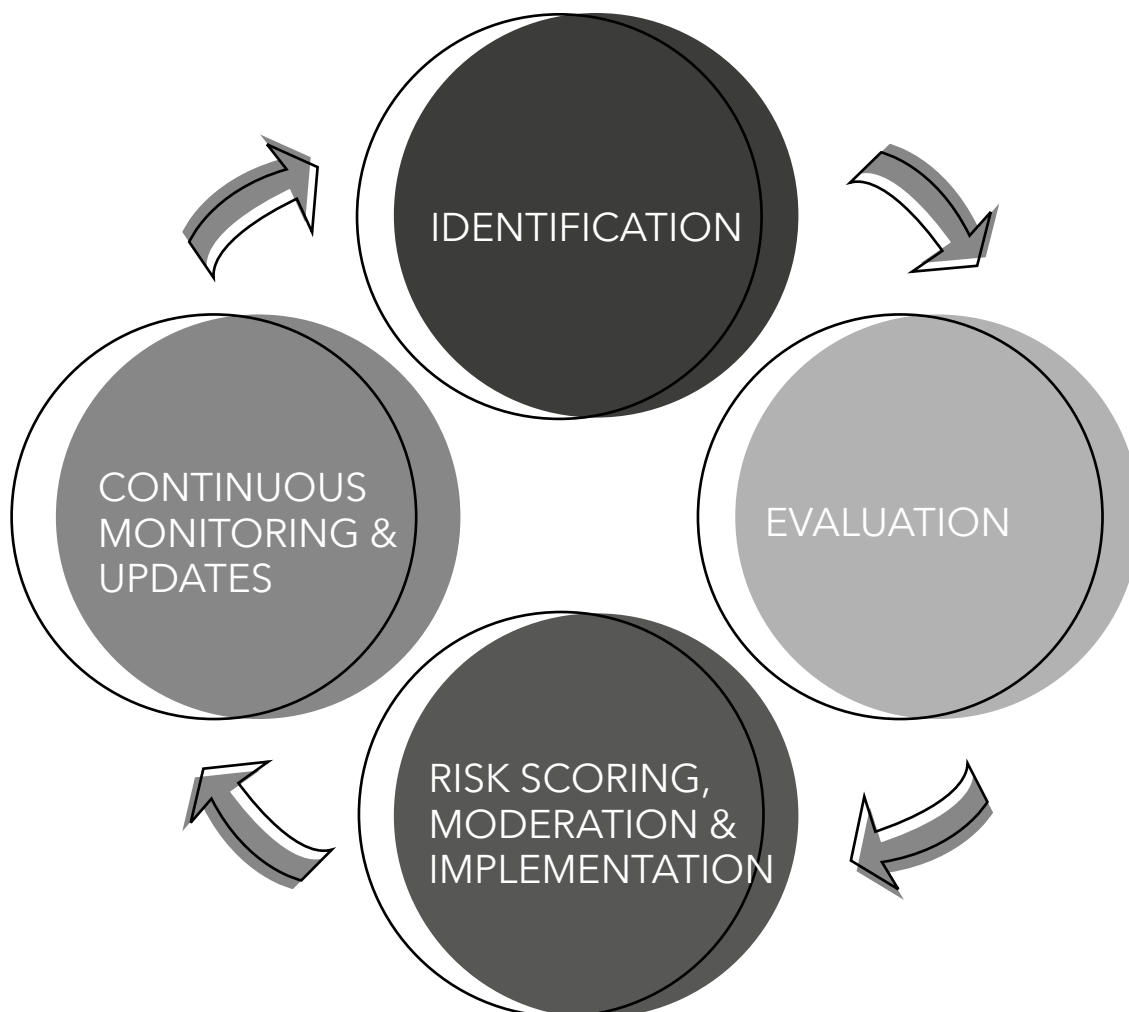
The risk management governance structure sets out the structure used to assign responsibility for managing risks and is based on the following key principles:-

1. Head of Department (or Operating Unit)
 - a) The responsibility of risk identification and management of each operating unit lies with the respective HOD. Any significant risks identified with the corresponding risk management activities are communicated to Senior Management before the results are being communicated to the Board;
 - b) Involvement in identification, assessment, mitigation, monitoring and reporting of risks that are appropriate to the needs of the organisation; and
 - c) Implement and manage various controls identified.
2. Senior Management
 - a) Provide further input on identification, assessment, mitigation, monitoring and reporting of risks;
 - b) Moderate risk scoring based on group level risk tolerance; and

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- | | |
|---|--|
| <p>c) Consider and recommend changes of risk profile to RMC by looking into the significance and impact of the risk on the overall Group operation.</p> | <p>e) Approve changes to Risk Profiles based on recommendation by Senior Management.</p> |
|---|--|
3. RMC
- | | |
|--|---|
| <p>a) Ensure that there is a structured risk management framework in place;</p> <p>b) Review the status of implementation of the policies approved by the Board;</p> <p>c) Review the key risk profile of the Group and ensures adequate allocation of resources, appropriate measurements are in place for managing the prioritised risks;</p> <p>d) Communicate to the Board on the changes to the Key Risk Profiles and the course of action to be taken by Senior Management and/or HOD in mitigating these risks on periodic basis; and</p> | <p>4. Board of Directors</p> <p>Assumes ultimate accountability over the effectiveness of the risk management and internal control system of the Group by establishing and supervising the operation of the risk management framework.</p> <p>5. Internal Audit</p> <p>Review and report risk management activities adopted to ensure implementation and its effectiveness to AC.</p> |
|--|---|

The ERM process adopted is as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SIGNIFICANT OR MAIN PRINCIPAL RISKS RELATING TO GROUP'S BUSINESS

During the financial year ended 31 March 2020, the Group has identified the significant risks that have high potential of impact and likelihood to the overall Group's operation and at the same time maintains the risk management system to ensure that the corporate objectives and strategies are achieved within the acceptable risk appetite of the Group:

Risk Profile	Causes	Mitigation Control
Economy Slowdown / Weak Market Sentiment	<p>Arises due to causes as stated below:</p> <ul style="list-style-type: none"> • Global economic slowdown / recession. • Decline in national Gross Domestic Product growth. • Continuing high living cost / increasing inflation rate. • A pandemic disease e.g. Covid-19 virus. • Continuing tight lending policies by banks. 	<p>The Group mitigates such risk by:</p> <ul style="list-style-type: none"> • Offering more innovative and wider range of products (e.g. township, smaller units). • Having more advertising and promotional activities (e.g. social media, outstation roadshows, private events). • Offering better sales packages with new, more active external agencies. • Engaging closely with end financiers. • Strategising cost control measures.
Non-Compliance to Section 17A of MACC Act 2009	Lack of formal policy, process and procedures on compliance with Section 17A of MACC Act 2009.	<p>The Group mitigates such risk by:</p> <ul style="list-style-type: none"> • Putting in place whistleblowing policy and procedures. • Initiating the necessary action plan to carry out anti bribery and corruption ("ABAC") risk assessment and to set up the ABAC framework and policy.
High Inventory Level in the Property Market	<p>Arises due to causes as stated below:</p> <ul style="list-style-type: none"> • Imbalance supply-demand in the property market. • Slow property market. 	<p>The Group mitigates such risk by:</p> <ul style="list-style-type: none"> • Enhancing marketing strategies, to be more innovative in product development and offer better sales packages to target market. • Conducting comprehensive market survey before launching of a new project.
Tenancy Risk for Menara L&G Putrajaya	<p>Arises due to causes as stated below:</p> <ul style="list-style-type: none"> • Difficulty in sourcing suitable tenant. • High supply of office spaces in Putrajaya. • Location targeted towards a more niche market. 	<p>The Group mitigates such risk by:</p> <ul style="list-style-type: none"> • Offering competitive rental rate. • Engaging more external agencies to source for suitable tenants. • Replacing existing non-performing agencies with new one. • Tightening monitoring of operational costs in order to reduce losses.
Social Media Risk	<p>Arises due to causes as stated below:</p> <ul style="list-style-type: none"> • Negative feedback from customers. • Bad reviews on online public discussion forums. 	<p>The Group mitigates such risk by:</p> <ul style="list-style-type: none"> • Monitor social media platform and provide positive feedbacks to counter any negative feedbacks to protect our reputation and branding.

The ERM policy is mandatory for all operating units and forms an integral part of good management practice for the Group. Its purpose is to foster a proactive risk management culture within the Group's companies and departments.

As at the date of the Annual Report, the ERM framework and the Group risk profile are subject to quarterly review or as and when necessary.

INTERNAL AUDIT FUNCTIONS

The internal audit function of the Group is carried out by BDO Governance Advisory Sdn Bhd ("BDO"). BDO is an independent professional services provider which supports the Board with much of the assurance it requires regarding the adequacy and effectiveness of the Group's internal control system.

Internal audits are undertaken to provide independent assessments of the adequacy, efficiency and effectiveness of the Group's internal control systems, and reports are made to the AC on a quarterly basis. The AC also has full access to both internal and external auditors and receives reports on all audits performed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The internal auditor has reviewed the internal controls in the key activities of the Group's business based on the annual audit plan which was presented to the AC for approval. The internal audit function of the Group adopts a risk-based approach steered by internal policies and procedures and is in-line with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) when preparing its audit strategy and plans, after considering the risk profiles of the operating companies and divisions of the Group. The system of internal control has been structured in such a manner that it has provided reasonable assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation are at a level acceptable to the business. This is achieved through a combination of preventive, detective and corrective measures.

The audit reports that were tabled to the AC for their deliberation on quarterly basis include management response and corrective actions taken or to be taken in regard to the specific findings and recommendations. The Management as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly taken. The AC presents its findings regularly to the Board.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system that are regularly reviewed by the Board and are described below:

- Defined appropriate level of delegation and reporting lines of responsibilities to Board Committees and to Management, including organisational structures and appropriate authority levels;
- Documented internal policies and procedures set out in the Group Procedures & Authorities (GPA) Manual, which are periodically reviewed and improved upon to reflect changes in business structures and processes. This provides a sound framework of authority and accountability within the organization and facilitates proper corporate decision making at the appropriate level in the organization's hierarchy;
- The Board receives and reviews regular reports including key operating statistics from the Management on the performance of operating units;
- A detailed budgeting process requires all operating units to prepare budgets annually which are reviewed and approved by the Board;
- The Board deliberates and approves the quarterly financial information which have been reviewed by the AC;
- The Board ensures that the risk management and control framework is embedded into the culture, processes and structures of the Group, where the framework is responsive to changes in the business environment and clearly communicated to all levels; and

- In respect of material joint ventures and associates, there are Board level representations from the Group to oversee the administration, operation, performance and executive management of these companies. Financial and operational information of these companies is provided regularly to the Management of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problem.

CONCLUSION

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

The Board is of the view that risk management and internal control system in place for the year under review and up to the date of issuance of the financial statement, is adequate and effective to safeguard shareholders' investment and the Group's asset. Notwithstanding this, reviews of all control procedures will be continuously improved and enhancement of the existing system of risk management and internal controls will be made, taking into consideration the changing business environment.

FINANCIAL STATEMENTS

Directors' Report	78
Statements of Financial Position	82
Statements of Profit or Loss and Other Comprehensive Income	84
Statements of Changes in Equity	85
Statements of Cash Flows	87
Notes to the Financial Statements	88
Statement by Directors	153
Statutory Declaration	153
Independent Auditors' Report	154

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

Principal activities

The principal activities of the Company are investment holding, leasing of assets and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

Other information relating to the subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity owner to the Company	14,891	50,067
Non-controlling interest	5,742	-
	20,633	50,067

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividend

Since the end of the previous financial year, the dividend paid by the Company in respect of the financial year ended 31 March 2019 as reported in the Directors' Report of that year which was declared on 18 September 2019 and paid on 23 October 2019 is as follows:

	RM'000
Final single tier dividend of 1.0 sen per ordinary shares	29,731

There was no dividend paid in respect of the financial year ended 31 March 2020 and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Dato' Hj Zainal Abidin Bin Putih (Chairman)
 Low Gay Teck (Managing Director)**
 Dato' Ir. Dr A. Bakar Jaafar
 Dato' Hj Ikhwan Salim Bin Dato' Hj Sujak
 YM Tengku Maruan Bin Tengku Ariff
 Hoong Cheong Thard
 Chiu Andrew Wah Wai
 Ferdaus Bin Mahmood**
 Dato' Noorizah Binti Hj Abd Hamid
 Dato' Pahlawan Mohd Shukri Bin Dahlan (Deceased on 18 November 2019)

** These directors are also directors of the Company's subsidiaries.

DIRECTORS' REPORT

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Abdul Hamid Md Yusof
 Abdullah Ali
 Yap Yin Kuen
 Chin Foo Teck
 Rahmat Dahalan
 Lau Siang Ee
 Chiah Hwa Kai
 Tan Boon Siong
 Lim Yim Farn (Appointed on 10 March 2020)
 Datuk Kasi A/L K.L. Palaniappan

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2019	Bought	Sold	At 31.3.2020
The Company				
<i>Direct interest</i>				
Tengku Maruan Bin Tengku Ariff	2,000	-	-	2,000
<i>Indirect interest</i>				
Chiu Andrew Wah Wai	1,032,773,600	-	-	1,032,773,600
Subsidiary of the Company				
<i>- Bestari Elsa Sdn. Bhd.</i>				
<i>Indirect Interest</i>				
Ferdaus Bin Mahmood	-	3	-	3

Chiu Andrew Wah Wai, by virtue of his interests in the shares of the Company, is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2020 had any interest in the shares or in debentures of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

Issue of shares and debentures

There were no changes in issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

There was no indemnity given to the Directors, officers and auditors of the Company during the financial year.

During the financial year, a Corporate Liability Insurance ("CLI") was in place and the total premium of the CLI paid was RM16,910. The premium was borne by the Company and the Directors of the Company.

Other statutory information

Before the financial statements of the Group and the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group and the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group and the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and the Company for the financial year ended 31 March 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

Subsequent events

The significant events subsequent to the financial year are disclosed in Note 32 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 22 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Low Gay Teck
Director

.....
Ferdaus Bin Mahmood
Director

Kuala Lumpur

Date: 10 August 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			Restated		
Assets					
Property, plant and equipment	3	135,767	110,180	330	436
Investment properties	4	83,284	84,811	23,241	23,656
Investments in subsidiaries	5	-	-	965,433	931,958
Investments in associates	6	153,875	151,568	-	-
Investment in a joint venture	7	323	-	-	-
Inventories	8	562,058	534,193	-	-
Other investment	9	7,527	11,468	7,527	11,468
Deferred tax assets	10	10,170	9,425	-	-
Other non-current assets		1,014	1,531	182	183
Total non-current assets		954,018	903,176	996,713	967,701
Inventories	8	371,250	302,553	-	-
Trade and other receivables	11	32,471	13,820	463	214
Other current assets		1,020	394	234	366
Contract assets	12	82,515	79,290	-	-
Contract costs	13	7,144	17,218	-	-
Tax recoverable		3,971	3,763	-	219
Money market funds		3,185	1,042	59	58
Deposits, cash and bank balances	14	110,069	218,912	6,880	14,706
Total current assets		611,625	636,992	7,636	15,563
Total assets		1,565,643	1,540,168	1,004,349	983,264
Equity					
Share capital	15	660,232	660,232	660,232	660,232
Retained profits		407,926	422,766	286,557	266,221
Other reserves		12,121	12,285	-	-
Equity attributable to owners of the Company		1,080,279	1,095,283	946,789	926,453
Non-controlling interests		87,383	73,698	-	-
Total equity		1,167,662	1,168,981	946,789	926,453

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
			Restated		
Liabilities					
Trade and other payables	16	154	154	-	-
Borrowings	17	183,496	168,831	180	255
Deferred tax liabilities	10	25,510	24,704	-	-
Lease liabilities		309	862	-	-
Total non-current liabilities		209,469	194,551	180	255
Provisions	18	26,185	41,939	16,813	22,506
Trade and other payables	16	132,710	105,002	40,304	33,979
Contract liabilities	12	5,349	4,596	-	-
Borrowings	17	22,452	21,694	75	71
Tax payable		1,263	2,900	188	-
Lease liabilities		553	505	-	-
Total current liabilities		188,512	176,636	57,380	56,556
Total liabilities		397,981	371,187	57,560	56,811
Total equity and liabilities		1,565,643	1,540,168	1,004,349	983,264

The notes on pages 88 to 152 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	19	139,724	134,435	57,069	38,847
Other income	20	23,097	47,893	6,248	21,416
Property development expenditure recognised as expense		(77,857)	(72,796)	-	-
Changes in inventories		(6,260)	(3,074)	-	-
Staff costs	21	(22,727)	(21,973)	(3,351)	(3,215)
Other expenses		(29,802)	(31,677)	(6,865)	(3,637)
Operating profit		26,175	52,808	53,101	53,411
Finance costs		(2,620)	(2,442)	(2,174)	(1,964)
Share of results of an associate		2,307	2,527	-	-
Share of results of a joint venture		323	-	-	-
Profit before tax	22	26,185	52,893	50,927	51,447
Income tax expense	23	(5,552)	(3,938)	(860)	(637)
Profit for the year		20,633	48,955	50,067	50,810
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation differences for foreign operations		(164)	(104)	-	-
Total comprehensive income for the year		20,469	48,851	50,067	50,810
Profit attributable to:					
Owners of the Company		14,891	41,672	50,067	50,810
Non-controlling interests		5,742	7,283	-	-
Profit for the year		20,633	48,955	50,067	50,810
Total comprehensive income attributable to:					
Owners of the Company		14,727	41,568	50,067	50,810
Non-controlling interests		5,742	7,283	-	-
Total comprehensive income for the year		20,469	48,851	50,067	50,810
Basic earnings per ordinary share (sen):					
Basic	24	0.50	1.41		

The notes on pages 88 to 152 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

<div>← Attributable to Owners of the Company →</div>									
<div>← Non-Distributable → Distributable</div>									
	Note	Share capital	ICULS-equity component	Capital reserve	Foreign exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 April 2019, as previously reported		660,232	-	12,133	152	428,500	1,101,017	73,698	1,174,715
Prior year adjustment	31	-	-	-	-	(5,734)	(5,734)	-	(5,734)
1 April 2019, as restated		660,232	-	12,133	152	422,766	1,095,283	73,698	1,168,981
Profit for the year		-	-	-	-	14,891	14,891	5,742	20,633
Other comprehensive income for the year		-	-	-	(164)	-	(164)	-	(164)
Total comprehensive income for the year		-	-	-	(164)	14,891	14,727	5,742	20,469
Dividend paid to shareholders	25	-	-	-	-	(29,731)	(29,731)	-	(29,731)
Dividend paid to a non-controlling interests		-	-	-	-	-	-	(4,999)	(4,999)
Equity injection from non-controlling interest		-	-	-	-	-	-	4,999	4,999
Total transactions with owners of the Company		-	-	-	-	(29,731)	(29,731)	-	(29,731)
Acquisition of a new subsidiary	5.1	-	-	-	-	-	-	7,943	7,943
At 31 March 2020		660,232	-	12,133	(12)	407,926	1,080,279	87,383	1,167,662
1 April 2018, as previously reported		651,664	7,871	12,133	256	432,211	1,104,135	21,416	1,125,551
Prior year adjustment	31	-	-	-	-	(5,734)	(5,734)	-	(5,734)
1 April 2018, as restated		651,664	7,871	12,133	256	426,477	1,098,401	21,416	1,119,817
Profit for the year		-	-	-	-	41,672	41,672	7,283	48,955
Other comprehensive income for the year		-	-	-	(104)	-	(104)	-	(104)
Total comprehensive income for the year		-	-	-	(104)	41,672	41,568	7,283	48,851
Conversion of ICULS	15	1,674	(1,488)	-	-	-	186	-	186
ICULS maturity conversion	15	6,894	(6,383)	-	-	(515)	(4)	-	(4)
Dividend paid to shareholders	25	-	-	-	-	(44,597)	(44,597)	-	(44,597)
Conversion of loan to equity	(i)	-	-	-	-	-	-	44,999	44,999
Others		-	-	-	-	(271)	(271)	-	(271)
Total transactions with owners of the Company		8,568	(7,871)	-	-	(45,383)	(44,686)	44,999	313
At 31 March 2019/1 April 2019, as restated		660,232	-	12,133	152	422,766	1,095,283	73,698	1,168,981

- (i) In previous financial year, a subsidiary entered into an agreement with the shareholders that the loan shall be repaid in proportion to the loan granted by each party at the discretion of the subsidiary and shall bear no interest. The amount due to non-controlling interests was consequently classified as equity instrument.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

Company	Note	Non-distributable		Distributable	
		Share capital	ICULS - equity component	Retained profits	Total Equity
		RM'000	RM'000	RM'000	RM'000
At 1 April 2018		651,664	7,871	260,523	920,058
Profit/Total comprehensive income for the year		-	-	50,810	50,810
Transaction with owners					
Conversion of ICULS	15	1,674	(1,488)	-	186
ICULS maturity conversion	15	6,894	(6,383)	(515)	(4)
Dividend paid to shareholders	25	-	-	(44,597)	(44,597)
Total transactions with owners		8,568	(7,871)	(45,112)	(44,415)
At 31 March 2019/1 April 2019		660,232	-	266,221	926,453
Profit/Total comprehensive income for the year		-	-	50,067	50,067
Transaction with owners					
Dividend paid to shareholders	25	-	-	(29,731)	(29,731)
At 31 March 2020		660,232	-	286,557	946,789

The notes on pages 88 to 152 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from operating activities					
Cash receipts from customers		144,353	95,115	-	-
Cash payments to suppliers and employees		(168,210)	(133,055)	(3,131)	(3,097)
Dividend received from subsidiaries		-	-	51,391	60,000
Interest received		1,571	3,491	162	304
Dividend on money market funds		3,183	7,498	294	2,270
Tax paid		(8,293)	(7,255)	(672)	(1,027)
Tax refund		945	230	208	-
Other operating receipts		67	2,237	49	687
Other operating payments		(17,847)	(23,730)	(2,483)	(142)
Net cash (used in)/generated from operating activities		(44,231)	(55,469)	45,818	58,995
Cash flows from investing activities					
Net cash outflow arising from acquisition of subsidiaries	5	(14,231)	(47,232)	(14,233)	(37,246)
Purchase of property, plant and equipment	(i)	(23,357)	(14,570)	-	(100)
Withdrawal of deposits with periods more than 3 months		880	32,087	-	1,488
(Placements)/Withdrawals of money market funds		(2,131)	89	(1)	671
Net advances to subsidiaries		-	-	(9,723)	(60,369)
Withdrawal of deposits held in trust		33	-	33	-
Net withdrawals/(placements) of deposits pledged as security for bank guarantee facility		(350)	(5,776)	(5)	-
Others		26	699	425	699
Net cash used in investing activities		(39,130)	(34,703)	(23,504)	(94,857)
Cash flows from financing activities					
ICULS conversion proceeds		-	174	-	174
Drawdown of bridging loan		19,084	25,916	-	-
Drawdown of term loan		23,321	-	-	-
Drawdown of revolving credit		1,271	3,729	-	-
Repayment of term loan		(26,101)	(25,122)	-	-
Repayment of revolving credit		(5,000)	-	-	-
Payment of hire purchase obligations		(122)	(73)	(71)	(73)
Dividend paid to shareholders		(29,731)	(44,597)	(29,731)	(44,597)
Equity injection from non-controlling interest		4,999	-	-	-
Dividend paid to non-controlling interest		(4,999)	-	-	-
Interest payments		(10,299)	(10,198)	(12)	(88)
Net cash used in financing activities		(27,577)	(50,171)	(29,814)	(44,584)
Net decrease in cash and cash equivalents		(110,938)	(140,343)	(7,500)	(80,446)
Cash and cash equivalents at beginning of financial year		201,900	342,099	14,597	95,123
Effects of foreign exchange rate changes		(235)	144	(298)	(80)
Cash and cash equivalents at end of financial year	14	90,727	201,900	6,799	14,597

(i) **Acquisition of property, plant and equipment**

During the financial year, the Group acquired property, plant and equipment with an aggregated cost of RM30,997,000 (2019: RM20,121,000) of which RM425,000 (2019: RM213,000) was interest being capitalised under assets under construction (see Note 3.1) and RM7,398,000 (2019: RM183,000) was included in trade and other payables as at year end.

The notes on pages 88 to 152 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Land & General Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Securities. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business/Registered office

8trium, Level 21, Menara 1
Jalan Cempaka SD12/5
Bandar Sri Damansara
52200 Kuala Lumpur

The consolidated financial statements as at and for the financial year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates and joint ventures.

The principal activities of the Company are investment holding, leasing of assets and provision of management services.

The principal activities of the subsidiaries are as stated in Note 5 of the financial statements.

These financial statements were authorised for issue by the Board of Directors on 10 August 2020.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

The following are amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

Amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

Amendment effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D.)

(a) Statement of compliance (cont'd.)

The Group and the Company plans to apply the abovementioned amendments:

- from the annual period beginning on 1 April 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020;
- from the annual period beginning on 1 April 2021 for the accounting standard that is effective for annual periods beginning on or after 1 June 2020; and
- from the annual period beginning on 1 April 2022 for the accounting standard that is effective for annual periods beginning on or after 1 January 2022.

The initial application of the abovementioned amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 and 6 – Classification of loans as cost of investment
- Note 9 – Valuation of fair value of an investment under voluntary suspension
- Note 18 – Provisions
- Note 19 – Revenue recognition

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs. Financial instrument (loans or advances) which, in substance, provides current access to the returns associated with an underlying ownership interest; or substantially all of the instrument's returns are driven by the financial performance of the subsidiaries such that the instrument provides an exposure similar to an investment in ordinary shares of the associate are also accounted for as investment in subsidiaries by the Group or the Company.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of consolidation (cont'd.)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs. Financial instrument (loans or advances) which, in substance, provides current access to the returns associated with an underlying ownership interest; or substantially all of the instrument's returns are driven by the financial performance of the associate such that the instrument provides an exposure similar to an investment in ordinary shares of the associate are also accounted for as investment in associates by the Group or the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of consolidation (cont'd.)

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group or the Company have joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group or the Company accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method as disclosed in Note 2(a)(v).

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint venture are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting year are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value is determined.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Foreign currency (cont'd.)

(i) Foreign currency transactions (cont'd.)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising from a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign exchange reserve in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting year. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Financial instruments (cont'd.)

(ii) Financial instrument categories and subsequent measurement (cont'd.)

Financial assets (cont'd.)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(m)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

At this juncture, the Group and the Company has not elected to present subsequent changes on any of its investment's fair value in other comprehensive income.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(m)(i)).

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Financial instruments (cont'd.)

(ii) Financial instrument categories and subsequent measurement (cont'd.)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (i) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (ii) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (iii) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Financial instruments (cont'd.)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group or the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Financial instruments (cont'd.)

(v) Derecognition (cont'd.)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Property, plant and equipment (cont'd.)

(iii) Depreciation (cont'd.)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

- | | |
|-----------------------------|----------------|
| • Buildings | 10 – 50 years |
| • Other plant and equipment | 2.5 – 10 years |
| • Sales gallery | 5 – 10 years |

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting year and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) Leases (cont'd.)

(ii) Recognition and initial measurement (cont'd.)

(a) As a lessee (cont'd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' average borrowing rate. Generally, the Group entities use their average borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) Leases (cont'd.)

(iii) Subsequent measurement (cont'd.)

(a) As a lessee (cont'd.)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other revenue".

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at costs less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Freehold land has an unlimited life and therefore is not depreciated. Investment properties carried at cost are depreciated over the economic useful life ranging from 20 to 50 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in the year in which the item is derecognised.

(g) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

(h) Bearer plant

Biological assets comprised produce growing on trees, and are measured at fair values less costs of disposal. Any gains or losses arising from changes in the fair values less costs of disposal are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(h) Bearer plant (cont'd.)

Bearer plant is accounted for as property, plant and equipment. All costs relating to bearer plants are capitalised until such time the bearer plants reach maturity, at which point all further costs are expenses and depreciation commences. Costs to reach maturity include seedling and planting costs, other upkeep costs and an allocation of overhead costs.

The estimated useful lives for the current and comparative years is as follows:

- Bearer plants – oil palm 25 years

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

(i) Land held for property development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Cost of land held for property development is measured based on specific identification basis.

(ii) Property development in progress and completed development units

Property development in progress and completed development units comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including interest expense incurred before available for sale during the period of active development.

Cost of completed development units are measured based on specific identification basis.

(iii) Consumables

Cost of consumables is measured based on the first-in first-out basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

(j) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment (see Note 2(m)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(k) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

Costs of obtaining a contract initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

(ii) Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered. All other costs to fulfill contracts are expensed to profit or loss.

An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits and deposit held in trust.

(m) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Impairment (cont'd.)

(i) Financial assets (cont'd.)

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Impairment (cont'd.)

(ii) Other assets (cont'd.)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(o) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(p) Employee benefits (cont'd.)

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the year in which the related service is performed.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) Revenue and other income

(i) Contract with customers

Revenue from contract with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the terms of the contract, control of the assets may be transferred over time or at a point in time.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously received and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

If control of the assets is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards the satisfaction of each of those performance obligations. Otherwise, revenue is recognised at a point in time when the customer obtain control over the goods or service.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(r) Revenue and other income (cont'd.)

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Leasing income

Leasing income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

(s) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(t) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(t) Income tax (cont'd.)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for own shares held.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director together with the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(w) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefit will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(x) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(x) Fair value measurement (cont'd.)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Other plant and equipment RM'000	Sales gallery RM'000	Assets under construction RM'000	Bearer plants RM'000	Total RM'000
Cost							
At 1 April 2019	50,037	44,912	19,145	14,292	14,070	7,104	149,560
Additions	-	7,870	877	396	21,854	-	30,997
Disposals	-	-	(17)	-	-	-	(17)
Written off	-	-	(74)	-	-	-	(74)
Reclassification	-	33,366	2,558	-	(35,924)	-	-
At 31 March 2020	50,037	86,148	22,489	14,688	-	7,104	180,466
Accumulated depreciation							
At 1 April 2019	-	21,343	14,715	2,296	-	953	39,307
Charge for the year	-	1,106	1,207	2,673	-	422	5,408
Disposals	-	-	(16)	-	-	-	(16)
At 31 March 2020	-	22,449	15,906	4,969	-	1,375	44,699
Accumulated impairment							
At 1 April 2019	-	-	73	-	-	-	73
Written off	-	-	(73)	-	-	-	(73)
At 31 March 2020	-	-	-	-	-	-	-
Carrying amounts							
At 1 April 2019	50,037	23,569	4,357	11,996	14,070	6,151	110,180
At 31 March 2020	50,037	63,699	6,583	9,719	-	5,729	135,767

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Buildings RM'000	Other plant and equipment RM'000	Sales gallery RM'000	Assets under construction RM'000	Bearer plants RM'000	Total RM'000
Cost							
At 1 April 2018	51,817	44,912	18,687	3,849	9,441	7,104	135,810
Additions	-	-	1,200	-	18,921	-	20,121
Disposals	-	-	(643)	-	-	-	(643)
Written off	-	-	(99)	(3,849)	-	-	(3,948)
Reclassification	(1,780)	-	-	14,292	(14,292)	-	(1,780)
At 31 March 2019	50,037	44,912	19,145	14,292	14,070	7,104	149,560
Accumulated depreciation							
At 1 April 2018	-	20,323	14,293	1,538	-	682	36,836
Charge for the year	-	1,020	1,156	2,297	-	271	4,744
Disposals	-	-	(643)	-	-	-	(643)
Written off	-	-	(91)	(1,539)	-	-	(1,630)
At 31 March 2019	-	21,343	14,715	2,296	-	953	39,307
Accumulated impairment							
At 1 April 2018	56	7,691	-	-	-	-	7,747
Charge for the year	-	-	73	-	-	-	73
Write back (Note 3.3)	(56)	(7,691)	-	-	-	-	(7,747)
At 31 March 2019	-	-	73	-	-	-	73
Carrying amounts							
At 1 April 2018	51,761	16,898	4,394	2,311	9,441	6,422	91,227
At 31 March 2019	50,037	23,569	4,357	11,996	14,070	6,151	110,180

3.1 Included in the assets under construction during the financial year is:

	Group	
	2020 RM'000	2019 RM'000
Interest expense capitalised	425	213

The capitalisation rate is 4.72% (2019: 5.47%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

3.2 The following assets are charged to a bank as security for a term loan facility granted to a subsidiary (see Note 17):

	Group	
	2020	2019
	RM'000	RM'000
Buildings	52,708	11,668
Other plant and equipment	4,508	1,737
Assets under construction	-	14,282
	57,216	27,687

3.3 In the previous financial year, the Group reassessed and estimated the recoverable amount of 8trium carpark, which comprises a building on a piece of freehold land at Bandar Sri Damansara, to be higher than its carrying amount which resulted in the impairment loss of freehold land and building of RM56,000 and RM7,691,000 respectively to be written back.

Company	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost			
At 1 April 2019/31 March 2020	725	1,015	1,740
Accumulated depreciation			
At 1 April 2019	322	982	1,304
Charge for the year	95	11	106
At 31 March 2020	417	993	1,410
Carrying amounts			
At 1 April 2019	403	33	436
At 31 March 2020	308	22	330
Cost			
At 1 April 2018	873	1,034	1,907
Additions	475	2	477
Disposal	(623)	-	(623)
Written off	-	(21)	(21)
At 31 March 2019	725	1,015	1,740
Accumulated depreciation			
At 1 April 2018	857	983	1,840
Charge for the year	88	16	104
Disposals	(623)	-	(623)
Written off	-	(17)	(17)
At 31 March 2019	322	982	1,304
Carrying amounts			
At 1 April 2018	16	51	67
At 31 March 2019	403	33	436

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Group			Company		
	Freehold land RM'000	Buildings RM'000	Total RM'000	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost						
At 1 April 2018	12,055	79,705	91,760	11,988	20,720	32,708
Additions	-	66	66	-	-	-
At 31 March 2019/1 April 2019/31 March 2020	12,055	79,771	91,826	11,988	20,720	32,708
Accumulated depreciation						
At 1 April 2018	-	5,407	5,407	-	8,637	8,637
Charge for the year	-	1,608	1,608	-	415	415
At 31 March 2019/1 April 2019	-	7,015	7,015	-	9,052	9,052
Charge for the year	-	1,527	1,527	-	415	415
At 31 March 2020	-	8,542	8,542	-	9,467	9,467
Carrying Amounts						
At 1 April 2018	12,055	74,298	86,353	11,988	12,083	24,071
At 31 March 2019/1 April 2019	12,055	72,756	84,811	11,988	11,668	23,656
At 31 March 2020	12,055	71,229	83,284	11,988	11,253	23,241

(a) The fair value of investment properties of the Group and of the Company are as follows:

	Note	2020 RM'000	2019 RM'000
Group			
Land		16,092	22,381
Building		151,418	143,742
	(i)	167,510	166,123
Company			
Land		16,092	22,381
Building		56,414	54,364
	(ii)	72,506	76,745

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONT'D.)

- (i) The fair value of the investment properties of the Group are categorised at Level 3.

In current year, the land and building are valued by reference to transactions of similar land surrounding with appropriate adjustments made for differences in the relevant characteristics of the land and buildings without involvement of external valuer. Included in previous year, the fair value of a building amounting RM82,300,000 was based on valuation performed by certified external valuer based on market comparison approach.

Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property sizes. The most significant unobservable input into this valuation approach is price per square foot. The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

- (ii) The fair value of the investment properties of the Company are categorised at Level 3.

The land is valued by reference to transactions of similar land surrounding with appropriate adjustments made for differences in the relevant characteristics of the land. Sales price of comparable land in close proximity are adjusted for differences in key attributes such as property sizes. The most significant unobservable input into this valuation approach is price per square foot. The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

The fair value of building is based on the discounted cash flow method by taking into account of future rental income, direct operating expenses and risk-adjusted discount rate.

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Risk-adjusted discount rates 5.14% (2019: 5.35%)	The estimated fair value would increase/(decrease) if risk-adjusted discount rates were higher/(lower).

- (b) The operating lease payments to be received are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	2,331	2,406	3,113	3,168
1 to 2 years	2,210	2,310	2,331	3,113
2 to 3 years	183	202	-	2,331
Total undiscounted lease payments	4,724	4,918	5,444	8,612

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	RM'000	RM'000
Cost of investment	1,062,162	1,028,687
Less: Accumulated impairment losses	(96,729)	(96,729)
	965,433	931,958

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2020 %	2019 %
Bestform Limited*	Isle of Man	Investment holding	100.00	100.00
Bright Term Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Clarity Crest Sdn. Bhd.	Malaysia	Cultivation of rubber and oil palm	100.00	100.00
Elite Land Development Sdn. Bhd. (formerly known as Kasi Palani Development Sdn. Bhd.)	Malaysia	Property development	65.00	-
Forward Esteem Sdn. Bhd.	Malaysia	Property development	100.00	100.00
L&G Resources (1994), Inc.*	USA	Investment holding	100.00	100.00
Land & General Properties Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Land & General Australia (Holdings) Pty Ltd*	Australia	Investment holding	100.00	100.00
Lang Education Holdings Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Lang Furniture (Pahang) Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Maple Domain Sdn. Bhd.	Malaysia	Property investment	100.00	100.00
Pillar Quest Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Primal Milestone Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Quantum Bonus Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Soho Prestige Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Sri Damansara Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Syarikat Trimal Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Synergy Score Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Triumph Bliss Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Victory Vista Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Winlink Pte Ltd*	Singapore	Dormant	100.00	100.00
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd*	Australia	Dormant	100.00	100.00
World Trade Centre Holdings Pty Ltd*	Australia	Dormant	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

			Effective ownership interest and voting interest	
Name of subsidiaries	Country of incorporation	Principal activities	2020	2019
			%	%
Subsidiaries of Land & General Australia (Holdings) Pty Ltd: (cont'd.)				
Flinders Wharf Pty Ltd*	Australia	Dormant	100.00	100.00
Flinders Wharf One Pty Ltd*	Australia	Dormant	100.00	100.00
Flinders Wharf Two Pty Ltd*	Australia	Dormant	100.00	100.00
PLR Mayfields Pty Ltd*	Australia	Dormant	100.00	100.00
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.*	USA	Dormant	100.00	100.00
Subsidiary of Lang Education Holdings Sdn. Bhd.:				
Lang Education Sdn. Bhd.	Malaysia	Education services	100.00	100.00
Subsidiary of Lang Education Sdn. Bhd.:				
Bestari Elsa Sdn. Bhd.	Malaysia	Dormant	70.00	-
Subsidiary of Pillar Quest Sdn. Bhd.:				
Xtreme Meridian Sdn. Bhd.	Malaysia	Property development	50.01	50.01
Subsidiary of Sri Damansara Sdn. Bhd.:				
Sri Damansara Club Bhd.	Malaysia	Management of club activities but ceased operation during the year	100.00	100.00
Subsidiaries of Syarikat Trimal Sdn. Bhd.:				
Mentari Unggul Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Tinvein Nominees Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Subsidiary of Synergy Score Sdn. Bhd.:				
Elite Forward Sdn. Bhd.	Malaysia	Property development	50.01	50.01
Subsidiary of Victory Vista Sdn. Bhd.:				
Pembinaan Jaya Megah Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd*	Australia	Dormant	100.00	100.00

* Audited by a firm of auditors other than KPMG PLT.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

5.1 Asset acquisition of a subsidiary

The Group completed the acquisition of 65% equity interest in Elite Land Development Sdn. Bhd. (formerly known as Kasi Palani Development Sdn. Bhd.) for a total cash consideration of RM14,233,000 on 15 November 2019, which can be analysed as follows:

	Total RM'000
Land held for development	22,695
Cash and bank balances	2
Other net liabilities	(521)
Total net cash consideration	22,176
Less: Net cash consideration paid by non-controlling interests	(7,943)
Net cash consideration	14,233
Less: Cash and bank balance at acquisition date	(2)
Net cash outflow	14,231

5.2 Asset acquisition of a subsidiary in prior year

In the previous year, the Group acquired the entire equity interest in Soho Prestige Sdn. Bhd. for a total cash consideration of RM37,246,000, which can be analysed as follows:

	Total RM'000
Land held for development	37,851
Other net liabilities	(605)
Cash consideration	37,246
Overdraft acquired	9,986
Net cash outflow	47,232

5.3 Non-controlling interests in subsidiaries

The following table summarises the financial information of the Group's material non-controlling interests ("NCI") in Elite Forward Sdn. Bhd. ("EFSB"), Xtreme Meridian Sdn. Bhd. ("XMSB") and Elite Land Development Sdn. Bhd. ("ELDSB"):

	EFSB		XMSB		ELDSB		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	49.99%	49.99%	49.99%	49.99%	35.00%	-	-	-
Carrying amount of NCI	10,117	14,776	69,331	58,922	7,935	-	87,383	73,698
Profit allocated to NCI	340	293	5,410	6,990	(8)	-	5,742	7,283
Non-current assets	4	67	3,627	4,988	22,695	-	26,326	5,055
Current assets	21,414	31,009	302,839	257,031	2	-	324,255	288,040
Non-current liabilities	-	-	(79,247)	(74,711)	-	-	(79,247)	(74,711)
Current liabilities	(1,180)	(1,518)	(88,530)	(69,441)	(26)	-	(89,736)	(70,959)
Net assets	20,238	29,558	138,689	117,867	22,671	-	181,598	147,425

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

5.3 Non-controlling interests in subsidiaries (cont'd.)

	EFSB		XMSB		ELDSB		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 March								
Revenue	7,817	4,731	71,469	83,247	-	-	79,286	87,978
Profit for the year	680	757	10,822	13,983	(24)	-	11,478	14,740
Dividends paid to NCI	(4,999)	-	-	-	-	-	(4,999)	-
Cash flows from/(used in) operating activities	6,681	5,353	(9,444)	(1,173)	-	-	(2,763)	4,180
Cash flows from/(used in) investing activities	-	(1)	9,931	(3,661)	-	-	9,931	(3,662)
Cash flows (used in)/from financing activities	(10,000)	-	197	452	-	-	(9,803)	452
Net (decrease)/increase in cash and cash equivalents	(3,319)	5,352	684	(4,382)	-	-	(2,635)	970

5.4 Loans or advances to subsidiaries

Included in cost of investment were loans or advances to subsidiaries with nominal value of RM56,162,000 (2019: RM48,515,000). These loans or advances were classified as cost of investment in subsidiaries. The loans or advances do not have fixed repayment terms and after considering the capital structure of the subsidiaries, the management is of the view that, in substance, the loans and advances provided an exposure similar to an investment in ordinary shares of the subsidiaries.

6. INVESTMENTS IN ASSOCIATES

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Cost of investment	6.1	152,877	152,877	500	500
Share of post-acquisition profit		2,473	166	-	-
		155,350	153,043	500	500
Less: Accumulated impairment losses		(1,475)	(1,475)	(500)	(500)
		153,875	151,568	-	-

- 6.1 The cost of investment includes loans granted to the associate of RM136,950,000 (2019: RM136,950,000) with nominal value of RM196,365,000 (2019: RM196,365,000) as the loans provide an exposure similar to an investment in ordinary shares of the associate. The loans are exposed to changes in the fair value of the associate's net assets and hence, the associate's losses. Furthermore, the shareholders are required to provide financing to the associate in proportion to their respective shareholdings in the associate. This demonstrates that the loans granted links directly to ownership.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates, all of which are incorporated in Malaysia and the Company's interests therein, are as follows:

Name of Associates	Country of incorporation	Principal activity	Effective ownership interest and voting interest	
			2020 %	2019 %
C.I. Damansara Quarry Sdn. Bhd.	Malaysia	Dormant	35.00	35.00
Projass Langbuilt Sdn. Bhd.	Malaysia	Dormant	50.00	50.00
FW Financing Solutions Pty Ltd	Australia	Dormant	50.00	50.00
Held through Primal Milestone Sdn. Bhd. and Quantum Bonus Sdn. Bhd.				
Country Garden Properties (Malaysia) Sdn. Bhd. ("CGPM")	Malaysia	Property development	45.00	45.00

The following summarises the information of the Group's material associate:

	Group	
	2020 RM'000	2019 RM'000
CGPM		
Non-current assets	213,968	211,571
Current assets	339,255	345,787
Non-current liabilities	(51,373)	(73,148)
Current liabilities	(159,905)	(147,391)
Net assets	341,945	336,819
Year ended 31 March		
Profit/Total comprehensive income	5,126	6,787
Reconciliation of net assets to carrying amount as at 31 March		
Group's share of net assets	153,875	151,568
Group's share of results for the year ended 31 March		
Group's share of total comprehensive income	2,307	2,527

Other information

The Group invests in CGPM because it is operating in the property development industry, which is the Group's main operating segment.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cost of investment	16,252	18,638	16,252	18,638
Share of post-acquisition profit	323	-	-	-
	16,575	18,638	16,252	18,638
Less: Accumulated impairment losses	(16,252)	(18,638)	(16,252)	(18,638)
	323	-	-	-

Details of the joint venture are as follows:

Name of Joint Venture	Country of incorporation	Principal activity	Effective ownership interest and voting interest	
			2020	2019
			%	%
Hidden Valley Australia Pty Ltd	Australia	Property development	50.00	50.00

8. INVENTORIES

	Note	Group	
		2020	2019
		RM'000	RM'000
Non-current			
Land held for property development	8.1	562,058	534,193
Current			
Completed development units		30,844	37,299
Finished goods, raw materials and consumables		72	55
Property development cost	8.2	340,334	265,199
		371,250	302,553
Total inventories		933,308	836,746

8.1 Included in land held for property development during the financial year is:

	Group	
	2020	2019
	RM'000	RM'000
Interest expense capitalised	1,619	6,196

The capitalisation rate is 5.35% (2019: 4.27% to 5.47%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES (CONT'D.)

8.2 Included in property development cost incurred during the financial year is:

	Group	
	2020	2019
	RM'000	RM'000
Interest expense capitalised	8,367	3,997

The capitalisation rate is ranging from 4.72% to 5.35% (2019: 4.27% to 5.47%) per annum.

Land together with development costs with a carrying value of RM528,333,000 (2019: RM480,722,000) are pledged as securities for bank borrowings as disclosed in Note 17.

9. OTHER INVESTMENT

	Group and Company	
	2020	2019
	RM'000	RM'000
Investment measured at fair value through profit or loss	7,527	11,468

This refers to the Company's investments in Vietnam Industrial Investments Ltd ("VII") which is a quoted investment in the Australian Stock Exchange ("ASX").

VII went into a voluntary trading suspension of its shares from 12 September 2019 and the last traded price was AUD0.31 per share. VII announced that the voluntary suspension of trading of its shares was due to qualifications and material uncertainties on going concern. In the absence of an observable market price, the fair value of the said investment at year end was estimated based on the assumption that VII share price directly correlates with the ASX index since 12 September 2019 up to year end, 31 March 2020, with an additional 6% discount made due to the uncertainties surrounding the shares suspension and lack of information. These assumption and input are unobservable and hence, the fair value is categorised as Level 3. In the previous year, the fair value was determined based on the closing market price and hence, the fair value was categorised as Level 1.

Sensitivity analysis

A 0.5 times decrease/increase in the correlation between VII share price and ASX index at the reporting date would have increased/(decreased) the other investment by the amounts shown below. This analysis assumes all variables remained constant and ignores any impact of forecasted transactions.

	Correlation with ASX index 0.5 times	
	Increase	Decrease
	RM'000	RM'000
Profit before tax increase/(decrease)	1,271	(1,271)

A 5% decrease/increase in the additional discount of 6% at the reporting date would have increased/(decreased) the other investment by the amounts shown below. This analysis assumes all variables remained constant and ignores any impact of forecasted transactions.

	Additional discount 5%	
	Increase	Decrease
	RM'000	RM'000
Profit before tax (decrease)/increase	(536)	536

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Restated					Restated
Trade and other payables	1,374	132	-	-	1,374	132
Property, plant and equipment	-	1,349	(3,198)	(2,016)	(3,198)	(667)
Inventory	9,944	8,704	(24,254)	(23,053)	(14,310)	(14,349)
Other items	1,043	709	(249)	(1,104)	794	(395)
Tax assets/(liabilities)	12,361	10,894	(27,701)	(26,173)	(15,340)	(15,279)
Set off of tax	(2,191)	(1,469)	2,191	1,469	-	-
Net tax assets/ (liabilities)	10,170	9,425	(25,510)	(24,704)	(15,340)	(15,279)

Movement in temporary differences during the year

Group	At 1 April	Recognised	At 31 March	Recognised	At 31 March
	2018	in profit or	2019	in profit or	2020
	RM'000	loss	RM'000	loss	RM'000
	Restated	Restated	Restated		
Trade and other payables	216	(84)	132	1,242	1,374
ICULS	7	(7)	-	-	-
Property, plant and equipment	(1,565)	898	(667)	(2,531)	(3,198)
Inventory	(22,886)	8,537	(14,349)	39	(14,310)
Other items	2,654	(3,049)	(395)	1,189	794
Net tax (liabilities)/ assets	(21,574)	6,295	(15,279)	(61)	(15,340)
Company					
ICULS	7	(7)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Unrecognised deferred tax assets

The following unutilised tax losses, unabsorbed capital allowances and deductible temporary differences of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority:

	Group RM'000
Expiration period	
Expiry within 5 years	9,808
Expiry within 6 years	3,256
Expiry within 7 years	2,230
Indefinite	244
	15,538

Deferred tax assets of the Group have not been recognised in respect of these items because it is not probable that the subsidiaries will be able to generate sufficient taxable profits to utilise them.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon future events that are inherently uncertain. Judgement is also required about application of income tax legislation. Accordingly, the deferred tax assets recognised may be adjusted in subsequent periods as a result of changes in the accounting estimates.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Trade receivables					
Third parties		10,813	9,259	-	-
Less: Allowance for impairment		(171)	(261)	-	-
		10,642	8,998	-	-
Other receivables					
Amounts due from related parties:					
- Subsidiaries	11.1	-	-	39,118	39,051
- Associates	11.1	1,145	1,145	1,119	1,119
		1,145	1,145	40,237	40,170
Less: Allowance for impairment		(1,145)	(1,145)	(39,896)	(40,170)
		-	-	341	-
Sundry deposits		3,754	3,552	112	112
Sundry receivables	11.2	18,863	3,994	10	155
		22,617	7,546	122	267
Less: Allowance for impairment		(788)	(2,724)	-	(53)
		21,829	4,822	122	214
		21,829	4,822	463	214
Total trade and other receivables		32,471	13,820	463	214

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES (CONT'D.)

11.1 Amounts due from subsidiaries and associates are unsecured, non-interest bearing and repayable on demand.

11.2 Included in the sundry receivables is an advance payment of RM15,000,000 made to a contractor in current year, which will be progressively settled over the duration of the contract.

12. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Note	Group	
		2020 RM'000	2019 RM'000
Contract assets			
Contract assets from property development	12.1	61,475	58,250
Other contract assets	12.2	21,040	21,040
		82,515	79,290
Contract liabilities			
Contract liabilities from property development	12.1	-	(110)
Other contract liabilities	12.3	(5,349)	(4,486)
		(5,349)	(4,596)

12.1 Contract assets/(liabilities) from property development

The Group issues progress billings to purchasers when the billing milestones are attained but recognises revenue by comparing the relevant costs incurred with the budgeted costs to completion. Consequently, there are timing differences between recognition of revenue and progress billings. The differences are presented as contract assets or liabilities accordingly.

The Group's contract assets and contract liabilities relating to the sale of properties as of each reporting period can be summarised as follows:

	Group	
	2020 RM'000	2019 RM'000
Contract assets	61,475	58,250
Contract liabilities	-	(110)
	61,475	58,140
At 1 April	58,140	10,345
Net revenue recognised during the year	103,883	101,953
Net progress billings during the year	(100,548)	(54,158)
At 31 March	61,475	58,140

12.2 Other contract assets

The stakeholder sums are receivable upon the transfer of strata titles to respective purchasers.

NOTES TO THE FINANCIAL STATEMENTS

12. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D.)

12.3 Other contract liabilities

	Group	
	2020 RM'000	2019 RM'000
At 1 April	(4,486)	(3,934)
Revenue recognised during the year	19,395	15,352
Total billings during the year	(20,258)	(15,904)
At 31 March	(5,349)	(4,486)

Other contract liabilities were recognised for the education fees where invoices were issued in advance and revenue is recognised over time.

13. CONTRACT COSTS

	Note	Group	
		2020 RM'000	2019 RM'000
Costs to fulfil contracts with customers	13.1	4,424	12,671
Costs to obtain contracts with customers	13.2	2,720	4,547
		7,144	17,218

13.1 The land costs and certain development costs attributed to the sold units are capitalised as contract costs during the financial year. Generally, development costs are expensed to profit or loss. Certain land and related development costs which are incurred upfront and do not reflect the progress of work are expensed to the profit or loss following the progress of revenue recognition.

13.2 The sales commission fees that are attribute to the sold units are capitalised as contract costs during the financial year and amortised to the profit or loss following the progress of revenue recognition.

14. DEPOSIT, CASH AND BANK BALANCES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash on hand and at banks	14.1	83,481	33,230	3,611	11,167
Deposits with financial institutions	14.2	26,588	185,682	3,269	3,539
		110,069	218,912	6,880	14,706

14.1 Included in cash at banks of the Group were amounts of RM11,595,000 (2019: RM13,510,000) held under the Housing Development Accounts ("HDA Account") pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (Act 118) and are therefore restricted from use in other operations.

14.2 Included in deposits with financial institutions of the Group and the Company were amounts of RM14,140,000 and RM81,000 respectively (2019: RM13,790,000 and RM76,000 respectively) pledged to banks as securities deposits for bank guarantees.

NOTES TO THE FINANCIAL STATEMENTS

14. DEPOSIT, CASH AND BANK BALANCES (CONT'D.)

In the previous financial year end, included in deposits with financial institutions of the Group were:

- RM924,000 held under a trust account pursuant to a Trust Deed dated 11 September 1994 in relation to a membership scheme of a subsidiary, Sri Damansara Club Berhad. The application of the monies was governed by the Trust Deed Agreement; and
- RM2,496,000 held under sinking funds maintained by a subsidiary, Sri Damansara Club Berhad, for the purpose of repair and maintenance of properties.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

Note	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits, cash and bank balances	110,069	218,912	6,880	14,706
Less:				
- Deposits pledged as security for bank guarantee facility	(14,140)	(13,790)	(81)	(76)
- Deposit held in trust	-	(33)	-	(33)
- Deposits with period more than 3 months	(2,309)	(3,189)	-	-
	93,620	201,900	6,799	14,597
Bank overdraft 17	(2,893)	-	-	-
Total cash and cash equivalents	90,727	201,900	6,799	14,597

15. SHARE CAPITAL

	Group and Company			
	Number of shares	Amount	Number of shares	Amount
	2020 '000	2020 RM'000	2019 '000	2019 RM'000
Issued and fully paid:				
At 1 April	2,973,135	660,232	2,930,294	651,664
Conversion of ICULS	-	-	42,841	8,568
At 31 March	2,973,135	660,232	2,973,135	660,232

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regards to the Company's residual assets.

In the current year, no new ordinary shares were issued.

In the previous year, 42,840,836 new ordinary shares were issued pursuant to the conversion of the following:

- 2,480,100 units of ICULS were converted into 2,480,100 ordinary shares by way of cash option following the receipt of cash proceeds of RM173,607 at the initial conversion price of RM0.20 each;

NOTES TO THE FINANCIAL STATEMENTS

15. SHARE CAPITAL (CONT'D.)

- (b) 9,016,500 units of ICULS were converted into 5,889,975 new ordinary shares by way of surrender option at the adjusted conversion price of RM0.20 each; and
- (c) 53,031,958 units of ICULS matured on 24 September 2018 and were automatically converted into 34,470,761 new ordinary shares at the conversion price of RM0.20 each.

16. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Other payables					
Sundry payables		154	154	-	-
Current					
Trade payables					
Third parties	16.1	33,674	15,658	-	-
Retention sum payables		25,031	13,280	-	-
Accruals for construction costs		27,024	39,101	-	-
		85,729	68,039	-	-
Other payables					
Amount due to subsidiaries	16.2	-	-	18,848	14,068
Sundry payables		13,123	9,486	1,143	1,732
Accruals		13,667	9,447	122	149
Contingent consideration	16.3	20,191	18,030	20,191	18,030
		46,981	36,963	40,304	33,979
		132,710	105,002	40,304	33,979
		132,864	105,156	40,304	33,979

16.1 Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group is 30 days (2019: 30 days).

16.2 Amount due to subsidiaries

Amount due to subsidiaries were unsecured, non-interest bearing and were repayable upon demand.

16.3 Contingent consideration

A contingent consideration of RM14,620,000 was determined at the date of acquisition of CGPM and has been recognised as investment in associate with the corresponding liability of the same amount in the statement of financial position. The liability as at year end includes the unwinding of discount for the year of RM2,161,000 (2019: RM1,948,000). The nominal value of the contingent consideration is RM38,722,000.

NOTES TO THE FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES (CONT'D.)

16.3 Contingent consideration (cont'd.)

The liability is payable when CGPM pays dividend or other distributions to its shareholders. The compensation was then discounted based on discount rate of 12% and over 10 years being the project period as it is expected that CGPM will pay dividend or other distributions to its shareholders after the projects are completed.

Sensitivity analysis

A 2 years decrease/increase in the projected period at the reporting date would have increased/(decreased) the liability by the amounts shown below. This analysis assumes all variables remained constant and ignores any impact of forecasted transactions.

	2020		2019	
	Projected period 2 years		Projected period 2 years	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Profit before tax increase/(decrease)	4,692	(4,198)	4,191	(3,746)

17. BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current				
Bridging loan	45,000	25,916	-	-
Term loan	138,266	142,620	-	-
Other borrowings	230	295	180	255
	183,496	168,831	180	255
Current				
Bank overdraft	2,893	-	-	-
Term loan	19,430	17,856	-	-
Revolving credit	-	3,729	-	-
Other borrowings	129	109	75	71
	22,452	21,694	75	71
Total borrowings	205,948	190,525	255	326

- (a) The following facilities were granted to a subsidiary to partially finance the purchase and development of leasehold land situated in Ampang and also for working capital requirement of the property development:

	2020 RM'000	2019 RM'000
Term loans	45,382	58,956
Bridging loan	45,000	25,916
Bank overdraft	2,893	-
	93,275	84,872

NOTES TO THE FINANCIAL STATEMENTS

17. BORROWINGS (CONT'D.)

The said facilities are secured by:

- a first legal charge over the said property and commercial leasehold land;
- a specific debenture over the property and the development project together with fixed and floating assets, intellectual properties, goodwill, revenues, undertakings and all other rights relating to the Astoria project; and
- guaranteed by the shareholders of the subsidiary company based on their proportionate shareholdings

The said facilities bore interests ranging from 4.72% to 6.22% per annum (2019: 5.47% to 6.97% per annum).

- (b) The following facilities were granted to a subsidiary to partially finance the preliminaries earthwork and common infrastructure costs for residential development in Seremban.

	2020	2019
	RM'000	RM'000
Term loan	807	-
Revolving credit	-	3,729
	807	3,729

The said facilities are secured by:

- a first legal charge over the development lands; and
- a corporate guarantee by the Company

The said facilities bore interests at 5.14% per annum (2019: 5.62% per annum).

- (c) Term loan of RM95,520,000 (2019: RM101,520,000) to partially finance the purchase of leasehold commercial land situated in Seri Kembangan. The said loan is secured by:

- a first legal charge over the said commercial leasehold land;
- a specific debenture over development land and project together with fixed and floating assets, intellectual properties, goodwill, revenues, undertakings and all other rights relating to the project; and
- a corporate guarantee by the Company.

The said loan bore interests at 4.72% per annum (2019: 5.47% per annum).

- (d) Term loan of RM15,987,000 (2019: RM Nil) to partially finance the development cost of international school. The said loan is secured by:

- one parcel of leasehold land erected with Sri Bestari Schools;
- a specific debenture over the property together with present and future fixtures and fittings, goodwill intellectual properties, revenues, undertakings, and all other rights relating to the property; and
- a corporate guarantee by the Company.

The said loan bore interests at 4.22% per annum (2019: 4.97% per annum).

NOTES TO THE FINANCIAL STATEMENTS

17. BORROWINGS (CONT'D.)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Bridging loan RM'000	Term loan RM'000	Revolving credit RM'000	Others RM'000	Total RM'000
At 1 April 2018	-	185,598	-	21	185,619
Net changes from financing activities	25,916	(25,122)	3,729	(73)	4,450
Other changes	-	-	-	456	456
At 31 March 2019/ 1 April 2019	25,916	160,476	3,729	404	190,525
Net changes from financing activities	19,084	(2,780)	(3,729)	(122)	12,453
Other changes	-	-	-	77	77
At 31 March 2020	45,000	157,696	-	359	203,055

18. PROVISIONS

Group	Provision for costs to complete RM'000	Provision for financial obligation RM'000	Provision for club closure RM'000	Other provision RM'000	Total RM'000
At 1 April 2018	23,893	41,611	-	2,984	68,488
Additions	-	-	2,992	-	2,992
Utilisation	(2,717)	-	-	-	(2,717)
Write back of provision	(4,735)	(20,805)	-	(1,284)	(26,824)
At 31 March 2019/1 April 2019	16,441	20,806	2,992	1,700	41,939
Additions	1,817	-	-	549	2,366
Utilisation	(1,521)	-	(2,550)	-	(4,071)
Write back of provision	(7,400)	(6,242)	(407)	-	(14,049)
At 31 March 2020	9,337	14,564	35	2,249	26,185
Company					
At 1 April 2018	-	41,611	-	1,700	43,311
Write back of provision	-	(20,805)	-	-	(20,805)
At 31 March 2019/1 April 2019	-	20,806	-	1,700	22,506
Additions	-	-	-	549	549
Write back of provision	-	(6,242)	-	-	(6,242)
At 31 March 2020	-	14,564	-	2,249	16,813

NOTES TO THE FINANCIAL STATEMENTS

18. PROVISIONS (CONT'D.)

Provision for costs to complete

Provision for costs to complete comprises the present obligation for property development, infrastructure and land related cost relating to a completed project.

Provision for financial obligation

This is the estimated financial liability, as assessed by the directors, arising from the liquidation of a subsidiary in the previous financial years. As of to date, the counter party has not made a claim against the Group or the Company. The provision is based on the probability weighted outcomes of amount owing by the former subsidiary to the financial institutions after due consultation with solicitors. The directors are of the view that further disclosures of information may prejudice the position of the Group or the Company.

Provision for club closure

Pursuant to the resolution passed at the Sri Damansara Club's Annual General Meeting, the Trustee of Sri Damansara Club Scheme had applied to the High Court of Kuala Lumpur to wind up the Scheme. The winding up order was granted by the High Court on 24 June 2019. During the year, substantial payments have been made to the members in accordance with the Court Order. The provision comprises mainly of goodwill payments to members and other closure related costs.

19. REVENUE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Sales of properties and land	112,648	106,087	-	-
Management fee	230	240	2,048	2,404
Education fees	18,825	15,280	-	-
Others	2,964	4,537	-	-
	134,667	126,144	2,048	2,404
Other revenue				
Dividend income from subsidiary	-	-	51,391	30,000
Other finance income	623	3,364	474	3,167
Leasing income	4,434	4,927	3,156	3,276
	5,057	8,291	55,021	36,443
Total revenue	139,724	134,435	57,069	38,847
Timing and recognition of revenue from contract with customers				
At a point in time	10,781	9,268	-	-
Over time	123,886	116,876	2,048	2,404

NOTES TO THE FINANCIAL STATEMENTS

19. REVENUE (CONT'D.)

19.1 The following shows the revenue expected to be recognised in the future related to the performance obligations that are yet to be satisfied by the Group at the reporting date. The amounts presented below, are after accounting for all the variable considerations from contracts with customers.

	Within 1 to 3 years	
	2020	2019
	RM'000	RM'000
Remaining performance obligation for the financial year end		
Property development revenue	78,843	109,695

19.2 The Group and the Company apply the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

Revenue arising from sale of properties is arising from sale of residential properties and land in Malaysia. For sale of incomplete units, revenue is recognised over time, which is determined by the proportion that relevant property development costs incurred for work performed to date compared to the relevant estimated total property development costs.

For sale of completed unit and land, revenue is recognised at a point in time, which normally is upon the delivery of vacant possession or upon the Group allowing the customer to raise financing using the property.

Significant judgement is required in determining the revenue to be recognised over time, which is highly dependent on the estimated total property development costs. In making the judgement, the Group evaluates the estimates based upon past experience and by relying on the work of architects and quantitative surveyors.

Revenue arising from education fees is recognised over time throughout the academic period.

20. OTHER INCOME

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Dividend on money market funds	2,883	5,249	-	-
Gain on disposal of property, plant and equipment	-	119	-	99
Interest income	3,101	2,784	-	-
Reversal of allowance for impairment on property, plant and equipment	-	7,747	-	-
Write back of accruals for construction costs	-	1,073	-	-
Write back of provision for				
- costs to complete	7,400	4,735		
- financial obligation	6,242	20,805	6,242	20,805
- others	407	1,284	-	-
Write back of retention sum payables	-	2,185	-	-
Others	3,064	1,912	6	512
	23,097	47,893	6,248	21,416

NOTES TO THE FINANCIAL STATEMENTS

21. STAFF COSTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	18,739	18,682	2,390	2,771
Defined contribution plan	2,197	2,180	293	324
Other employment benefits	1,791	1,111	668	120
	22,727	21,973	3,351	3,215

Included in staff costs of the Group and of the Company are remunerations (excluding benefits-in-kind) of executive director of the Group and of the Company amounting to RM971,000 (2019: RM1,137,000) as further disclosed below:

	Group and Company	
	2020	2019
	RM'000	RM'000
Executive director's remuneration		
Other emoluments	971	1,137
Non-executive directors' remuneration		
Fees	490	552
Other emoluments^	214	199
	704	751
Total directors' remuneration	1,675	1,888
Estimated money value of benefits-in-kind	37	36
Total directors' remuneration including benefits-in-kind	1,712	1,924

^ Included in other emoluments are advisory fee of RM122,000 (2019: RM120,000) paid for the advisory role undertaken by a non-executive director.

22. PROFIT BEFORE TAX

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Auditors' remunerations:				
Auditors of the Company				
- Statutory audit	290	290	70	70
- Other services	20	65	20	30
Other auditors				
- Statutory audit	5	45	-	-
- Other services	-	49	-	-
Fair value loss on other investment	3,941	432	3,941	432

NOTES TO THE FINANCIAL STATEMENTS

22. PROFIT BEFORE TAX (CONT'D.)

Finance costs incurred is as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Borrowings	10,807	10,818	13	16
- Contingent consideration	2,161	1,948	2,161	1,948
- Lease liabilities	63	82	-	-
	13,031	12,848	2,174	1,964
Less interest expenses capitalised into qualifying assets:				
- Property, plant and equipment	(425)	(213)	-	-
- Inventories	(9,986)	(10,193)	-	-
Finance costs	2,620	2,442	2,174	1,964

23. TAX EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	5,714	8,661	838	700
(Over)/Under provision in prior years	(223)	1,572	22	(70)
	5,491	10,233	860	630
Deferred tax:				
Reversal and origination of temporary differences	596	(8,583)	-	7
(Over)/Under provision in prior years	(535)	2,288	-	-
	61	(6,295)	-	7
	5,552	3,938	860	637

NOTES TO THE FINANCIAL STATEMENTS

23. TAX EXPENSE (CONT'D.)

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense					
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)		6,284	12,694	12,222	12,347
Income not subject to tax		(2,137)	(9,862)	(12,864)	(12,193)
Non-deductible expenses		1,696	3,460	1,480	553
Difference in effective tax rate on deemed disposal of land	23.1	-	(6,890)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances		467	676	-	-
(Over)/Under provision of deferred tax in prior year		(535)	2,288	-	-
(Over)/Under provision of tax expense in prior years		(223)	1,572	22	(70)
		5,552	3,938	860	637

23.1 This relates to a piece of land being transferred from investment properties to land held for property development in previous year.

24. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the year ended 31 March 2020 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2020	2019
Profit for the year attributable to owners of the Company (RM'000)	14,891	41,672
Weighted average number of ordinary shares in issue ('000)	2,973,135	2,952,582
Basic earnings per share (sen)	0.50	1.41

NOTES TO THE FINANCIAL STATEMENTS

25. DIVIDENDS

Dividends recognised by the Company:

	Sen per Share RM	Total amount RM'000	Date of payment
2020			
Final 2019 ordinary	1.0	29,731	23 October 2019
2019			
Final 2018 ordinary	1.5	44,597	26 October 2018

There was no dividend paid in respect of the financial year ended 31 March 2020 and the Directors do not recommend any dividend to be paid for the financial year under review.

26. OPERATING SEGMENTS

The Group has three reportable segments based on its products and services. The Managing Director together with the Board of Directors are collectively the chief operating decision maker ("CODM"). CODM assesses the performance of these segments regularly based on internal management reports. The operations in each of the reportable segment are as follows:

- (i) Property development: development of residential and commercial properties
- (ii) Education: operation of co-education schooling from kindergarten to secondary education
- (iii) Other segment: land cultivation, management of club activities, and investment in commercial properties

Non-reportable segment refers to investment holding and dormant operations.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial year, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

With the exception of its property development in Australia via its joint venture, Hidden Valley Australia Pty Ltd, the Group's entire active business operations is located in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

26. OPERATING SEGMENTS (CONT'D.)

	Note	Property development RM'000	Education RM'000	Other segment RM'000	Non- reportable segment RM'000	Adjustments and eliminations RM'000	Consolidated financial statements RM'000
2020							
Revenue							
Sales to external customers		116,007	19,426	3,390	278	-	139,101
Interest income, dividends on money market funds, unit trust funds and quoted investment		-	-	-	623	-	623
Inter-segment sales	A	140	-	40	5,172	(5,352)	-
Total revenue		116,147	19,426	3,430	6,073	(5,352)	139,724
Results							
Operating profit	B	24,576	6,254	(2,330)	(2,325)	10	26,185
Interest income, dividends on money market funds and unit trust funds		5,656	133	173	22	-	5,984
Depreciation and amortisation		4,265	955	1,710	522	-	7,452
Reversals of provisions		(7,400)	-	(407)	(6,242)	-	(14,049)
Assets							
Additions to non-current assets other than financial instruments and deferred tax asset	C	28,391	30,451	20	-	-	58,862
Segment assets	D	1,182,153	62,840	117,718	34,593	168,339	1,565,643
Liabilities							
Segment liabilities	E	298,237	33,269	751	38,951	26,773	397,981

NOTES TO THE FINANCIAL STATEMENTS

26. OPERATING SEGMENTS (CONT'D.)

	Note	Property development RM'000	Education RM'000	Other segment RM'000	Non- reportable segment RM'000	Adjustments and eliminations RM'000	Consolidated financial statements RM'000
2019							
Revenue							
Sales to external customers		109,762	15,672	5,230	407	-	131,071
Interest income, dividends on money market funds, unit trust funds and quoted investment		-	-	-	3,364	-	3,364
Inter-segment sales	A	170	-	28	5,512	(5,710)	-
Total revenue		109,932	15,672	5,258	9,283	(5,710)	134,435
Results							
Operating profit	B	35,433	4,566	(5,610)	18,419	85	52,893
Interest income, dividends on money market funds and unit trust funds		7,140	555	336	2	-	8,033
Depreciation and amortisation		4,157	440	1,685	522	-	6,804
Reversals of impairment losses on property, plant and equipment		(7,747)	-	-	-	-	(7,747)
Reversals of provisions		(6,019)	-	-	(20,805)	-	(26,824)
Assets							
Additions to non-current assets other than financial instruments and deferred tax asset	C	12,298	14,320	212	476	-	27,306
Segment assets (restated)	D	1,164,604	36,680	124,930	49,198	164,756	1,540,168
Liabilities							
Segment liabilities	E	287,060	8,665	5,064	42,794	27,604	371,187

NOTES TO THE FINANCIAL STATEMENTS

26. OPERATING SEGMENTS (CONT'D.)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to operating profit to arrive at total profit before tax reported in the consolidated statement of comprehensive income:

	2020	2019
	RM'000	RM'000
Finance costs	(2,620)	(2,442)
Share of results of an associate	2,307	2,527
Share of results of a joint venture	323	-
	10	85

C Additions to non-current assets other than financial instruments and deferred tax asset consist of:

	2020	2019
	RM'000	RM'000
Property, plant and equipment	30,997	20,121
Land held for property development	27,865	7,120
Investment property	-	65
	58,862	27,306

D The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2020	2019
	RM'000	RM'000
		Restated
Investment in jointly controlled entity	323	-
Investment in associates	153,875	151,568
Deferred tax assets	10,170	9,425
Tax recoverable	3,971	3,763
	168,339	164,756

E The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2020	2019
	RM'000	RM'000
Deferred tax liabilities	25,510	24,704
Tax payable	1,263	2,900
	26,773	27,604

NOTES TO THE FINANCIAL STATEMENTS

26. OPERATING SEGMENTS (CONT'D.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated
Malaysia	139,345	134,040	939,550	882,283
Australia	280	285	323	-
Others	99	110	-	-
	139,724	134,435	939,873	882,283

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC"); and
- (b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2020			
Financial assets			
Group			
Trade and other receivables	32,471	32,471	-
Other investment	7,527	-	7,527
Money market funds	3,185	-	3,185
Deposits, cash and bank balances	110,069	110,069	-
	153,252	142,540	10,712
Company			
Trade and other receivables	463	463	-
Other investment	7,527	-	7,527
Money market funds	59	-	59
Deposits, cash and bank balances	6,880	6,880	-
	14,929	7,343	7,586

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.1 Categories of financial instruments (cont'd.)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2019			
Financial assets			
Group			
Trade and other receivables	13,820	13,820	-
Other investment	11,468	-	11,468
Money market funds	1,042	-	1,042
Deposits, cash and bank balances	218,912	218,912	-
	245,242	232,732	12,510
Company			
Trade and other receivables	214	214	-
Other investment	11,468	-	11,468
Money market funds	58	-	58
Deposits, cash and bank balances	14,706	14,706	-
	26,446	14,920	11,526
2020			
Financial liabilities			
Group			
Borrowings	205,948	205,948	-
Trade and other payables	132,864	132,864	-
	338,812	338,812	-
Company			
Borrowings	255	255	-
Trade and other payables	40,304	40,304	-
	40,559	40,559	-
2019			
Financial liabilities			
Group			
Borrowings	190,525	190,525	-
Trade and other payables	105,156	105,156	-
	295,681	295,681	-
Company			
Borrowings	326	326	-
Trade and other payables	33,979	33,979	-
	34,305	34,305	-

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net (losses)/gains arising on:				
Financial assets measured at amortised cost	2,937	4,346	(428)	296
Financial assets measured at fair value through profit or loss	(744)	7,648	(3,627)	2,439
Financial liabilities measured at amortised cost	(10,231)	(10,373)	(12)	(169)
Financial liabilities measured at fair value through profit or loss	(2,161)	(1,947)	(2,161)	(1,947)
	(10,199)	(326)	(6,228)	619

27.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Group's and the Company's exposure to credit risk arises principally from receivables, contract assets, other investments and deposits, cash and bank balances. There are no significant changes as compared to prior years.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.4 Credit risk (cont'd.)

Trade receivables and contract assets (cont'd.)

Exposure to credit risk, credit quality and collateral (cont'd.)

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group and the Company use ageing analysis to monitor the credit quality of the receivables.

Recognition and measurement of impairment losses

The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. Generally, these customers have low risk of default because they are normally collateralised with security deposits or titles of properties.

The following table provides information about the exposure to credit risk and Expected Credit Losses ("ECLs") for trade receivables and contract assets as at 31 March 2020 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount	Loss allowance	Net balance
Group	RM'000	RM'000	RM'000
2020			
Current (not past due)	85,261	-	85,261
31 – 60 days past due	2,141	-	2,141
61 – 90 days past due	1,403	-	1,403
91 – 120 days past due	4,100	-	4,100
More than 120 days past due	423	(171)	252
	93,328	(171)	93,157
2019			
Current (not past due)	83,696	-	83,696
31 – 60 days past due	734	-	734
61 – 90 days past due	943	-	943
91 – 120 days past due	651	-	651
More than 120 days past due	2,525	(261)	2,264
	88,549	(261)	88,288

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.4 Credit risk (cont'd.)

Trade receivables and contract assets (cont'd.)

Recognition and measurement of impairment losses (cont'd.)

Movements on the Group's loss allowances for trade receivables and contract assets are as follows:

	2020 RM'000	2019 RM'000
Group		
At 1 April	261	584
Impairment loss recognised	5	40
Impairment loss reversed	(95)	(363)
At 31 March	171	261

Money market funds and cash and cash equivalents

The money market funds and cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from non-trade amounts due from related parties, non-trade deposits and sundry receivables.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.4 Credit risk (cont'd.)

Other receivables (cont'd.)

Recognition and measurement of impairment loss

As at the end of the reporting period, the Group recognised the allowance for impairment losses as below:

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2020			
Amount due from associate	1,145	(1,145)	-
Deposits and sundry receivables	22,617	(788)	21,829
	23,762	(1,933)	21,829
2019			
Amount due from associate	1,145	(1,145)	-
Deposits and sundry receivables	7,546	(2,724)	4,822
	8,691	(3,869)	4,822

Movements on the Group's loss allowances for other receivables are as follows:

	2020 RM'000	2019 RM'000
Group		
At 1 April	3,869	4,526
Impairment loss recognised	-	21
Impairment loss reversed	(13)	(807)
Impairment loss written off	(1,893)	-
Foreign exchange (gain)/loss	(30)	129
At 31 March	1,933	3,869

27.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from payables, borrowings and corporate guarantees provided to banks.

The Group or the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.5 Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Note	Carrying amount RM'000	Contractual interest rates	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2020								
Group								
Borrowings		205,948	2.39% to 6.22%	249,713	32,496	40,541	75,376	101,300
Lease liabilities		862	5.47%	904	568	336	-	-
Trade and other payables (excluding the contingent consideration)		112,673	-	112,673	112,673	-	-	-
Contingent consideration		20,191	12.00%	38,722	38,722	-	-	-
Corporate guarantees	(i)	-	-	40,758	40,758	-	-	-
		339,674		442,770	225,217	40,877	75,376	101,300
Company								
Borrowings		255	4.22%	273	84	84	105	-
Trade and other payables (excluding the contingent consideration)		20,113	-	20,113	20,113	-	-	-
Contingent consideration		20,191	12.00%	38,722	38,722	-	-	-
Corporate guarantees	(i)	-	-	158,962	158,962	-	-	-
		40,559		218,070	217,881	84	105	-

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.5 Liquidity risk (cont'd.)

	Note	Carrying amount RM'000	Contractual interest rates	Contractual cash flows RM'000	Under 1 year RM'000	1-2 Years RM'000	2-5 years RM'000	More than 5 years RM'000
2019								
Group								
Borrowings		190,525	3.40% to 5.47%	255,855	32,417	29,078	105,445	88,915
Lease liabilities		1,367	5.47%	1,472	568	568	336	-
Trade and other payables (excluding contingent consideration)		87,126	-	87,126	87,126	-	-	-
Contingent consideration		18,030	12.00%	38,722	38,722	-	-	-
Corporate guarantees	(i)	-	-	43,347	43,347	-	-	-
		297,048		426,522	202,180	29,646	105,781	88,915
Company								
Borrowings		326	5.47%	356	84	84	188	-
Trade and other payables (excluding contingent consideration)		15,949	-	15,949	15,949	-	-	-
Contingent consideration		18,030	12.00%	38,722	38,722	-	-	-
Corporate guarantees	(i)	-	-	191,041	191,041	-	-	-
		34,305		246,068	245,796	84	188	-

(i) The corporate guarantee provided by the Group and the Company to financial institutions for loan facilities granted to an associate and subsidiaries amounted to RM40,758,000 and RM158,962,000 respectively (2019: RM43,347,000 and RM246,068,000 respectively).

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar ("AUD"), and Great Britain Pound ("GBP").

Risk management objectives, policies and processes for managing the risk

The Group ascertains that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	2020		2019	
	Denominated in		Denominated in	
	AUD RM'000	GBP RM'000	AUD RM'000	GBP RM'000
Trade and other receivables	11	-	22	10
Deposits, cash and bank balances	5,570	4,971	5,359	4,596
Trade and other payables	(40)	-	(64)	-
Exposure in the statements of financial position	5,541	4,971	5,317	4,606

Currency risk sensitivity analysis

The Group's exposure to currency risk is not material and hence, sensitivity analysis is not presented.

27.6.2 Interest rate risk

The Group's investments in fixed rate deposits are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.6 Market risk (cont'd.)

27.6.2 Interest rate risk (cont'd.)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	26,588	185,682	3,269	3,539
Financial liabilities	(359)	(405)	(255)	(326)
Lease liabilities	(862)	(1,367)	-	-
	25,367	183,910	3,014	3,213
Floating rate instruments				
Financial assets	3,185	1,042	59	58
Financial liabilities	(205,589)	(190,120)	-	-
	(202,404)	(189,078)	59	58

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bps") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bps Increase	100 bps Decrease
	RM'000	RM'000
Group		
2020		
Floating rate instruments	(1,538)	1,538
2019		
Floating rate instruments	(1,437)	1,437

The Company's exposure to interest rate risk is not material and hence, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.6 Market risk (cont'd.)

27.6.3 Equity price risk

The Group is exposed to equity price risks arising from quoted equity instruments. The Group does not actively trade these investments. To manage its equity price risks arising from these investments, the Group closely monitors the effects of fluctuation in equity prices.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the prices of quoted shares had been 5% higher/lower, with all other variables hold constant, the Group's profit for the year would have been RM377,000 (2019: RM573,000) higher/lower, arising as a result of higher/lower fair value gains on financial assets designated at fair value through profit or loss.

27.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair value due to the relatively short term nature of these financial instruments. The table below analyses the fair value of other financial instruments:

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2020										
Group										
Financial assets										
Other investment	-	-	7,527	7,527	-	-	-	-	7,527	7,527
Money market funds	-	3,185	-	3,185	-	-	-	-	3,185	3,185
	-	3,185	7,527	10,712	-	-	-	-	10,712	10,712
Financial liabilities										
Borrowings	-	-	-	-	-	-	(205,948)	(205,948)	(205,948)	(205,948)
Contingent consideration	-	-	-	-	-	-	(20,191)	(20,191)	(20,191)	(20,191)
	-	-	-	-	-	-	(226,139)	(226,139)	(226,139)	(226,139)
Company										
Financial assets										
Other investment	-	-	7,527	7,527	-	-	-	-	7,527	7,527
Money market funds	-	59	-	59	-	-	-	-	59	59
	-	59	7,527	7,586	-	-	-	-	7,586	7,586

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.7 Fair value information (cont'd.)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2020 (cont'd.)										
Company (cont'd.)										
Financial liabilities										
Borrowings	-	-	-	-	-	-	(255)	(255)	(255)	(255)
Contingent consideration	-	-	-	-	-	-	(20,191)	(20,191)	(20,191)	(20,191)
	-	-	-	-	-	-	(20,446)	(20,446)	(20,446)	(20,446)
2019										
Group										
Financial assets										
Other investment	11,468	-	-	11,468	-	-	-	-	11,468	11,468
Money market funds	-	1,042	-	1,042	-	-	-	-	1,042	1,042
	11,468	1,042	-	12,510	-	-	-	-	12,510	12,510
Financial liabilities										
Borrowings	-	-	-	-	-	-	(190,525)	(190,525)	(190,525)	(190,525)
Contingent consideration	-	-	-	-	-	-	(18,030)	(18,030)	(18,030)	(18,030)
	-	-	-	-	-	-	(208,555)	(208,555)	(208,555)	(208,555)
Company										
Financial assets										
Other investment	11,468	-	-	11,468	-	-	-	-	11,468	11,468
Money market funds	-	58	-	58	-	-	-	-	58	58
	11,468	58	-	11,526	-	-	-	-	11,526	11,526
Financial liabilities										
Borrowings	-	-	-	-	-	-	(326)	(326)	(326)	(326)
Contingent consideration	-	-	-	-	-	-	(18,030)	(18,030)	(18,030)	(18,030)
	-	-	-	-	-	-	(18,356)	(18,356)	(18,356)	(18,356)

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCIAL INSTRUMENTS (CONT'D.)

27.7 Fair value information (cont'd.)

Level 1 fair value

Other investment

In previous financial year, fair value was determined directly by reference to their published market price at the reporting date.

Level 2 fair value

Money market funds

Fair value of the money market funds was determined directly by reference to their Net Assets Value ("NAV") stated in the monthly statement at the reporting date.

Level 3 fair value

Borrowings

Discounted cash flows using a rate based on the current market rate of borrowing of the Group and the Company at the reporting date is used as a valuation technique in the determination of fair values of term loans.

Contingent consideration

Discounted cash flows using a rate based on the industry risk rate of the associate at the reporting date is used as a valuation technique in the determination of fair values of contingent consideration. The significant assumptions are included in Note 16.3.

Other investment

The valuation method and the significant judgement and assumptions are disclosed in Note 9.

Transfers between Level 1 and Level 3 fair value

Other investment measured at fair value through profit and loss were transferred from Level 1 to Level 3 because this investment was under voluntary suspension of trading as at reporting date and its fair value is estimated based on the valuation technique disclosed in Note 9 with the unobservable inputs involving significant judgement and assumptions.

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain the future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

There was no change in the Group's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS

29. CAPITAL AND OTHER COMMITMENTS

	2020	2019
	RM'000	RM'000
Group		
Capital expenditure		
Approved and contracted for - School building	-	23,915

30. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, significant investors, subsidiaries, associates and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 11 and 16.

	2020	2019
	RM'000	RM'000
Group		
Management fee received from joint venture	233	239
Company		
Rental income from subsidiaries	3,108	3,108
Management fee from subsidiaries	2,048	2,404
Rental expense paid to a subsidiary	(110)	(110)
Dividend from subsidiaries	51,391	30,000

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES (CONT'D.)

Significant related party transactions (cont'd.)

Outstanding balances in respect of the above transactions are disclosed in Note 11 and Note 16.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Management entity				
<i>Key management personnel services fee</i>				
Short-term employee benefits	4,998	3,887	1,845	2,076
Post-employment benefits:				
- Defined contribution plan	599	463	222	249
- Other benefits	111	103	55	56
	5,708	4,453	2,122	2,381

Included in the total compensation of key management personnel are executive directors' remuneration and the estimated money value of benefits-in-kind as disclosed in Note 21.

31. PRIOR YEAR ADJUSTMENT/COMPARATIVE FIGURES

Certain prior year comparative figures have been restated as summarised below:

Statement of financial position

	As previously reported	Adjustments	As restated
	RM'000	RM'000	RM'000
1 April 2018			
Deferred tax assets	7,938	(5,734)	2,204
Retained profit	432,211	(5,734)	426,477
31 March 2019			
Deferred tax assets	15,159	(5,734)	9,425
Retained profit	428,500	(5,734)	422,766

The comparatives have been restated to account for an omission of a deferred tax adjustment for the financial year ended 31 March 2018 following the finalisation of the tax assessments of previous years. Nevertheless, the adjustment does not have a material effect on information in the statement of financial position as at 1 April 2018. Consequently, the restated statement of financial position as at 1 April 2018 has not been presented.

The adjustment does not affect the statement of profit or loss and other comprehensive income and statement of cash flows for the financial year ended 31 March 2019.

32. SUBSEQUENT EVENT

On 6 July 2020, the Board of Directors of the Company announced that the Company intends to seek the approval of its shareholders for the authority for the Company to purchase its own shares of up to 10% of the Company's prevailing issued ordinary share capital at any time ("Proposed Share Buy-Back") at the annual general meeting to be convened.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 82 to 152 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Low Gay Teck
Director

.....
Ferdaus Bin Mahmood
Director

Kuala Lumpur,

Date: 10 August 2020

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chee Yuet Sin (CA 11452), the officer primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 152 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Chee Yuet Sin, at Kuala Lumpur in the Federal Territory on 10 August 2020.

.....
Chee Yuet Sin

Before me:

Pesuruhjaya Sumpah Malaysia
Tan Seok Kett (W530)
Lot 333, 3rd Floor, Wisma MPL
Jalan Raja Chulan
50200 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAND & GENERAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Land & General Berhad, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 82 to 152.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters are as follows:

Revenue Recognition - Group

Refer to Note 2(r) – Revenue and other income and Note 19 – Revenue

The key audit matter	How the matter was addressed in our audit
<p>The Group's largest revenue stream relates to property development activities. Judgements were required to evaluate contracts with customers, in particular, on the number of performance obligations, allocation of transaction price to each performance obligation and the determination of whether revenue for each contract is to be recognised over time or at a point in time.</p> <p>Property development revenue is recognised over time by reference to the proportion that relevant property development costs incurred for work performed to-date bear to the estimated relevant property development costs.</p> <p>As disclosed in Note 1(d) to the financial statements, the recognition of revenue is highly dependent on judgment exercised by the management in assessing the completeness and accuracy of estimated costs to complete, and the ability to deliver the properties within the contracted time.</p> <p>We focused on this area as a key audit matter due to the degree of management judgement involved. Changes in judgements and the related estimates throughout a property development life can result in material adjustments to revenue and profit margin.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> selected samples of sale and purchase agreements and obtained sufficient and appropriate evidence to support that they met the criteria to recognise revenue; read agreements and other correspondences to determine that distinct performance obligations were identified and transaction prices were allocated to each performance obligation appropriately; selected sample of budgeted costs to completion and obtained evidence that the costs were appropriately supported by contracts or letter of awards; performed re-computation to assess the percentage of completion and determined the accuracy of the revenue recognised; and assessed the completeness, accuracy and relevance of disclosures.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAND & GENERAL BERHAD

Key Audit Matters (cont'd.)

Impairment assessment of investment in subsidiaries and amount due from subsidiaries - Company

Refer to Note 2(m)(ii) – Impairment of other assets and Note 5 – Investment in subsidiaries

The key audit matter	How the matter was addressed in our audit
As disclosed in Note 5 to the financial statements, the Company's interests in subsidiaries is significant.	We performed the following audit procedures, among others:
Where there are indicators of impairment, the Company will perform impairment tests which will require the Company to estimate their recoverable amounts.	<ul style="list-style-type: none"> Challenged the Company's impairment indicators assessment whether it has considered internal and external indicators; and Challenged the assumptions in determining the estimated recoverable amounts by comparing with internal and external information.
This is one of the key audit matters because impairment assessment is complex and subjective, and requires significant judgement.	

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 9 which describes the unobservable inputs involving significant judgement and assumptions used to measure the fair value of an investment under voluntary suspension, which is listed in Australia Securities Exchange.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement thereon, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAND & GENERAL BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAND & GENERAL BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 5 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....
KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Selangor

Date: 10 August 2020

.....
Thong Foo Vung

Approval Number: 02867/08/2022 J

Chartered Accountant

LIST OF PROPERTIES

AS AT 31 MARCH 2020

	LOCATION	PURPOSE/ EXISTING AREA	TENURE	AGE OF BUILDING (YEARS)	LAND AREA (HECTARES)	BUILT- UP/ NET LETTABLE AREA * (SQ FT)	NET BOOK VALUE RM'000
1	HS(D) 59903, P.T. No. 16731 The Mines Resort City, 43300 Seri Kembangan, Mukim and District of Petaling, Selangor	Land held for development	Leasehold land expiring in 2091	-	7.99	-	242,400
2	Aria Rimba, Section U10 Mukim Bukit Raja, Daerah Petaling, Shah Alam, Selangor	Land held for development	Leasehold land expiring in 2115	-	45.47	-	124,481
3	331357, Lot No 125847 Section 2, Taman Sri Ukay, Ampang (formerly Title No GRN 32548, Lot No 847) Town of Ulu Kelang, District of Gombak, Selangor	Land held for development	Freehold	-	1.71	-	70,128
4	Lot 3, Presint 3, Town and District of Putrajaya, State of Wilayah Persekutuan Putrajaya	13-storey stratified office	Freehold	5	-	132,687*	59,052
5	43729, Lot 55348 Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan KL	Land held for development	Freehold	-	0.72	-	53,138
6	Sekolah Sri Bestari, Persiaran Margosa, Bandar Sri Damansara, Kuala Lumpur	School land and building	Leasehold land expiring in 2110	21-23 <1	6.07	135,677 136,798	52,207
7	Ladang Kerling Mukim Kerling, District of Ulu Selangor, Selangor	Rubber and oil palm estate	Freehold	-	1,009.71	-	48,145
8	Sena Parc Housing Development Project Balance of development land in Mukim Ampangan and Pekan Sungai Gadut, District of Seremban, Negeri Sembilan	Land held for development	Freehold	-	68.75	-	25,215
9	Lot no.62539 PT 120097 Jalan SD 12/5, Sri Damansara	Commercial units/ car park / office	Freehold	7	-	337,933	23,942
10	Lot Nos. PT 43125 & 20275 Mukim Dengkil, Sepang, Selangor	Land held for development	Freehold	-	2.71	-	22,691
11	Bandar Sri Damansara Housing Development Project Balance of development land in Mukim Sungai Buloh District of Petaling, Gombak, Selangor	Land held for development	Freehold	-	9.53	-	13,822
12	Lot 2058 & 2059, Mukim Tebrau Daerah Johor Bahru, Johor	Land held for development Vacant industrial land	Freehold	-	5.56	-	11,988
13	Lot 23304, Persiaran Perdana, Bandar Sri Damansara, Kuala Lumpur	Land held for development/ Investment properties	Freehold	-	13.90	-	5,147
14	Lot Nos.659,663,664 & 665 Mukim Sungai Petani, District of Kuala Muda, Kedah	Land held for development	Freehold	-	14.71	-	6,859

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2020

Type of shares : Ordinary Shares
 Total issued shares : 2,973,135,003 Ordinary Shares

Voting Rights

On show of hands : one (1) vote for every member of the Company present in person or by proxy
 On a poll : one (1) vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

Category	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARES
Less than 100	254	8,115	negligible
100 - 1,000	3,086	2,718,728	0.09
1,001 - 10,000	8,222	41,209,379	1.38
10,001 - 100,000	8,013	316,483,136	10.65
100,001 - less than 5% of issued shares	2,662	1,579,942,045	53.14
5% and above of issued shares	1	1,032,773,600	34.74
TOTAL	22,238	2,973,135,003	100.00

SUBSTANTIAL SHAREHOLDER

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
1) Mayland Parkview Sdn Bhd	1,032,773,600	34.74	-	-

DIRECTORS' INTEREST IN SHARES**A) Land & General Berhad**

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
1) Dato' Hj Zainal Abidin Bin Putih	-	-	-	-
2) Low Gay Teck	-	-	-	-
3) Ferdaus Mahmood	-	-	-	-
4) Dato' Ir Dr A Bakar Jaafar	-	-	-	-
5) Dato' Hj Ikhwan Salim Dato' Hj Sujak	-	-	-	-
6) Tengku Maruan Tengku Ariff	2,000	negligible	-	-
7) Hoong Cheong Thard	-	-	-	-
8) Chiu Andrew Wah Wai	-	-	1,032,773,600*	34.74*
9) Dato' Noorizah Hj Abd Hamid	-	-	-	-

Note: * Deemed interest through Mayland Parkview Sdn Bhd

B) Related Corporation of Land & General Berhad

Name	DIRECT		INDIRECT	
	No. of Shares	%	No. of Shares	%
1) Ferdaus Mahmood	-	-	3	30.00*

Note: * Indirect interest in Bestari Elsa Sdn Bhd, a related corporation of Land & General Berhad, via Harapan Cipta Sdn Bhd

LIST OF TOP 30 SHAREHOLDERS

AS AT 30 JULY 2020

NO.	NAME	HOLDINGS	%
1	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAYLAND PARKVIEW SDN BHD (KLC)	1,032,773,600	34.74
2	LIM PEI TIAM @ LIAM AHAT KIAT	28,692,800	0.97
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	26,559,940	0.89
4	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	21,463,857	0.72
5	TOH KIM CHONG	19,990,000	0.67
6	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	19,809,420	0.67
7	CHA AU PENG	18,700,000	0.63
8	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	16,959,720	0.57
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK AWANG @ WAN AZMI BIN WAN HAMZAH (E-KPG/JRL)	16,460,000	0.55
10	YONG HUA KONG	14,300,000	0.48
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (FRANKLIN 1)	14,278,970	0.48
12	CHONG AH HIM @ CHONG KUM KWAN	12,157,600	0.41
13	MAH SIEW SEONG	11,526,050	0.39
14	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHANG JOON	11,500,000	0.39
15	MUHAMAD ALOYSIUS HENG	11,195,100	0.38
16	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	10,960,875	0.37
17	LIU & CHIA HOLDINGS SDN BHD	10,916,340	0.37
18	MENTA CONSTRUCTION SDN BHD	10,303,800	0.35
19	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM PAY KAON	10,000,000	0.34
20	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	8,564,960	0.29
21	TEE BON PENG	8,497,000	0.29
22	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY 1055)	7,800,000	0.26
23	LIU SIN	7,463,600	0.25
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JINDAR SINGH A/L SHAM SINGH	7,052,300	0.24
25	TAN SIOW BENG	7,023,180	0.24
26	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG CHEN YUE	6,800,000	0.23
27	SEIK THYE KONG	6,682,200	0.22
28	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LEE KENG HONG (PB)	6,500,000	0.22
29	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR PROGRESSIVE INSURANCE BERHAD (A/C231)	6,366,600	0.21
30	TAN KWE HEE	6,362,200	0.21

NOTICE OF THE FIFTY-SEVENTH (57TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh (57th) Annual General Meeting ("AGM") of Land & General Berhad ("L&G") will be held on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV") from the broadcast venue at Meeting Room TR12-R02, 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia on Wednesday, 23 September 2020 at 10.00 a.m. for the following purposes:-

Item Agenda

- | | | |
|----|--|-----------------------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2020 and the Reports of the Directors and Auditors thereon. | Please refer Explanatory Note (i) |
| 2. | To approve the payment of Directors' fees of RM489,917 in respect of the financial year ended 31 March 2020. | Ordinary Resolution 1 |
| 3. | To approve Directors' Meeting Allowances to Non-Executive Directors up to an amount of RM118,000 from 24 September 2020 until the next AGM of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire pursuant to Clause 102 of the Constitution of the Company: | |
| | (a) Low Gay Teck; | Ordinary Resolution 3 |
| | (b) Tengku Maruan Tengku Ariff; and | Ordinary Resolution 4 |
| | (c) Chiu Andrew Wah Wai. | Ordinary Resolution 5 |
| 5. | To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions :-

- | | | |
|----|---|-----------------------|
| 6. | Continuing in Office as Independent Non-Executive Chairman
- Dato' Hj Zainal Abidin Putih | Ordinary Resolution 7 |
| | "THAT authority be and is hereby given to Dato' Hj Zainal Abidin Putih who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Chairman of the Company." | |
| 7. | Continuing in Office as Independent Non-Executive Director
- Dato' Ir Dr A Bakar Jaafar | Ordinary Resolution 8 |
| | "THAT authority be and is hereby given to Dato' Ir Dr A Bakar Jaafar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." | |
| 8. | Continuing in Office as Independent Non-Executive Director
- Dato' Hj Ikhwan Salim Dato' Hj Sujak | Ordinary Resolution 9 |
| | "THAT authority be and is hereby given to Dato' Hj Ikhwan Salim Dato' Hj Sujak who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." | |

NOTICE OF THE 57TH AGM (CONT'D)

9. **Continuing in Office as Independent Non-Executive Director** Ordinary Resolution 10
- **Tengku Maruan Tengku Ariff**

"**THAT** authority be and is hereby given to Tengku Maruan Tengku Ariff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company."

10. **Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016** Ordinary Resolution 11

"**THAT** pursuant to Section 75 and 76 of the Companies Act 2016 ("the Act"), the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be allotted and issued does not exceed 10% of the total issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities"), subject always to the approval of all relevant regulatory bodies being obtained for such issues."

11. **Proposed Share Buy-Back of up to ten percent (10%) of the total number of issued shares of the Company at any given point in time ("Proposed Share Buy-Back")** Ordinary Resolution 12

"**THAT** subject to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and the approvals of all relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in L&G on the Main Market of Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- a) the aggregate number of ordinary shares in the Company purchased ("Purchased Share(s)") and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time; and
- b) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained earnings of the Company at the time of the purchase.

THAT upon purchase by the Company, the Board of Directors of L&G shall have the absolute discretion to decide whether such Purchased L&G Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act.

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until -

- a) the conclusion of the AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at the AGM, the authority is renewed, either unconditionally or subject to conditions;
- b) the expiration of the period within which the AGM of the Company is required by law to be held; or
- c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

NOTICE OF THE 57TH AGM (CONT'D)

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the L&G Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the Act, rules and regulations made pursuant to the Act, the Listing Requirements and any requirements issued by any other relevant government and/or regulatory authorities.

AND THAT the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to give effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back.”

12. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Act.

By order of the Board

Lee Siw Yeng (MAICSA 7048942)

SSM Practising Certificate No. 201908001160

Secretary

Kuala Lumpur

28 August 2020

NOTES:-

1. In view of the COVID-19 pandemic and with the primary concern for the safety of the Company's shareholders, employees and Directors, the Board of Directors (“the Board”) and Management decided that the 57th AGM of the Company shall be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities (“RPV”) which are available on the Company's Poll Administrator website at <https://web.lumiagm.com>. **Please follow the procedures provided in the Administrative Guide for the 57th AGM in order to register, participate and vote remotely via the RPV facilities.**
2. The main and only venue of the 57th AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution that require the Chairman of the Meeting to be present at the main venue of the Meeting. **Shareholders/proxies/corporate representatives WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.**
3. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A member shall be entitled to appoint not more than two proxies to attend and vote at the AGM.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. Where a Member appoints two proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

NOTICE OF THE 57TH AGM (CONT'D)

7. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur via post/courier/by hand **or** via email to lgbsec@land-general.com **or** via facsimile to Fax No. 603-6277 7061, **or alternatively**, the proxy appointment may also be lodged **electronically** at <https://boardroomlimited.my>, not less than forty-eight (48) hours before the time set for holding the Meeting i.e. Monday, 21 September 2020 at 10.00 a.m. or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. **(Important Note: Please refer Administrative Guide for the 57th AGM for details.)**
8. Only members whose names appear in the Record of Depositors as at **17 September 2020** will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

EXPLANATORY NOTE ON THE AGENDA:-

- (i) **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 March 2020**
This agenda is laid before the AGM pursuant to Section 340(1) of the Companies Act, 2016, and does not require a formal approval of the shareholders. As such, it is meant for discussion only and not put forward for voting.
- (ii) **Ordinary Resolution 1 – Payment of Directors' fees**
The directors' fees for the financial year ended 31 March 2020 was RM489,917 (2019: RM552,375). The directors' fees for the financial year ended 31 March 2020 is lower as compared to the preceding financial year due to lower number of directors' circular resolutions signed by the Directors during the financial year. There was no change in fee and its structure since the preceding financial year. Please refer to the Corporate Governance Overview Statement for the components of the Directors' remuneration.
- (iii) **Ordinary Resolution 2 – Meeting Allowances**
The meeting allowance for each Non-Executive Director is RM1,000.00 per meeting attendance and the total estimated meeting allowances amounting to RM118,000.00 are calculated based on the estimated number of meetings for Board and Board Committees from 24 September 2020 until the next AGM in year 2021.
- (iv) **Ordinary Resolution 7 – Continuing in Office as Independent Non-Executive Chairman – Dato' Hj Zainal Abidin Putih**
The Nominating Committee has assessed the Independence of Dato' Hj Zainal Abidin Putih, who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine years, and recommended Dato' Hj Zainal Abidin Putih to continue to serve as an Independent Non-Executive Chairman of the Company based on the following justifications:-
 - a) he fulfills the criteria of an Independent Director pursuant to the Listing Requirements of Bursa Securities;
 - b) he provides the Board a diverse set of experience, skill and expertise as he is a highly qualified person with diverse and in-depth work experience in different industries;
 - c) he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
 - d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and he has not over-committed himself to other directorships, his personal affair or business.
- (v) **Ordinary Resolution 8 – Continuing in Office as Independent Non-Executive Director – Dato' Ir Dr A Bakar Jaafar**
The Nominating Committee has assessed the Independence of Dato' Ir Dr A Bakar Jaafar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Ir Dr A Bakar Jaafar to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-
 - a) he fulfills the criteria of an Independent Director pursuant to the Listing Requirements of Bursa Securities;
 - b) he provides the Board a diverse set of experience, skill and expertise as he is a highly qualified person who has been contributing to academic fields relating to science and technology as well as serving government agencies for many years;
 - c) he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and

NOTICE OF THE 57TH AGM (CONT'D)

- d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and he has not over-committed himself to other directorships, his personal affair or business.

(vi) **Ordinary Resolution 9 – Continuing in Office as Independent Non-Executive Director – Dato' Hj Ikhwan Salim Dato' Hj Sujak**

The Nominating Committee has assessed the Independence of Dato' Hj Ikhwan Salim Dato' Hj Sujak, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Dato' Hj Ikhwan Salim Dato' Hj Sujak to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

- a) he fulfills the criteria of an Independent Director pursuant to the Listing Requirements of Bursa Securities;
- b) he provides the Board a diverse set of experience, skill and expertise as he is highly experienced in financial and risk matters;
- c) he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
- d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and he has not over-committed himself to other directorships, his personal affair or business.

(vii) **Ordinary Resolution 10 – Continuing in Office as Independent Non-Executive Director – Tengku Maruan Tengku Ariff**

The Nominating Committee has assessed the Independence of Tengku Maruan Tengku Ariff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended Tengku Maruan Tengku Ariff to continue to serve as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) he fulfills the criteria of an Independent Director pursuant to the Listing Requirements of Bursa Securities;
- (b) he provides the Board a diverse set of experience, skill and expertise as he is a well-qualified person with diverse work experience in different industries;
- (c) he is familiar with the Company's business operations and the property development market as he has been with the Company for more than 9 years and is aware of current issues confronting the Company and he continues to provide valuable input to steer the Company forward; and
- (d) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and he has not over-committed himself to other directorships, his personal affair or business.

(viii) **Ordinary Resolution 11 – Authority to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 11, if passed, will empower the Directors to allot and issue ordinary shares of the Company up to an amount not exceeding 10% of the total issued shares of the Company for purpose of fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration. This authority unless revoked or varied at a general meeting will expire at the next AGM.

As at the date of this notice, there was no issuance of new ordinary shares by the Company pursuant to the mandate obtained at the 56th AGM held on 18 September 2019 and the Directors do not intend to utilise the mandate from the date of issuance of this Annual Report up to the expiry of the said mandate.

(viii) **Ordinary Resolution 12 – Proposed Share Buy-Back of up to ten percent (10%) of the total number of issued shares of the Company at any given point in time**

This proposed Ordinary Resolution 12, if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM of the Company. Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders which is dispatched together with the notice of 57th AGM.



LAND & GENERAL BERHAD
(Co. No.: 196401000184 (5507-H))
(Incorporated in Malaysia)

PROXY FORM

I/We _____
(FULL NAME IN BLOCK LETTERS AND NRIC NO./PASSPORT NO./COMPANY NO.)

of _____
(ADDRESS IN FULL)

being a member / members of **LAND & GENERAL BERHAD** hereby appoint _____
(FULL NAME IN BLOCK LETTERS AND NRIC NO./PASSPORT NO./COMPANY NO.)

or failing him, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Fifty-Seventh (57th) Annual General Meeting of Land & General Berhad will be held on a fully virtual basis through live streaming from the broadcast venue at Meeting Room TR12-R02, 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia ("Broadcast Venue") on Wednesday, 23 September 2020 at 10.00 a.m. and at any adjournment thereof.

My/our proxy/proxies shall vote as indicated below:-

Agenda	Resolution	For	Against
Payment of Directors' fees	Ordinary Resolution 1		
Payment of Meeting Allowances	Ordinary Resolution 2		
Re-election of the following Directors:			
(i) Low Gay Teck	Ordinary Resolution 3		
(ii) Tengku Maruan Tengku Ariff	Ordinary Resolution 4		
(iii) Chiu Andrew Wah Wai	Ordinary Resolution 5		
Re-appointment of Auditors	Ordinary Resolution 6		
Continuing in office as Independent Non-Executive Chairman - Dato' Hj Zainal Abidin Putih	Ordinary Resolution 7		
Continuing in office as Independent Non-Executive Director - Dato' Ir Dr A Bakar Jaafar	Ordinary Resolution 8		
Continuing in office as Independent Non-Executive Director - Dato' Hj Ikhwan Salim Dato' Hj Sujak	Ordinary Resolution 9		
Continuing in office as Independent Non-Executive Director - Tengku Maruan Tengku Ariff	Ordinary Resolution 10		
Authority to allot shares pursuant to Section 75 & 76 of the Companies Act 2016	Ordinary Resolution 11		
Proposed Share Buy-back	Ordinary Resolution 12		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified. If you do not do so, your proxy/proxies will vote or abstain from voting at his/her/their discretion.)

No. of Shares	
CDS Account No.	
Contact No.	

Signature : _____

Date : _____

Notes:-

- In view of the COVID-19 pandemic and with the primary concern for the safety of the Company's shareholders, employees and Directors, the Board of Directors ("the Board") and Management decided that the 57th AGM of the Company shall be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV") which are available on the Company's Poll Administrator website at <https://web.lumiagm.com>. Please follow the procedures provided in the Administrative Guide for the 57th AGM in order to register, participate and vote remotely via the RPV facilities.
- The main and only venue of the 57th AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution that require the Chairman of the Meeting to be present at the main venue of the Meeting. Shareholders/proxies/corporate representatives WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
- A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A member shall be entitled to appoint not more than two proxies to attend and vote at the AGM.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- Where a Member appoints two proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
- The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at 8trium, Level 21 Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur via post/courier/by hand or via email to lgbsec@land-general.com or via facsimile to Fax No. 603-6277 7061, or alternatively, the proxy appointment may also be lodged electronically at <https://boardroomlimited.my>, not less than forty-eight (48) hours before the time set for holding the Meeting i.e. Monday, 21 September 2020 at 10.00 a.m. or any adjournment thereof, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. (Important Note: Please refer Administrative Guide for the 57th AGM for details.)
- Only members whose names appear in the Record of Depositors as at **17 September 2020** will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

Please fold here

Affix
Stamp

The Secretary
LAND & GENERAL BERHAD
(196401000184 (5507-H))
8TRIUM LEVEL 21 MENARA 1
JALAN CEMPAKA SD 12/5
BANDAR SRI DAMANSARA
52200 KUALA LUMPUR
MALAYSIA

Please fold here

LAND & GENERAL BERHAD (196401000184 (5507-H))

8trium, Level 21, Menara 1

Jalan Cempaka SD 12/5

Bandar Sri Damansara

52200 Kuala Lumpur, Malaysia

Phone: 03-6279 8000

Fax: 03-6277 7061

www.land-general.com