



**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the financial period ended 30 September 2018**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 months ended		6 months ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
<b>Revenue</b>	26,149	22,155	48,225	44,684
Operating expenses	(26,093)	(25,629)	(48,189)	(45,637)
Other operating income	4,774	37,970	9,920	64,770
<b>Profit from operations</b>	4,830	34,496	9,956	63,817
Investment related income	(3,276)	(802)	(3,548)	1,475
Finance costs	(1,142)	(1,003)	(2,193)	(1,997)
Share of results of jointly controlled entity	-	-	-	-
Share of results of associate	(232)	-	(1,074)	-
<b>Profit before taxation</b>	180	32,691	3,141	63,295
Income tax expense	(1,335)	(9,021)	(1,787)	(17,405)
<b>Profit for the period</b>	(1,155)	23,670	1,354	45,890
<b>Other comprehensive income that will be subsequently reclassified to profit or loss :</b>				
Foreign currency translation differences from foreign operations	(708)	73	37	101
	(708)	73	37	101
<b>Total comprehensive income for the period</b>	(1,863)	23,743	1,391	45,991
<b>Profit attributable to:</b>				
- Owners of the Company	(1,591)	24,837	202	48,653
- Non-controlling interests	436	(1,167)	1,152	(2,763)
	(1,155)	23,670	1,354	45,890
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	(2,299)	24,910	239	48,754
- Non-controlling interests	436	(1,167)	1,152	(2,763)
	(1,863)	23,743	1,391	45,991
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
- Basic	(0.05)	0.85	0.01	1.95
- Diluted	(0.05)	0.83	0.01	1.90

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.*



**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**Condensed Consolidated statement of financial position**  
**as at 30 September 2018**

	(Unaudited) 30/9/2018 RM'000	(Unaudited) 31/03/2018 RM'000 (restated)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	89,061	74,349
Land held for property development	497,844	493,347
Investment properties	85,441	86,353
Goodwill	12	12
Biological asset	6,287	6,422
Right of use assets	2,310	-
Land use rights	46	47
Investment in associates	10,203	11,278
Investment in jointly controlled entity	*	*
Other investments	8,352	11,900
Deferred tax assets	7,876	7,867
Trade and other receivables	144,867	140,772
	<u>852,299</u>	<u>832,347</u>
<b>Current Assets</b>		
Property development costs	274,922	241,192
Inventories	37,657	39,732
Trade and other receivables	39,591	38,358
Other current assets	599	14,770
Tax recoverable	5,692	4,615
Short term funds	2,426	1,454
Deposits, cash and bank balances	355,151	385,422
	<u>716,038</u>	<u>725,543</u>
<b>TOTAL ASSETS</b>	<b><u>1,568,337</u></b>	<b><u>1,557,890</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	660,232	651,664
ICULS – equity portion	-	7,871
Retained profits	437,740	437,991
Other reserves	12,426	12,389
	<u>1,110,398</u>	<u>1,109,915</u>
<b>Non-controlling interests</b>	<u>22,560</u>	<u>21,408</u>
<b>Total Equity</b>	<b><u>1,132,958</u></b>	<b><u>1,131,323</u></b>
<b>Non-current Liabilities</b>		
Provisions	41,611	41,611
Trade and other payables	63,436	63,187
Lease liabilities	2,328	-
Borrowings	174,236	169,842
Deferred tax liabilities	43,649	43,649
	<u>325,260</u>	<u>318,289</u>
<b>Current Liabilities</b>		
Provisions	28,660	27,737
Trade and other payables	75,090	64,265
Borrowings	4,853	15,777
ICULS –liability portion	-	81
Tax payable	1,516	418
	<u>110,119</u>	<u>108,278</u>
<b>Total Liabilities</b>	<b><u>435,379</u></b>	<b><u>426,567</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,568,337</u></b>	<b><u>1,557,890</u></b>

\* The costs of investment in the jointly controlled entity have been fully impaired

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.*



**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 30 September 2018**

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable				Retained profits RM'000	Total RM'000	Non-Controlling interests RM'000	
	Share capital RM'000	ICULS -equity portion RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000				
<b>At 1 April 2018 (audited)</b>	651,664	7,871	12,133	9,115	428,504	1,109,287	17,209	1,126,496
Adoption of MFRS	-	-	-	-	628	628	4,199	4,827
Transitioning to MFRS	-	-	-	(8,859)	8,859	-	-	-
	651,664	7,871	12,133	256	437,991	1,109,915	21,408	1,131,323
Total comprehensive income for the financial year	-	-	-	37	202	239	1,152	1,391
Conversion of ICULS	1,674	(1,488)	-	-	-	186	-	186
ICULS maturity conversion	6,894	(6,383)	-	-	(453)	58	-	58
<b>At 30 September 2018</b>	660,232	-	12,133	293	437,740	1,110,398	22,560	1,132,958

**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 30 September 2017**

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable				Retained profits RM'000	Total RM'000	Non-Controlling interests RM'000	
	Share capital RM'000	ICULS -equity portion RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000				
<b>At 1 April 2017</b>	272,032	9,036	12,133	8,859	354,254	656,314	16,553	672,867
Transitioning to MFRS	-	-	-	(8,859)	8,859	-	-	-
	272,032	9,036	12,133	-	363,113	656,314	16,553	672,867
Total comprehensive income for the financial year	-	-	-	101	48,653	48,754	(2,763)	45,991
Conversion of ICULS	1,605	(967)	-	-	-	638	-	638
Issuance of Rights Issue	377,760	-	-	-	-	377,760	-	377,760
<b>At 30 September 2017</b>	651,397	8,069	12,133	101	411,766	1,083,466	13,790	1,097,256

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.*



**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**

**Condensed Consolidated Statement of Cash Flows  
for the financial period ended 30 September 2018**

	<b>CUMULATIVE PERIOD</b>	
	<b>6 months ended</b>	
	<b>30/9/2018</b>	<b>30/9/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	47,708	20,032
Cash payments to suppliers and employees	(56,683)	(51,321)
Interest received	2,342	5,293
Dividend on money market funds	2,215	321
Tax paid	(1,741)	(8,461)
Tax refund	-	28
Other operating receipts	537	37,154
Other operating payments	(8,450)	(724)
<b>Net cash inflow from operating activities</b>	<u>(14,072)</u>	<u>2,322</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant & equipment	(2,816)	(227)
Expenditure on biological asset	-	(69)
Proceeds from disposal of property, plant and equipment	97	-
Part payment for acquisition of a company	(3,725)	(273,744)
Withdrawal of deposits with period more than 3 months	(53,108)	(131,307)
Withdrawal of money market funds	(475)	(7,931)
<b>Net cash outflow from investing activities</b>	<u>(60,027)</u>	<u>(413,278)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance for rights issue shares	-	377,760
ICULS issuance proceeds	174	626
Drawdown of bridging loan	4,999	-
Repayment of term loan	(11,753)	(31,969)
Payment of hire purchase obligations	(38)	(42)
Repayment from a jointly controlled entity	-	164
Advances from non-controlling interest	-	(86)
Dividend paid to shareholders	-	(58,577)
Interest payments	(5,029)	(1,273)
Placement of deposits pledged as security for bank guarantee facility	(6,197)	(115)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(17,844)</u>	<u>286,488</u>
<b>Net change in cash &amp; cash equivalents</b>	(91,943)	(124,468)
Effects of foreign exchange rate changes	388	(305)
Cash & cash equivalents at beginning of financial period	385,422	390,419
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>293,867</u>	<u>265,646</u>
<b>Cash &amp; cash equivalents at end of financial period comprise:</b>		
Cash on hand and at banks	128,841	91,659
Deposits with financial institutions	226,310	305,531
<b>Deposits, cash and bank balances</b>	<u>355,151</u>	<u>397,190</u>
<b>Less:</b>		
Deposits pledged as security for bank guarantees	(8,176)	(7,927)
Deposits placements for periods exceeding 90 days	(53,108)	(123,617)
	<u>293,867</u>	<u>265,646</u>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.*

**PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 – PARAGRAPH 16**

**Notes to the Interim Financial Report**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2018.

**A1. Basis of Preparation under MFRS Framework**

The financial statements of the Group for the three months period ended 30 June 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework, hence MFRS1 – First-time Adoption of Malaysian Financial Reporting Standards has been applied. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 April 2017.

**A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations**

The significant accounting policies, methods of computation and basis of consolidation applied in these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2018, except for the adoption of MFRS framework effective for the financial period beginning on 1 April 2018, including MFRS1 – First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141 – Agriculture, MFRS 15 – Revenue from contract with Customers and MFRS 9 – Financial Instruments and the early adoption of MFRS16: Leases.

The effects on the adoption of the abovementioned are described below.

(i) Transition from Financial Reporting Standards (FRSs) to MFRS

Since the previous annual audited financial statements as at 31 March 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standard Board (“MASB”). This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standard (“FRS”) framework with the International Financial Reporting Standard (“IFRS”) framework issued by the International Accounting Standards Board.

In presenting its first MFRS financial statements for the year ending 31 March 2019, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The consolidated financial years ended March 2017 and 2018 are different under the MFRS framework.

These consolidated condensed interim financial statements are part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 March 2019 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied. Comparative figures, where applicable, have been restated as result of transition to MFRS framework.

## LAND & GENERAL BERHAD (COMPANY NO. 5507-H)

### A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)

As provided in MFRS1, first-time adopter of MFRS can elect optional exemptions from full retrospective applications of MFRSs.

The Group has elected the following exemptions: -

a. Exemption from MFRS 3 – Business Combination and MFRS10 Consolidated Financial Statements

The Group have elected not to apply MFRS 3 – Business Combination and MFRS10 Consolidated Financial Statements retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRSs.

b. Exemption for cumulative translation differences

The Group have elected to reset the exchange reserve to zero. The exchange reserve of RM8,859,000 as at 1 April 2017 was reclassified to retained earnings.

(ii) Amendment to MFRS116 and MFRS141 Agriculture: Bearer Plants

Prior to the adoption of MFRS141 and Amendments to MFRS 116 and MFRS141 Agriculture: Bearer Plants, produce growing on bearer plants were not recognised and livestock were stated at costs. Following the adoption, these biological assets are measured at fair value less cost to sell. Changes in fair value less costs to sell are recognised in profit and loss.

The Group has assessed the impact of the adoption of the above and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

(iii) MFRS 9: Financial Instruments (“MFRS 9”)

MFRS 9 introduce amongst others, a single forward looking “expected loss” impairment model which require entities to recognise loss allowance in anticipation of future losses rather than based on incurred basis.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

(iii) MFRS 15: Revenue from Contracts with Customers (“MFRS 15”)

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

## LAND & GENERAL BERHAD (COMPANY NO. 5507-H)

### A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset. The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follows:

#### a. Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Under the previous FRS, the Group accounted for the bundled sales as one deliverable and recognises revenue over time. Under the current MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

#### b. Cost incurred in fulfilling a contract

Under the previous FRS, the Group expensed off sales commissions and free legal fees as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and free legal fees relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under the current MFRS 15, these costs are eligible for capitalisation and recognised as property development costs and contract assets respectively.

The Group has substantially completed its assessment on the adoption of MFRS 15, except for impact of provision for foreseeable losses for low cost housing pursuant to the clarification issued by MIA on 7 March 2018. The Group expects to fully comply with the requirements of the MFRS framework for the financial year ending 31 March 2019.

#### (v) Early adoption of MFRS 16: Leases (“MFRS 16”)

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. MFRS 16 requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to pay rental (i.e., the lease liability) with a corresponding asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

With the adoption of MFRS 16, the Group will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset for those lease contracts where they are lessees. The Group have elected to apply the standard using a modified retrospective transition approach from 1 April 2018.

The impact from the adoption of MFRS1 and MFRS15 on the condensed consolidated statement of financial position as at 1 April 2017 (date of transition) and 31 March 2018 are disclosed in Appendix I to Appendix III.

## **LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**

### **A3. Audit Qualification**

The audit report of the Group's audited financial statements for the financial year ended 31 March 2018 was not subjected to any qualification.

### **A4. Seasonality and Cyclicity Factors**

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the financial period under review.

### **A5. Nature and Amounts of Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the financial period under review.

### **A6. Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Period or Prior Financial Periods**

There were no changes in estimates of amounts reported in prior financial years that have any material effects in the current quarter/financial period.

### **A7. Issuance and Repayment of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial period and financial year-to-date except for the following:-

#### Share capital

During the financial period ended 30 September 2018, the number of issued and paid-up share capital of the Company increased from 2,930,294,167 ordinary shares to 2,973,135,003 ordinary shares, by the issuance of 42,840,836 new ordinary shares each pursuant to the following ICULS conversion:-

- The cash conversion of 2,480,100 into 2,480,100 new ordinary shares following the receipt of cash proceeds of RM173,607 at the conversion price of RM0.20 for conversions; and
- The non-cash conversion of 62,093,458 ICULS into 40,360,736 new ordinary shares at conversion prices prevalent at the point of conversion.

The said ICULS matured on 24 September 2018 and upon maturity, the outstanding 53,031,958 units of ICULS were automatically converted into 34,470,761 new ordinary shares at the conversion price of RM0.20 each.

### **A8. Dividends Paid/Payable**

No dividend was paid or declared by the Company during the current quarter/financial period under review.

The single tier final dividend proposed in respect of the financial year ended 31 March 2018 of 1.5 sen per ordinary share of RM0.20 each, was approved and paid on 26 October 2018.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)****A9. Segmental Reporting**

The operating segment information for the financial period ended 30 September 2018 is as follows:

**Revenue for the 6 months period ended 30 September 2018**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
Sales to external customers	35,554	7,070	2,926	-	45,550
Interest & returns of short term funds	-	-	2,675	-	2,675
	<u>35,554</u>	<u>7,070</u>	<u>5,601</u>	<u>-</u>	<u>48,225</u>
Inter-segment sales	85	-	2,637	(2,722)	-
Total revenue	<u>35,639</u>	<u>7,070</u>	<u>8,238</u>	<u>(2,722)</u>	<u>48,225</u>

**Segment results for 6 months period ended 30 September 2018**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment results	5,100	2,134	2,722	9,956
Share of results of jointly controlled entity				-
Share of results of associates				(1,074)
Gain on fair value changes on financial assets at fair value through profit or loss				(3,548)
Finance costs				(2,193)
Profit before taxation				<u>3,141</u>

**Segment assets as at 30 September 2018**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment assets	1,092,855	37,482	414,229	1,544,566
Investment in jointly controlled entity				-
Investment in associates				10,203
Deferred tax assets				7,876
Tax recoverable				5,692
Total assets				<u>1,568,337</u>

**Segment liabilities as at 30 September 2018**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment liabilities	305,465	8,348	76,401	390,214
Tax payable				1,516
Deferred tax liabilities				43,649
ICULS – liability portion				-
Total liabilities				<u>435,379</u>

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)****A10. Other operating income**

	<b>Current Quarter RM'000</b>	<b>Cumulative Period RM'000</b>
Rental income	136	285
Gain on disposal of fixed assets	2	99
Unwinding of discount on loan to:-		
- An associate	2,085	4,095
- A joint venture	295	589
Interest income	715	1,151
Returns of short term funds	1,344	2,869
Write back of impairment loss on debtors	-	328
Deposits forfeited	-	183
Others	197	321
	<u>4,774</u>	<u>9,920</u>

Included in the corresponding period of the preceding year were:

- i) Write back of cost of RM35.52 million in respect of Damansara Foresta; and
- ii) The gain from MRT land acquisition of RM23.10 million.

**A11. Profit Before Taxation**

The following amounts have been included in arriving at profit before taxation:

	<b>Current Quarter RM'000</b>	<b>Cumulative Period RM'000</b>
Interest income	845	1,411
Returns of short term funds	2,276	5,284
Gain on disposal of fixed assets	1	98
Unwinding of discount on loan to:-		
- An associate	2,085	4,095
- A joint venture	295	589
Write back of impairment loss on debtors	-	328
Unrealised foreign exchange gain	20	347
Depreciation and amortisation	(1,055)	(1,985)
Interest expenses	(650)	(1,245)
Investment related expenses:		
- Loss on fair value changes on financial assets at fair value through profit or loss	(3,276)	(3,548)
Impairment loss on loan granted to a joint venture	(295)	(589)
Unwinding of discount on contingent consideration	(491)	(947)

**A12. Valuations of Property, Plant, and Equipment**

The valuations of land and buildings have been brought forward, without amendment from the previous audited financial statements.

**A13. Material Events Subsequent to the End of the Financial Period**

There are no material events subsequent to the end of the financial period ended 30 September 2018 that have not been reflected in this interim financial report except for the disclosure in Note B6.

**A14. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period ended 30 September 2018.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**

**A15. Capital Commitments**

	<b>30/09/2018</b>	<b>31/3/2018</b>
	<b>RM'000</b>	<b>(Audited)</b>
		<b>RM'000</b>
Approved and contracted for - school building	47,829	51,700
Approved but not contracted for - property, plant and equipment	462	529
Other commitments	37,486	41,211
	<u>85,777</u>	<u>93,441</u>

The other commitments relate to the acquisition of Soho Prestige Sdn. Bhd. ("SPSB"), which was completed on 16 November 2018.

**A16. Contingent Liabilities**

The Company has provided the following corporate guarantee to financial institution for credit facilities granted to:-

	<b>30/09/2018</b>	<b>31/3/2018</b>
	<b>RM'000</b>	<b>(Audited)</b>
		<b>RM'000</b>
- Associate company	50,892	52,277

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance of the Company and its Principal Subsidiaries**

(a) For the quarter ended 30 September 2018

Quarter	Revenue		Operating profit	
	2Q2019 RM'000	2Q2018 (Restated) RM'000	2Q2019 RM'000	2Q2018 (Restated) RM'000
Property	20,104	15,463	3,063	34,310
Education	3,456	3,367	1,082	1,201
Others	2,589	3,325	685	(1,015)
<b>Total</b>	<b>26,149</b>	<b>22,155</b>	<b>4,830</b>	<b>34,496</b>
Investment related income			(3,276)	(802)
Finance costs			(1,142)	(1,003)
Share of results of jointly controlled entity			-	-
Share of results of associated company			(232)	-
<b>Profit Before Tax</b>			<b>180</b>	<b>32,691</b>

For the quarter under review, the Group registered a revenue of RM26.15 million (2Q2018 (restated): RM22.16 million) and a pre-tax profit of RM0.18 million (2Q2018 (restated): RM32.69 million) as compared to the corresponding quarter of the preceding year. The performance for the quarter was mainly contributed by the lower operating profit from property division and the fair value loss on investment related costs of RM3.28 million following the decrease in quoted price of the investment.

**Property division**

The property division recorded an operating profit of RM3.06 million (2Q2018 (restated): RM34.31 million) on the back of a revenue of RM20.10 million (2Q2018 (restated): RM15.46 million) following further progress billings on the construction progress from its Astoria project. The recent launch of its Seresta and Sena Parc had minimal impact on the quarter's results due to the slow market condition coupled by the fact that the said developments are still in its initial stages. The higher operating profit in the corresponding quarter of the preceding year was mainly due to the write back of cost of RM35.52 million following the conclusion of certain work in respect of Damansara Foresta.

**Education division**

The education division reported a revenue of RM3.46 million (2Q2018 (restated): RM3.37 million) following the increase in fees for its private school coupled with the additional students' intake for its international school since its launch in September 2017. The division however, posted a lower operating profit of RM1.08 million (2Q2018 (restated): RM1.20 million) due to higher overheads with the recruitment of additional teachers following the opening of new classes for its international school.

**Other division**

Other division also recorded an operating profit of RM0.69 million (2Q2018: an operating loss of RM1.02 million) on the back of a revenue of RM2.59 million (2Q2018: RM3.33 million) for the quarter mainly due to MFRS9 interest recognition on its amount due from its associate, Country Garden Properties (M) Sdn Bhd ("CGPM") of RM1.97 million.

Also affecting this quarter's performance are the following:

- (i) Losses arising from fair value changes on its quoted investment based on share price changes and foreign exchange fluctuation of RM3.28 million (2Q2018: RM2.28 million profit); and
- (ii) Share of losses from its associate, Country Garden Properties (M) Sdn Bhd, of RM0.23 million (2Q2018: RM Nil). The losses from its associate were mainly due the underprovision of taxes in prior years and the service charges for the remaining unsold properties even though development results had picked up with improved sales and construction progress for the quarter.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**(b) For the 6 months period ended 30 September 2018

Quarter	Revenue		Operating profit	
	YTD 2Q2019 RM'000	YTD 2Q2018 (Restated) RM'000	YTD 2Q2019 RM'000	YTD 2Q2018 (Restated) RM'000
Property	35,554	32,990	5,100	63,963
Education	7,070	6,680	2,134	2,556
Others	5,601	5,014	2,722	(2,702)
<b>Total</b>	<b>48,225</b>	<b>44,684</b>	<b>9,956</b>	<b>63,817</b>
Investment related income			(3,548)	1,475
Finance costs			(2,193)	(1,997)
Share of results of jointly controlled entity			-	-
Share of results of associated company			(1,074)	-
<b>Profit Before Tax</b>			<b>3,141</b>	<b>63,295</b>

For the 6 months period under review, the Group registered a pre-tax profit of RM3.14 million (2Q2018 (restated): RM63.30 million) on the back of a revenue of RM48.23 million (2Q2018: (restated) RM44.68 million) compared to the corresponding period of the preceding year mainly due to lower contribution from property division and the fair value loss on investment related costs mentioned earlier.

**Property division**

The property division recorded a revenue of RM35.55 million (2Q2018: RM32.99 million) and an operating profit of RM5.10 million (2Q2018: RM63.96 million) for the period as compared to the corresponding period of the preceding year. The contribution for prior period of the preceding year included the write back of cost of RM35.52 million as mention in B1(a) and the compensation from MRT land acquisition of RM23.10 million in 1Q 2018.

**Education division**

The education division posted a revenue of RM7.07 million (2Q2018 (restated): RM6.68 million) and an operating profit of RM2.13 million (2Q2018 (restated): RM2.56 million) with the new intake of students and recruitment of additional teachers for its international school.

**Other division**

On the back of a revenue of RM5.60 million (2Q2018: RM5.01 million), other division recorded an operating profit of RM2.72 million (2Q2018: an operating loss of RM2.70 million) for the period ended 30 September 2018 due to MFRS 9 cumulative interest recognition of RM3.94 million and the dividend income from its quoted investment of RM0.6 million.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**

**B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

Quarter	Revenue		Operating profit	
	2Q2019	1Q2019	2Q2019	1Q2019
	RM'000	RM'000	RM'000	RM'000
Property	20,104	16,339	3,063	2,038
Education	3,456	3,614	1,082	1,051
Others	2,589	3,012	685	2,037
<b>Total</b>	<b>26,149</b>	<b>22,965</b>	<b>4,830</b>	<b>5,126</b>
Investment related income			(3,276)	(272)
Finance costs			(1,142)	(1,051)
Share of results of jointly controlled entity			-	-
Share of results of associated company			(232)	(842)
<b>Profit Before Tax</b>			<b>180</b>	<b>2,961</b>

The Group's revenue stood at RM26.15 million (1Q2019: RM22.97 million) and pre-tax profit at RM0.18 million (1Q2019: RM2.96 million). The lower pre-tax profit for the quarter compared to the preceding quarter was mainly due to fair value loss on investment related costs.

**B3. Prospects**

The property market is expected to remain challenging for the remaining quarters. Despite the slow sales take-up for its existing developments, the Group is exploring various pricing strategies as well as innovative marketing approach to improve sales.

As for its education division, the Group is increasing its marketing efforts to improve its International School student intake as the construction of the new building is targeted for completion by the middle of next year.

**B4. Variance of actual results from forecast profits and shortfall in Profit Guarantee**

Not applicable.

**B5. Tax expense**

	Individual Quarter		Cumulative Period	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Income tax:				
- Malaysian income tax	.1,331	568	1,797	9,060
- Over provision in prior years	-	(11)	-	(11)
	1,331	557	1,797	9,049
Deferred tax	4	8,549	(10)	8,356
	1,335	9,021	1,787	17,405

The domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated chargeable income for the year, while taxation for a foreign jurisdiction is calculated at the rate prevailing in that jurisdiction.

The effective tax rate (excluding share of gain/loss from jointly controlled entity) of the Group is higher than the statutory tax rate in the current financial year due to certain expenses being non-deductible for tax purposes.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)****B6. Corporate Development / Post Balance Sheet Events**

On 30 April 2018, the Company exercised its Option pursuant to the Soho Prestige Sdn Bhd Options (“SPSB Option”) as mentioned in previous financial year. Upon exercising the Option, the Company had on the even date entered into SPSB Share Sale Agreement (“SSA”) with Mayland and had subsequently paid a deposit of RM3.725 million, being 10% of the purchase consideration.

On 16 November 2018, the acquisition of SPSB was completed.

**B7. Utilisation of proceeds from funds arising from the Proposed Rights Issues**

As at 19 November 2018, the total proceeds of RM377,759,526.48 arising from the above Proposed Rights Issues were utilised as follows:-

<b>Purposes</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Intended timeframe for utilisation from completion date</b>
Settlement of Balance of Purchase Consideration and Outstanding Balances of RM8.6 million	314,348	314,348	-	Within 18 months
Working capital requirements	60,912	33,910	27,002	Within 36 months
Estimated expenses for the Proposals	2,500	2,500	-	Within 6 months
<b>Total</b>	<b>377,760</b>	<b>350,758</b>	<b>27,002</b>	

Except as disclosed above, there are no other corporate proposals which have been announced but not completed as at 19 November 2018, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

**B8. Borrowings and debt securities**

The Group’s total borrowings and debt securities as at 30 September 2018 are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured:			
Hire purchase and finance lease liabilities	58	302	360
Term loan	4,795	168,935	173,730
Bridging loan	-	4,999	4,999
	4,853	174,236	179,089

All denominated in the local currency.

**B9. Material Litigation**

The Group has not engaged in any material litigation as at 19 November 2018, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

**B10. Dividend Proposed**

No dividend has been proposed for the financial period ended 30 September 2018.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**

**B11. Earnings per Share**

Basic

The basic earnings per share is calculated by dividing the net profit attributable to owners of the Company for the quarter/period to date by the weighted average number of ordinary shares outstanding during the quarter/period to date.

	Individual Quarter		Cumulative Period	
	30/9/2018	30/9/2017 (Restated)	30/9/2018	30/6/2017 (Restated)
Profit attributable to owners of the Company (RM'000)	(1,591)	24,837	202	48,653
Weighted average number of ordinary shares ('000)	2,935,070	2,928,679	2,932,591	2,494,723
Basic earnings per share (sen)	(0.05)	0.85	0.01	1.95

Diluted

The diluted earnings per share has been calculated by dividing the Group's adjusted net profit for the period attributable to owners of the Company by the weighted average number of shares would have been in issue upon the full exercise of the conversion under the ICULS issued.

Adjusted profit attributable to the owners of the Company	Individual Quarter		Cumulative Period	
	30/9/2018	30/9/2017 (Restated)	30/9/2018	30/9/2017 (Restated)
Profit for the quarter/period	RM'000 (1,591)	RM'000 24,837	RM'000 202	RM'000 48,653
Add: Notional interest net of tax	-	16	-	33
Adjusted profit for the quarter/period	(1,591)	24,853	202	48,686

Weighted average number of ordinary shares	Individual Quarter		Cumulative Period	
	30/9/2018	30/9/2017 (Restated)	30/9/2018	30/9/2017 (Restated)
Weighted average number of ordinary shares per basic earnings per share computation	'000 2,935,070	'000 2,928,679	'000 2,932,591	'000 2,494,723
Effects of dilution in ICULS #	-	66,107	-	66,107
As at 30 September 2018	2,935,070	2,994,786	2,932,591	2,560,830
Diluted earnings per share (sen)	(0.05)	0.83	0.01	1.90

# The ICULS matured on 24 September 2018 and all outstanding ICULS were automatically converted to ordinary shares as per Note A7.

**By Order of the Board**

LEE SIW YENG  
SECRETARY (MAICSA 7048942)

Kuala Lumpur  
26 November 2018

Impact on the condensed consolidated income statement for the 6 months period ended 30 September 2017 arising from the adoption of MFRS as mentioned in Note A2:

	Under FRS 30/09/2017 RM'000	Adoption of MFRS RM'000	Under MFRS 30/9/2017 RM'000
<b>Revenue</b>	34,513	10,171	44,684
Operating expenses	(47,041)	1,404	(45,637)
Other operating income	77,149	(12,379)	64,770
<b>Profit from operations</b>	64,621	(804)	63,817
Investment related income	1,475	-	1,475
Finance costs	(1,997)	-	(1,997)
Share of results of jointly controlled entity	-	-	-
Share of results of associate	-	-	-
<b>Profit before taxation</b>	64,099	(804)	63,295
Income tax expense	(17,572)	167	(17,405)
<b>Profit for the period</b>	46,527	(637)	45,890
<b>Other comprehensive income/(expense) that will be subsequently reclassified to profit or loss :</b>			
Foreign currency translation differences from foreign operations	101	-	101
	101	-	101
<b>Total comprehensive income for the period</b>	46,628	(637)	45,991
<b>Profit attributable to:</b>			
- Owners of the Company	49,290	(637)	48,653
- Non-controlling interests	(2,763)	-	(2,763)
	46,527	(637)	45,890
<b>Total comprehensive income attributable to:</b>			
- Owners of the Company	49,391	(637)	48,754
- Non-controlling interests	(2,763)	-	(2,763)
	46,628	(637)	45,991
<b>Earnings per share attributable to Owners of the Company (sen):</b>			
- Basic	1.16	0.79	1.95
- Diluted	1.13	0.77	1.90

Impact on the condensed consolidated statement of financial position as at 1 April 2018 arising from the adoption of MFRS as mentioned in Note A2:-

	(Audited) 31/03/2018 RM	Adoption of MFRS RM	Transitioning to MFRS RM	(Unaudited) 31/03/2018 RM (Restated)
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	76,199	(1,850)	-	74,349
Land held for property development	493,347	-	-	493,347
Investment properties	86,353	-	-	86,353
Goodwill	12	-	-	12
Biological asset	6,422	-	-	6,422
Land use rights	47	-	-	47
Investment in associates	12,105	(827)	-	11,278
Investment in jointly controlled entity	*	-	-	*
Other investments	11,900	-	-	11,900
Deferred tax assets	7,867	-	-	7,867
Trade and other receivables	143,512	(2,740)	-	140,772
	<u>837,764</u>	<u>(5,417)</u>	<u>-</u>	<u>832,347</u>
<b>Current Assets</b>				
Property development costs	230,798	10,394	-	241,192
Inventories	39,732	-	-	39,732
Trade and other receivables	38,358	-	-	38,358
Contract asset	-	-	-	-
Other current assets	14,770	-	-	14,770
Tax recoverable	4,615	-	-	4,615
Short term funds	1,454	-	-	1,454
Deposits, cash and bank balances	385,422	-	-	385,422
	<u>715,149</u>	<u>10,394</u>	<u>-</u>	<u>725,543</u>
<b>TOTAL ASSETS</b>	<b><u>1,552,913</u></b>	<b><u>4,977</u></b>	<b><u>-</u></b>	<b><u>1,557,890</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	651,664	-	-	651,664
ICULS – equity portion	7,871	-	-	7,871
Retained profits	428,504	628	8,859	437,991
Other reserves	21,248	-	(8,859)	12,389
	<u>1,109,287</u>	<u>628</u>	<u>-</u>	<u>1,109,915</u>
<b>Non-controlling interests</b>	<u>17,209</u>	<u>4,199</u>	<u>-</u>	<u>21,408</u>
<b>Total Equity</b>	<b><u>1,126,496</u></b>	<b><u>4,827</u></b>	<b><u>-</u></b>	<b><u>1,131,323</u></b>
<b>Non-current Liabilities</b>				
Provisions	41,611	-	-	41,611
Trade and other payables	63,187	-	-	63,187
Borrowings	169,842	-	-	169,842
Deferred tax liabilities	43,504	145	-	43,649
	<u>318,144</u>	<u>145</u>	<u>-</u>	<u>318,289</u>
<b>Current Liabilities</b>				
Provisions	27,737	-	-	27,737
Trade and other payables	64,260	5	-	64,265
Borrowings	15,777	-	-	15,777
ICULS –liability portion	81	-	-	81
Tax payable	418	-	-	418
Contract liabilities	-	-	-	-
	<u>108,273</u>	<u>5</u>	<u>-</u>	<u>108,278</u>
<b>Total Liabilities</b>	<b><u>426,417</u></b>	<b><u>150</u></b>	<b><u>-</u></b>	<b><u>426,567</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,552,913</u></b>	<b><u>4,977</u></b>	<b><u>-</u></b>	<b><u>1,557,890</u></b>

\* The costs of investment in the jointly controlled entity have been fully impaired

Impact on the condensed consolidated statement of financial position as at 1 April 2017 arising from the adoption of MFRS as mentioned in Note A2:-

	(Audited) 31/03/2017 RM'000	Adoption of MFRS RM	Transitioning to MFRS RM	(Unaudited) 31/03/2017 RM (Restated)
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	76,065	(908)	-	75,157
Land held for property development	158,740	-	-	158,740
Investment properties	87,829	-	-	87,829
Goodwill	12	-	-	12
Biological asset	6,567	-	-	6,567
Land use rights	48	-	-	48
Investment in associates	-	-	-	-
Investment in jointly controlled entity	*	-	-	*
Other investments	13,092	-	-	13,092
Deferred tax assets	22,144	-	-	22,144
Trade and other receivables	-	-	-	-
	<u>364,497</u>	<u>(908)</u>	<u>-</u>	<u>363,589</u>
<b>Current Assets</b>				
Property development costs	219,643	7,259	-	226,902
Inventories	43,483	-	-	43,483
Trade and other receivables	81,930	-	-	81,930
Contract asset	-	-	-	-
Other current assets	682	-	-	682
Tax recoverable	421	-	-	421
Short term funds	7,380	-	-	7,380
Deposits, cash and bank balances	390,419	-	-	390,419
	<u>743,958</u>	<u>7,259</u>	<u>-</u>	<u>751,217</u>
<b>TOTAL ASSETS</b>	<b><u>1,108,455</u></b>	<b><u>6,351</u></b>	<b><u>-</u></b>	<b><u>1,114,806</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	272,032	-	-	272,032
ICULS – equity portion	9,036	-	-	9,036
Retained profits	354,254	3,176	8,859	366,289
Other reserves	20,992	-	(8,859)	12,133
	<u>656,314</u>	<u>3,176</u>	<u>-</u>	<u>659,490</u>
<b>Non-controlling interests</b>	<u>16,553</u>	<u>3,175</u>	<u>-</u>	<u>19,728</u>
<b>Total Equity</b>	<b><u>672,867</u></b>	<b><u>6,351</u></b>	<b><u>-</u></b>	<b><u>679,218</u></b>
<b>Non-current Liabilities</b>				
Provisions	39,895	-	-	39,895
Trade and other payables	44,484	-	-	44,484
Borrowings	66,244	-	-	66,244
Deferred tax liabilities	23,323	-	-	23,323
ICULS –liability portion	120	-	-	120
	<u>174,066</u>	<u>-</u>	<u>-</u>	<u>174,066</u>
<b>Current Liabilities</b>				
Provisions	82,900	-	-	82,900
Trade and other payables	50,635	-	-	50,635
Borrowings	25,316	-	-	25,316
ICULS –liability portion	56	-	-	56
Tax payable	44,038	-	-	44,038
Contract liabilities	-	-	-	-
Dividend payable	58,577	-	-	58,577
	<u>261,522</u>	<u>-</u>	<u>-</u>	<u>261,522</u>
<b>Total Liabilities</b>	<b><u>435,588</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>435,588</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,108,455</u></b>	<b><u>6,351</u></b>	<b><u>-</u></b>	<b><u>1,114,806</u></b>

\* The costs of investment in the jointly controlled entity have been fully impaired